

Soviet Note to Mufden

(3)

(12)

Enclosure No. 1, to despatch No. 389, of M. S. Myers,
Consul General, Mukden, China, dated February 13, 1931,
to the Legation, Peiping, on the subject "

SOVIET NOTE TO MUKDEN

Demands Disarming of Whites

From The Peking & Tientsin Times, January 12, 1931.

The following is the text of the Note of the Government of the U.S.S.R. handed by the Soviet Consulate-General at Mukden on December 30, 1930, to the Mukden Government:-

"In accordance with Article Four of the Habarovsk Protocol of December 22, 1929, the Chinese Authorities undertook the obligation to disarm immediately the White Guards detachments and to deport their organisers and inspirers from the boundaries of the three Eastern Provinces. The list, attached to the above Article, contains the names of these organisers, liable to immediate deportation.

"Further, the Mukden Government in its Note of October 9, 1930, declared that troops are being sent by it for the apprehension and expulsion of the White Guards detachments, and that it is searching for the persons, mentioned in the list, attached to the protocol, for the purpose of their deportation.

"However, according to information to hand, the Head of the White Guards band, operating on the Western line of the Chinese Eastern Railway, by the name of Pieshkoff arrived at the Headquarters of General Hsu at Hailar, where he was offered a monetary remuneration and was invited to serve with the Tsitsihar troops. The members of his band remained in the Three Rivers' District, and the Chinese Authorities gave out to every one of them money in order to obtain Chinese passports.

"The Chinese Authorities are conducting through the medium of Pieshkoff negotiations also with another Chieftain of the White bandits named Zykoff about his "honorary surrender" on the same conditions. The third White Russian detachment of Alla-Verdy is stationed now in the Region of Hailar-Najin Bulak, in the Three Rivers' District, being occupied, without any hindrance, with plundering.

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"The Union Government is compelled to protest against the obvious violation by the Chinese Authorities in Manchuria of their direct and non-ambiguous obligations in relation to the liquidation of the White banditry, representing a serious menace for the maintaining of peace and order in the Far East and the good neighbourly relations between U.S.S.R. and China.

"The Union Government reminds about the assurances of the Mukden Government that it has no intention to admit the activities of White Guards or accord to them its protection, and expects that the Mukden Government will confirm these assurances by taking actual measures for the complete liquidation of the White Guards detachments, and, in particular by the immediate arrest, putting on criminal trial and by the deportation outside the boundaries of the Three Eastern Provinces of Pieshkoff himself as well as his closest assistants and the leaders of the other White Russian bands.

"The Union Government expects the taking of resolute and immediate measures for cleaning from the White Guards detachments the Three Rivers' District, serving as a place of concentration for these White bandits.

"While confirming the sincere desire, expressed in its Note of October 7th, 1930, of continuing to proceed along the way outlined by the Habarovsk Protocol of the betterment and strengthening of the normal relations with the Mukden Government, the Union Government is hoping, as before, that the Mukden Government will act in conformity with its assurances and will take all measures for the elimination of obstacles, created by outside forces, the direct agents of which are the White Russian bandits."

Division of
FAR EASTERN AFFAIRS
MAR 11 1931

No. 389

AMERICAN CONSULATE GENERAL

Mukden, China,

February 13, 1931.

DEPARTMENT OF STATE
MAR 16 1931
SUBJECT
A-C/C
ASSISTANT SECRETARY
CONFIDENTIAL
STATE

Review of Political Conditions
for January 1931/

The Honorable

Nelson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

In accordance with standing instructions,
I have the honor to submit a brief review of
conditions in this consular district for the
month of January 1931.

SUMMARY.

No noteworthy events occurred in this con-
sular district during the month. Marshal Chang
Hsueh-liang returned to Mukden on January 18th
after a protracted stay at Nanking and Tientsin.
A financial conference was convened at Mukden on
January 26th for the discussion of the financial
problems of the northern and northeastern pro-
vinces. It was ordered that likin should be
abolished but subsequently another instruction
was given to continue collecting the consumption

tax

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note
Mukden

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Stamp: RECEIVED MAR 17 1931 DEPARTMENT OF STATE

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tax pending the promulgation of the new taxes. Many native customs stations have, however, been closed.

Mr. Kimura, one of the directors of the South Manchuria Railway Company, initiated conversations with the Mukden Authorities regarding railway questions. The Japanese Government bestowed the first class Order of the Rising Sun on Marshal Chang.

Under date of December 30, 1930, the local Soviet Consul General filed a second note with the Mukden Government protesting against the violation of the Habarovsk Protocol by the Chinese side. A reply was returned on January 21, 1931.

POLITICAL.

Marshal Chang Hsueh-liang returned to Mukden from Tientsin by airplane on January 18th after an absence of nearly two and one-half months. Prominent members of the local Government including General Chang Tso-hsiang, of Kirin, had been urging him for some time to return to attend to important matters.

There is no evidence that the Marshal's policy of closer relations with the Central Government is meeting with opposition within the Mukden Party. As he has been given a free hand in military affairs, finances in view of the

understanding

understanding reached at Nanking are most likely to furnish an opening for a marked dissimilarity in views. As mentioned elsewhere in this report, a financial conference has been in session at Mukden since January 26th and so far there are no indications of any untoward developments in this direction.

Beginning January 26, 1931, weekly memorial meetings have been held each Monday morning in the provincial Government building which are attended by the leading officials, military and civil. The Marshal has addressed each meeting so far and at a recent one he urged the higher officials to study the San Min Chu Yi so as to become members of the Kuomintang before the coming elections to the National Assembly. In this connection it has been reported that Wu T'ieh-ch'eng will shortly come to Mukden to establish a branch of the Kuomintang at Mukden.

The Marshal has recently made it known that his headquarters as Vice Commander-in-Chief of the National Army, Navy and Air Forces will be established at Peiping and that its organization will comprise a general staff, secretariat, general affairs department, martial law department, medical department, adjutants and supply department. He himself will continue to reside at Mukden but will visit Peiping occasionally. It is expected that

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he will go to Peiping some time in March when the headquarters will be formally established.

SINO-JAPANESE RELATIONS.

On January 21, 1931, the Japanese Emperor bestowed on Marshal Chang Hsueh-liang, through Consul General Hayashi at Mukden, the first class Order of the Rising Sun with the Grand Cordon. The presentation was made at the Marshal's headquarters with appropriate ceremony. The bestowal of the decoration at this time seems significant.

Concerning the institution at Mukden of negotiations relating to railway questions between South Manchuria Railway officials and the Mukden Government, referred to in my political review dated January 12, 1931, Mr. Kimura, the Director in charge of the negotiation section, paid his first call on Marshal Chang on January 22, 1931. Calls have since been exchanged with other prominent officials and the customary courtesy dinner parties have been given both by the Chinese and Japanese. Up to the end of the month only informal conversations, it has been reliably learned, had taken place.

According to Japanese reports, the chief questions to be negotiated relate to new Chinese construction as affecting the South Manchuria Railway, the building of the Kirin-Kainei line and the payment of the advances for the construction of the Taonan-Angangchi and Kirin-Tunhua railways, com-

pleted

pleted in 1926 and 1928 respectively. (Reference - my despatch No. 385, of January 20, 1931, entitled "Proposed Sino-Japanese Parleys Relative to Railways in Manchuria"). The Japanese are without doubt anxious to further railway development in Manchuria but at the same time desire to protect the interests of the South Manchuria Railway by restricting injurious competition.

SINO-SOVIET RELATIONS

As was reported in the press, the local Soviet Consul General handed a note to the Mukden Government on December 30, 1930, protesting against the non-fulfillment of the terms of the Habarovsk Protocol in regard to the disarming of the "White bands" and the deportation of their leaders. The version of this note published in the Peking and Tientsin Times of January 12, 1931, is substantially correct according to reliable information and a copy of it is, therefore, enclosed herewith. On January 21, 1931, the local Foreign Office under instruction of the Political Council replied to the Soviet Consul General to the effect that the so-called "White bands" in North Manchuria were merely bandits and had no political objectives and further that the Mukden Government is taking steps to suppress them as in the case of Chinese bandits.

According

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According to an unconfirmed report, Pleshkoff, a leader of one of these bands who is named in the Soviet Note, has been in Mukden recently where he has been in touch with the Chinese military authorities. Although confirmation of this report is lacking, it has been reliably learned that in recent months General Chang Tso-hsiang and General Yung Chen, the Acting Chief Commander of the Northeastern Frontier Army during Marshal Chang's absence, have been in communication with several of these leaders.

FINANCIAL

Likin has been abolished in this province but likin, or more particularly the principal tax in the nature of likin, is still being collected. Early in January an instruction was received from Marshal Chang Hsueh-liang, at Tientsin, transmitting the Central Government's orders to abolish likin and directing that it be given effect. Subsequently (on January 13th) the Finance Bureau issued an instruction to the tax offices to cease collecting all taxes in the nature of likin but a few days later a department of the Bureau issued a second instruction to the effect that the first order transmitting the instructions of the higher authorities was for the information of the tax offices only and that the consumption tax should be collected as usual until the new taxes were promulgated.

543.512-Likin

promulgated. The injunction was given, however, that careful attention should be given to foreign goods which had paid the new customs duties so that complications may be avoided. This careful attention evidently refers to the empty option given merchants of paying the consumption tax or the new taxes as soon as promulgated - in the latter event they are unable to move their goods until the tax is paid. As soon as this order was issued, the local Commissioner of Finance hastened to Tientsin to confer with Marshal Chang. The new taxes have not yet been promulgated and this system is still in force.

It has been reliably learned that many of the Native Customs stations have been closed but not all. Foreign reports confirm that those along the Yalu river are now closed.

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Under the direction of Marshal Chang, a financial conference was convened at Mukden on January 26th for the discussion of measures for the rehabilitation of Government finances in the northern and northeastern provinces and for the solution of questions connected with the abolition of likin. Currency proposals have also been submitted to the conference. Representatives from the provinces of Liaoning, Kirin, Heilungkiang, Jehol, Chahar, Shansi and Hopei and the municipalities of Peiping, Tientsin and Harbin are attending the conference which is still in session.

One of the knotty problems is the making ^{the} good of/deficits in the budgets of the north-eastern provinces, of which that of Liaoning Province is the most difficult (said to be \$15,000,000). The military establishment is the great drain and it has been said that a reduction in the requirements of that service offers the only solution. In this connection a recent press report is to the effect that the Central Government has proposed that the Northeastern Frontier Army be reduced by 60,000 men.

As having a bearing on this subject, it is interesting to note that the Mukden Authorities are becoming interested in the development of gold mining in Manchuria. It is understood that several qualified persons are being sent at once to investigate certain properties. Interested persons state that if a sufficiently large deposit can be found it will be worked by modern methods and with the proceeds a comprehensive survey will be made for gold. The Marshal is supporting this development.

AVIATION

The Ford tri-motored passenger airplane which was flown here from Japan last summer for demonstration purposes was recently purchased by Marshal Chang. It may be added that he returned to Mukden by this plane in January. The services of the

American

American pilot, Mr. Hutton, are being retained. It is believed that this is the first American plane to be purchased by this Government.

Respectfully yours,

M. S. Myers.
American Consul General.

Enclosure: Table of Contents.
" : Copy of article appearing in Peking
and Tientsin Times, January 12, 1931.

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

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