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No. -- 635 AMERICAN CONSULATE Mukden, China, July 30, 1932. SUBJECT: Growing Disorder in South Manchuria. THE HONORABLE THE SECRETARY OF STATE, WASHINGTON. M' NT OF STATE I have the honor to enclose herewith a copy of my ANCHURIA/407 despatch No. 635 to the Legation at Peiping, China, dated July 30, 1932, on the above subject. 893.01 Mountaine Respectfully yours, A. S. Chase American Consul. Enclosure: Copy of despa tch No. 635 to the Legation at Peiping. 800 HTW

AMERICAN CONSULATE GENERAL.
Mukden, China, July 30, 1932.

SUBJECT: Growing Disorder in South Manchuria.

The Honorable

Melson Trusler Johnson,

American Minister,

Peiping, China.

Sir:

793.94/4847

I have the honor to refer to this Consulate General's despatches of February 17 and 24 and July 16, 1932 relative to banditry and other disorders in this Consular District.

A study of recent events and existing conditions as reported from various sources indicates that at no time since the incident of September 18th has the general situation in South Manchuria been more desperate. Disorder, while evidently decreasing somewhat during the months from January to May, has apparently grown since early June at a steadily accelerating pace, and has now reached a point where it would seem that the Japanese Military must soon consider it necessary to take drastic and extensive measures if they hope to secure from chaos anything in the area other than a network of fortified railway tracks.

Ageording to the official compilation of the local

local Japanese Consulate General, reported incidents of bandit activity in and near the South Manchuria Railway Zone during the month of June inereased in the following scale:

Period	No. of Incide	of over 500 mts Bandits	Kidnappings and Killings
June 1-	10 324	18	161
June 10-	20 432	23	135
June 20-	30 482	50	335

It will be noted from the above that attacks by large groups of over 500 bandits and those involving kidnapping and killing registered a marked increase relative to the total number of incidents. Similar figures for July are not yet available, but press items and other sources of information would indicate a very definite worsening of the situation.

No statistics are at hand for areas other than those of the South Manchuria Railway Zone but recent reports from practically every area testify to the existence of conditions as bad as, if not worse than, anything yet experienced.

A member of the local Japanese Consulate General admitted recently that bandit conditions in South Manchuria are becoming steadily worse and worse. He stated that the number of Japanese soldiers available was inadequate to cope with the bandit forces; and that the purportedly pro-Manchoukuo Chinese troops are so unreliable that they can be employed to advantage only if bolstered up by the presence of Japanese contingents, usually in the ratio of one

or two Japanese copmanies to a Manchurian regiment. He intimated that the original plan of using purely Manchoukuo detachments officered by Japanese had been found unsuccessful. Of the Manchoukuo high commanders employed in bandit suppression, he stated that none could be considered dependable with the possible exception of Generals Wang Tien-chung (王殿忠) and Li Shou-shan (李壽山) (subordinate of Yu Chih-shan). He said that the volunteer (I Yung Chun) movement engineered by Chang Hsuch-liang was becoming very menacing; that it had attained alarming proportions in the Liaohsi-Shanhaikuan sector; and that it was scarcely less threatening in the Tungpien area where propaganda and smuggled arms were doing much to aggravate a situation already rendered perilous by the "Big Sword" activities.

That the conditions in the interior are daily becoming more deplorable is elequently demonstrated by the numbers of refugees who constantly swarm in to the railway zones from the Tungpien, Liao and other areas. When one considers what must be the already tremendous disastrous consequences of banditry and disorder - the lives and property destroyed, the loss of trade, the abandonment of crops, misery of refugees, starvation, expectors - and adds thereto the new curse of cholers plague which is now raging with severity in areas such as Tungliao and Newchwang and that of flood which is causing great demage in the Taonan, Tungliao, Liaoyuan and

other areas, it is difficult to find evidences of the Paradisiscal transformation which was heralded to come with the establishment of the new State of Manchuria.

While it is not intended here to undertake a detailed analysis of the reasons for recent Fowth of disorder in South Menchuria, certain factors may be mentioned as largely contributing to it. It appears undoubtedly true, as claimed by Japanese sources, that there has been in recent weeks a great increase in underground work directed by Chang Hauchliang and that his "Volunteer" (I Yung Chun) movement has been highly effective in stirring up enti-Manchoukuo activities - particularly in the Lico-hai-Shanhaikuan and other western regions. It would somm probable that these claims are somewhat exaggerated, however, and at any rate there are other developments influencing the situation. Mentioned in the order of their importance, these would seem to bo: the continually growing economic urge to banditry owing to the increasing difficulty of obtaining a living by other means; the insufficient number of Japanese troops in South Manchuria following the large concentrations in North Manchuria for the purposes of campaign against Ma Chan-shan; the unreliability and in many cases defection of the Manchoukue bandit suppression forces; the growing hestility of the peasant population to the Japanese Army, resulting largely, it is said, from sirplene "stroffings"; and the augmented organized power of such

bandit

bandit forces as the "Big Swords" and "Red Lances".

An effort has been made to obtain specific data on the bandit situation in the different sections of South Manchuria, and, for convenience, division has been made on the basis of fourteen 1/areas indicated on the attached roughly prepared map. The information has been supplied principally by the local Japanese Consulate General, confirmed and augmented where possible from press and other sources. As will be noted, the areas which at the moment of writing show the most alarming conditions, are, in apparent order of severity: Chientao, Kirin-Tunhua, Tungpien, Lower Liao, Liaohsi-Shanhaikuan, Fushun-Penshihu, Kaiyuan and Tungliao-Tahushan. CHANGCHUN-SSUPINGKAI This is one of the very few areas in South Manchuria where

disorder does not seem to be on the rise. Bandits have operated actively, their reported record for June being 164 cases, of which the greater part were concentrated in the Kungchuling district. Owing to the vigilance of the railway police and the military, however, attacks have been energetically repulsed, and, according to official Japanese sources of information, there has been in recent weeks a tendency of the bandits to withdraw from the vicinity of the railway into the interior. The bandits in the area appear to be principally of the independent irregular type and are reported to total approximately 4000. They operate chiefly in small groups, an exception being a group of about 1000 men led by Lin

Chung-p1

Chung-p1 (林中飛).

MATYUAN Japanese Consular sources report that banditry is definitely on the increase here and that the area is now one of the worst in South Manchuria. Three hundred and twelve bandit incidents are reported for June, divided as follows:

Period	Incidents
June 1-10	71
June 10-20	108
June 20-30	139

The number of bandits in the area are estimated at some 5800, of whom about 5000 are located to the west of the railway. They have been operating in fairly large bands, of which a group of 1500 under Chin Shan-ho (全山大) and one of 2000 under Tien-lo (天 章) appear to be the most important. Outrages have been especially frequent in the vicinity of Tiehling, and raids are carried boldly to the railway zone, with frequent kidnappings of the employees of the railway stations. The bandits are mainly Chinese irregulars, though Mongol bands are also reported to the west and "Broad Swords" and "Volunteers" (I Yung Chun) on the east.

Quiet in South Manchuria, only 16 cases of banditry being reported for June. Since the recent development of the "Volunteer" movement in Liaohsi and the Ishimoto incident, however, there have been signs that the Military is more or less apprehensive of trouble in the Mukden district, and the local Chinese police force is reported to have been under stricter

stricter surveillance than usual. Bandits in the area are estimated at about 6000 men, and with large forces of "Big Swords" threatening near Fushun and the Penshihu District in dangerous condition, one cannot describe the vicinity of Mukden as tranquil.

LOWER LIAO This is today one of the most disordered and dangerous regions in South Manchuria.

Bandit incidents for June alone totalled 290 cases, apportioned as follows:

Period		Yingkou District	Tashihohiao	Other
June	1-10	37	17	12
June	10-20	67	26	17
June	20-30	77	25	12

There are approximately 4500 bandits reported in the area. By far the greater number of these are concentrated in the Taien-Panshan-Yingkou-Anshan square and this entire section constitutes a nest of desperadoes who become continually bolder to the point where they are almost daily raiding in the vicinity of the South Manchurian and Koupangtze-Yingkou railway lines. They operate in fairly large bands, Lao Pei-feng (老 北川弘) with 800 odd effectives said to be Volunteers - and Shancheng (三 月香) with a slightly larger force, playing the leading roles in maurauding deeds. To the menace of land banditry is added that of pirates, who are said to be infesting the Liao River all the way down its course to Yingkou. A recent press item states that the bean traffic is being seriously affected by piracy, which is now having the result of holding up over 400 junks at the mouth of the river.

Juring June the Liaoyang District was subject to particularly severe attacks, and "Big Swords" under Ping Erh-hou (平日分), Ssu-ho (四 元) and others undertook frequent raids in the South Manchuria Railway Zone, attacking stations and causing much trouble. The bands mentioned are now reported to have withdrawn slightly to the west for the purpose of directing their activities against the Penshihu District.

During the past few weeks bandit attacks in the Lower Line area are reported to have increased in number. A few incidents may be mentioned as examples.

On July 9th a body of some 50 bandits raided the Standard Oil Company's Installation at Newchwang, capturing several watchmen and a fitter and robbing employees' personal effects to the value of about Yuan \$500.00. They later released the watchman but not the fitter. They demand a ransom of Yuan \$20,000 for the latter and, in the hopes of hastening payments, have carried on threateningly for several days in the immediate vicinity of the firm's property. All this has been done within a few miles of the headquarters of General Wang Tien-chung (王 成之), one of the principal leaders of the bandit suppression forces. (Incidentally it may be stated that the Consulate General has been instrumental in inducing General Wang to increase the military guard at the property and to undertake measures for the rescue of the kidnapped employee).

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On July 18th the Koupangtze-Yingkou train was subjected to a heavy fusillade of rifle fire near Panshan. On the 21st some 300 bandits appeared around Pachiatzu, being finally dispersed by a company of railway guards. The same day a band of 60 brigands raided Chienshan, just south of Anshan.

Recent reports record the advent of 400 new refugees to Tashihehiao and 1500 to Kaiping - convincing testimony of the disorder prevailing in the area.

It may be added that, according to Japanese Consular sources, the military authorities have decided to undertake no immediate campaign against banditry in the Lower Liao region due to the fact that the troops are needed for a drive in the Tungpien area; and that for the present efforts will be made merely to keep the bandits away from the rail-ways.

counted as one of the less disturbed portions of South Manchuria. Japanese Consular sources place the number of bandit incidents there at only 35 for the month of June. There has been little information from other sources indicating very dangerous conditions, though the Local Postal Commissioner reported lately that mail communications in the section were recently interrupted for the period of a month. Bandits in the section are estimated at approximately 1200.

FUSHUN-PENSHIHU Japanese Consular sources record that bandit incidents in this area

rose steadily during June, amounting to 176 cases for the month. According to available information, July has witnessed an aggravation of disorder.

Large bands of "Big Swords" under the leadership of Ping Erh-hou (平日好), Ssu-ho (四 流), et cetera, working east from the Hsimmin area and amalgamating with other forces, including many deserted soldiers, have entered the region between Liaoyang and Penshihu, directing their attacks towards both of these points. They have been very bold, frequently attacking stations, cutting wires, and kidnapping railway employees.

On July 18th a Japanese station master and another Japanese railway employee were kidnapped near Penshihu.

As reported in the Consulate General's despatch of July 16, 1932, a "Big Sword" leader by the name of Li (since identified as Li Chung-jun) dominates the Sinpin district to the east of Fushun.

Bandits in the Penshihu-Fushun area are estimated at 10,800, including a group of 5000 "Big Swords" operating between Fushun and Mukden.

ANTUNG Conditions here, while still slightly better

than those on the northern section of the line, have become steadily worse. Figures for June incidents are:

June 10 - 20 55
June 20 - 20 66
June 20 - 30 108

Some movem thousand bandits are reported to be in

area, apparently consisting of irregulars with some groups of "Big Swords" and "Volunteers". They operate mainly in small groups, exception being Chang Yi-chung (张 红 之) with about 2000 men near Kwantien and Ting San-mei (官戶政本金) with about the same number in the neighborhood of Heinan.

During June Li Fu-tien (李帝 D) and Kao
Shan-ho (元 少分) are reported as having done
much plundering in the eastern vicinity of the railroad but the Japanese troops and guards apparently
succeeded in keeping the line itself fairly free
from attack. Several incidents recorded in July,
indicate that the bandits are now becoming bolder.
Thus on the 15th a Japanese railway worker was kidnapped while repairing a bridge. On July 7th three
Japanese railroad employees were captured at Chikwansham and held till the 29th when they succeeded
in breaking away. On the 25rd 400 bandits headed
by "Big Swords" rushed a police box at Hunshuihpae,
in the close neighborhood of Antung, retreating
after a thirty minute fight.

the neighboring Chientee and KirinTunhua areas, this region is probably in a more
desperate condition than any other area in South
Manchuria. While there is little published record
of specific bandit activities and incidents available, the fact of the hopeless plight of East Tungpion is well established by both private and Japanese Consular sources of information, as well as by

the large number of refugees fleeing from the territory. The Consulate General's despatch No. 630 of July 16, 1932, with particular reference to developments in the Sinpin District, is believed to provide a good picture of conditions in that general area.

According to several recent estimates, there are now operating in the area bands of "Big Swords" totalling some 30,000 men. The distribution of these forces is stated by Japanese Consular sources to be approximately as follows:

Chinyuan District	2000
Uninyuan Die triet	4000
Tungfeng Dis trict	1000
Tunghua District	3600
Sinpin District	4000
Liuho District	2000
Chinchuan District	1000
Hweinan District	4000
Panshih District	8000
Other	0000

In addition to these there are said to be numbers of "Red Lances", irregulars, and "Undesirable Koreans", amounting in toto to perhaps 20,000 men.

"Red Lances" are said to possess no weapons other than knives, but they nevertheless appear to have been successful in extending their control throughout the area. As stated in the Consulate General's despatch before referred to, the "Big Swords" have a measure of governmental organization and are undertaking to suppress the many groups of small-scale irregular bandits whose plundering activities are particularly demoralizing. Japanese sources claim that the "Big Swords" are receiving much assistance

from Chang Hauch-liang in the way of smuggled arms and assumition.

As previously reported, business in the towns is almost at a standstill, while property owners have been endeavoring to flee to the railway zones. A member of the local Japanese Consulate General assigned to the supervision of aid to Korean refugees, states that, of 70,000 Korean residents in the Tungpien area before the trouble, over 25,000 have fled to the railway as refugees, some 10,000 of them being now located at Shanchengtze, 10,000 at Mukden, and about 5000 at other points on the Mukden-Hailung railroad. He adds that the number of Chinese refugees from the same area is unascertained but undoubtedly far greater. The rice crop ordinarily harvested by the Tungpien Koreans, will, he believes, be largely lost for this year as a result of the abandonment of farms.

A recent press item announces that General (点录点)
T'ang Ch'u-wu is attempting to organize a provincial
government at Tunghua under instructions from Chang
Hsuch-liang and that he is also planning to build a
small arsenal.

Japanese Consular sources state that the military are now undertaking a campaign to drive all the bandit groups in East Tungpien castwards towards Chientao. To carry out this plan, Generals Wang Tien-chung (王承之) and Li Shou-shan (李素山) are to drive west from the Mukden-Antung railroad while at the same time Japanese railway guard forces are to push south from their bases at Shanchengtze

and Chaoyang and Japanese troops of the 20th (Korean) Division now stationed at the Korean border points, Kwantien, Ch'iakoumen, Tsian, and Linkiang, are to push northward.

to record, there is no specific information at hand regarding recent incidents in the Kirin-Tunhua area. This, according to Japanese Consular sources, is now after Chientao, the most disordered region in South Manchuria. Numbers of "Big Spears" similar to those in the Tungpien section are said to be operating in the area.

CHIENTAO This region is, according to all available

area in South Manchuria. As with Kirin-Tunhua there is an ominous lack of information in its regard. It is understood that the whole section is disturbed by the activities of various groups, including "Big Swords", "Red Lances", and Korean communists, and that anti-foreignism is manifest to a dangerous degree. The withdrawal of British subjects from the region ordered on June 20th (reported in this office's telegram of 5 p.m., June 21st) is indicative of the precarious situation.

TAONAN According to the meagre information available,
this area is relatively tranquil, though
serious floods of the Monni and Taoerh Rivers are
causing considerable losses and suffering. A recent
press item records that the rise of water has badly
demaged an embankment and several bridges between
Pinganchen

Pinganchen and Kokenmiao and resulted in the suspension of rail traffic on the Solun-Taonan line since July 21st.

TUNGLIAO-TAHUSHAN This area is among the more disordered regions of South Manchuria and is reported to be suffering severely from the triple curses of war, plague and flood. Data as to bandit forces is not complete. They

are said to consist principally of Volunteers and Mongol brigands. According to Japanese sources, a band of about 5000 Volunteers has been operating in the vicinity of Tungliao and another group of 4000 to the south around Pahuta. Some 1100 ordinary bandits have also carried on activities near Changwu. At the date of writing the situation at Tungliao city is apparently critical. According to one

Volunteers. Whether this is the case or not, there has within the last week been severe fighting of considerable magnitude in the vicinity of the city. On the 26th a force of Volunteers engaged the railway guard garrison and the situation become so dangerous that the Japanese civilian residents are reported to have seized arms and concentrated for safety in the railway offices. On the same day a band of about 500 insurgents is stated to have

attacked Yamentai, to the north on the Taonan-Anganohi Railway, resulting in the hurried summoning of

troops from Tungliae and Liaeyuan.

LIAOYUAN-FAKU The number of bandite in this erec

Mongol brigands are reported in considerable numbers west of Kangping, and Japanese quarters report a body of 4000 Volunteers just to the east of Faku under the command of Cheng Fu-haiang (Marie). Nothing has been heard of the activities of these forces and the area would appear to be relatively quiet.

LIAOHSI-SHANHAIKUAN The Liaohsi-Shanhaikuan zone,

adjacent to the Mukden-Shanhaikuan Railway, is rapidly developing again into one of the most dangerous sections of South Manchuria, and, in view of its proximity to Jehol and Chang Hauch-liang's sphere of influence, might properly be considered as the most menacing region of all. Japanese quarters make no secret of their anxiety in regard to it. Possibly their fears are exaggerated for political reasons, but in any event there is ample evidence of actual disorder of alarming magnitude. During the past two or three weeks attacks on the railroad have occurred with increasing frequency. On July 24th a large group of bandits, reported as Volumteers, raided the railway station at Huangti, near Suichung, kidnapping the station master and three telegraph operators. On the same day another band of 400 Volunteers appeared at Chien Wei station and tore up the tracks for a distance of 1 li. On the 26th 3000 bandits are recorded as having attacked East Shihshantien, west of Koupengtze. On the 27th,

eral's telegram of 6 p.m., July 29, serious fighting took place at Suichung between a force of Volunteers estimated at one thousand strong and a Japanese detachment under Cheng Kuei-lin. Three hundred bandits and ten soldiers are reported to have
been killed in the battle. Another serious action was announced to have taken place at Lichiapo
on the 28th.

Headquarters recently admitted that bandits are in control of the entire Liachsi-Shanhaikuan area up to a distance of about 12 miles on either side of the Mukden-Shanhaikuan Railway tracks, and according to several presumably reliable foreign informants, new trench works and barbed wire barricades have been lately constructed around all stations along the line.

days ago stated that there were approximately
30,000 Chang Volunteers in the Liaohsi-Shanhaikuan
area. According to an estimate obtained from the
Japanese Consular Authorities the number should be
considerably larger - in the neighborhood of 50,000.

A map, prepared on the basis of the latter figure
and purporting to show the distribution and commanders of the various Volunteer groups, has been
obtained and is enclosed herewith.

2/-

The spokesman of local Japanese Military Headquarters is authority for the statement that he believed believed drastic measures must be undertaken if the Volunteers continue their disturbing activities.

Respectfully yours,

A. S. Chase, American Consul.

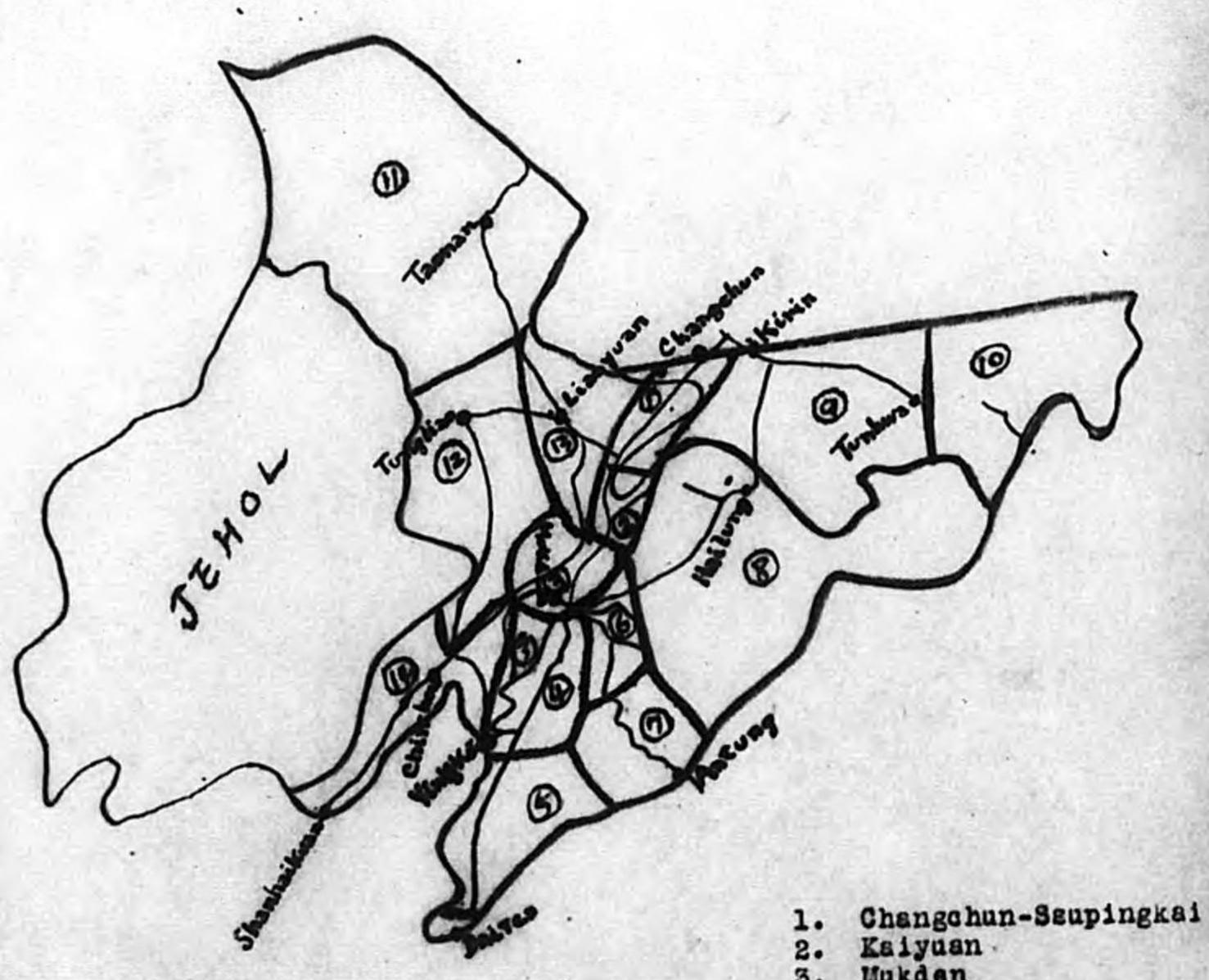
Enclosures: 1/- Map as stated. 2/- Map as stated.

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

ASC:MHP

A true copy of the signer original.

(266 attached despatch)



Mukden 3.

Lower Liso

Wafangtien 5.

Fushun-Penshihu 6.

Antung

Esst Tungpien Kirin-Tunhus 8.

10. Chientso

Taonan

Tungliso-Tahushan

13. Lisoyuan-Faku Lisohsi-Shanhaikuan

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Enclosure No. 2 to despatch No. 635 of A. S. Chase, Consulate Makden, China, dated July 30, 1932, on the subject "Growing Disorder in South Manchuria".

THE FORCES OF THE MENIX ORGANIZED VOLUMEER ARMY: (As of middle part of July 1982).

