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By the Secretary's direction copies have been sent to the President, Ambassador Norman Davis and Mr. Davis.

*Handwritten initials*

DEPARTMENT OF STATE  
RECEIVED

TELEGRAM RECEIVED

This telegram must be closely paraphrased before being communicated to anyone. (D)

Moscow

JAN 21 1937

Dated January 20, 1937

OFFICE OF THE SECRETARY

FROM

Rec'd 8:30 a.m.

Secretary of State

Washington

12, January 20, 11 p.m.

SECRETARY OF STATE  
JAN 21 1937  
NOTED *file*  
SECRETARY OF STATE  
JAN 21 1937

FROM AMBASSADOR DAVIES TO THE PRESIDENT AND SECRETARY HULL OR JUDGE MOORE.

A few hours before departure from Berlin I had most unusual visit with Schacht. It was expressly personal and specifically unofficial. Because of its unusual frankness and the explicitness and comprehensiveness of its character the writer concluded to forward information by cable.

Schacht expressed the greatest admiration for the extraordinary abilities and powers of President Roosevelt in domestic matters and expressed the hope that these powers might be used for the preservation and establishment of world peace. He stated the following; that the present condition of the German people was intolerable, desperate and unendurable; that he had been authorized by his Government to submit proposals to France and England which would (1) guarantee European peace; (2) secure present European international boundaries; (3) reduce armaments; (4) establish a new form of a workable League of Nations; (5) abolish sanctions with new machinery for joint administration; all based upon a colonial cession that

would

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FILED

Confidential File

GA

U -2- #12, Jan. 20, 11 p.m. from Moscow

741.62  
would provide for Germany an outlet for population, source for foodstuffs, fats and raw material; such cession of colonies to be by joint agreement of other powers and with colonies themselves; that France (Blum) was surprisingly agreeable thereto in principle and suggested that France approach England; that England flatly rejected the proposal; that he had tried to secure opportunity for informal discussions with the English Foreign Office but the overture was rejected.

Schacht earnestly urged that some such feasible plan could be developed if discussions could be opened; and that if successful would relieve European war menace, relieve peoples of enormous expenditures for armament, restore free flow of international commerce, give outlet to thrift and natural abilities of his countrymen and change their present desperation into future hope; that resulting therefrom the present artificial barriers of international commerce would be broken down and revision of currency control and other reforms would automatically follow.

500. A19  
Schacht stated he hoped the President would call an international conference in Washington. To this the writer suggested that possibly the President would be indisposed to become entangled in these matters unless there was some assurance of success. Schacht suggested that the conference should not be called unless situation had been practically

U -3- #12, Jan. 20, 11 p.m. from Moscow

practically agreed upon in advance; that matter for discussions should be used only as ancillary to the general purpose and as a cap to the whole arrangement; that the conference if called should not be called an "economic conference" but a "peace congress" or some such words.  
(END OF SECTION ONE)

DAVIES

HPD

S

## TELEGRAM RECEIVED

U  
This telegram must be \_\_\_\_\_ Moscow  
closely paraphrased  
before being communicated  
to anyone, (D) **FROM** Dated January 20, 1937  
Rec'd 9:15 a.m.

Secretary of State

Washington

12, January 20, 11 p.m. (SECTION TWO)

362.4016

Writer stated that in frankness he should observe that while peace loving people of the world sympathized with the straits of the German people, that there was nevertheless apprehension arising out of past aggressive acts, speeches (Nuremberg) and other publications that militarism, regimentation, persecution of races and religions indicated not a spirit of peace but a lust for conquest and domination. Schacht earnestly, and I believe sincerely, rejoined that these recent manifestations were simply an effort to restore the morale of the German people after years of disappointment as a democracy in its negotiations with powers for twelve years and "were the manifestations of the desperation and terrible plight of a people bottled up and being economically starved in a world of plenty." He intimated that armaments and the like were really trading stock to force a measure of justice upon realistic and selfish nations who had been enemies of his people

740.00/100

Confidential File

GA

12, January 12, 11 p. m. from Moscow

people.

In conclusion Schacht expressed a greatest admiration for the President's Buenos Aires speech and the splendid results of Secretary Hull's conference there.

The writer did not have the opportunity to advise Ambassador Dodd of the foregoing before leaving. Prior thereto the writer had reported directly to Ambassador Dodd as follows.

The writer had several conferences with old friends in the German Foreign Office and through them met some of the other official technical experts. The purpose of these discussions was to obtain some information upon the Spanish situation. From each the writer obtained the same view, namely, that the Spanish crisis was over, that both outside and inside Spain all parties were generally agreed that it should be a Spanish internal problem and should not be settled by outside interference, through volunteers or otherwise, and that as a menace to European peace, the crisis was over. In the opinion of the writer the face saving process for Hitler was in progress and that the policy of withdrawals from Spain had been agreed upon at least as a policy to be aimed at. Further the opinion was unanimous that the peoples of Europe did not want war. It was significant that this expression came from official

sources.

12, January 20, 11 p. m. from Moscow

Source.

Ambassador Dodd was most courteous and helpful.

(End of message).

HPD CSB

DAVIES

U  
This telegram must be  
closely paraphrased  
before being communicated  
to anyone. (D)

Moscow

Dated February 5, 1937

Rec'd 11:50 a.m.

Secretary of State

Washington

31, February 5, 4 p.m.

Litvinov has returned from Geneva and I called upon him yesterday. During the course of our conversation he said that he failed to understand why England and France were continually making overtures to Hitler. By sending out notes and questionnaires relating to Germany's attitude they were accentuating Hitler's importance and making him feel that he was realizing his ambition to be the dominating figure in Europe. Hitler's policy was still that outlined in his book "Mein Kampf" and he continued to be dominated by a lust for conquest. Great Britain should understand that if he once became master of the continent he would swallow also the British Isles. The wisest policy for France and Great Britain to adopt with respect to Hitler would be to ignore him. I gained the impression that Litvinov was somewhat apprehensive lest there should be some composition of differences between France, Great Britain and Germany.

During a conversation which I had with Neymann on February 1, he told me that he had learned from reliable

sources

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CONFIDENTIAL FILE

U -2- 7/31, Feb. 5, 4 p.m. from Moscow

sources that the Germans had divided the wars into which Germany might become involved into two categories, namely, all foreign and partly foreign wars. The latter category differed from the former in that they would be accompanied by civil wars in the countries which might be attacked. German military authorities had decided that Germany would not be prepared to engage in an all foreign war before 1938 but that if found advisable it could with possible success wage a partly foreign war during the present year. Czechoslovakia and Spain had already been classified as countries in which a partly foreign war might be waged and the recent trial had shown that with the aid of the Trotskiists Germany had hoped so to disrupt Soviet unity as to place the Soviet Union in the same category.

DAVIES

WWC:KLP

Moscow, March 5, 1937.

No. 104.

Subject: Recent Developments in Soviet Relations  
with Far Eastern Countries.

CONFIDENTIAL.

The Honorable  
The Secretary of State,  
Washington.

Sir:

1/ I have the honor to enclose herewith a memorandum,  
as of March 1, 1937, outlining such information as has  
recently become available in Moscow concerning the re-  
lations between the Soviet Union on the one hand and  
Far Eastern countries on the other.

It may be said by way of summary that the last  
month has seen no changes of any outstanding importance  
in the Soviet Union's relations with Far Eastern  
countries.

In

In the case of Japan, the already strained state of relations has only been aggravated, if anything, by the unsuccessful efforts of the Soviet Government to induce the Japanese Government to remove from Moscow an official of the Japanese Embassy in this city who was mentioned in the recent trial of Radek, Sokolnikov, and others.

There have indeed been rumors of an early stiffening in the attitude of the Soviet Union toward Japan and a change of policy toward China which would involve a much more friendly approach to Chiang Kai-shek and his Government. It is not believed that there is any reliable foundation for these rumors at the present moment. It is true that Moscow reacted in a remarkably tolerant and guarded manner to the recent anti-communist manifesto put out by the Plenum of the Kuomintang, and showed an obvious desire not to burn any bridges unnecessarily between the Soviet Union and Chiang Kai-shek. The reports that Borodin has been sent on a secret mission to the Far East may also, if true, have a significance in this respect. On the other hand, well informed Soviet officials say that a far going rapprochement with the Nanking Government is not to be expected in the near future unless relations with Japan should grow radically worse. As far as this latter alternative is concerned, these same officials say that the Soviet Government has no intention of suddenly adopting an outspokenly sharp  
and

and hostile attitude toward Japan unless forced to do this by provocation from the Japanese side.

Thus it can only be said that there is no reliable indication at the present moment that the Soviet Government, barring the eventuality of serious provocation from Japan, will subject its Far Eastern policy to any radical alterations in the near future.

Respectfully yours,

Joseph E. Davies.

Enclosure:

1. Memorandum - Soviet Relations with Far Eastern Countries as of March 1, 1937.

710 - Far East

CFK:bjd

Original and four copies to the Department.  
Two copies to the Legation, Riga.

A true copy of  
the original  
sent  
3/10

Enclosure No. 1 to Despatch  
No. 104 dated MAR 5 1937  
from the American Embassy,  
Moscow, U.S.S.R.

MEMORANDUM

SOVIET RELATIONS WITH FAR EASTERN COUNTRIES

AS OF

MARCH 1, 1937.

GENERAL.

The last month has seen no important developments with respect to Moscow's attitude toward Japan. It is certain, however, that the already strained relations between the two countries have scarcely been eased by the Soviet efforts to have the Japanese Government remove from Moscow an official of the Japanese Embassy in this city who was referred to in the recent trial of Radek, Sokolnikov and others.

Among the foreign observers of long standing in Moscow, there is at least one who feels that the Soviet Union is going to adopt an extremely aggressive policy toward Japan with the coming spring. It may indeed be regarded as axiomatic that the firmness of the Soviet Union with respect to Japan will increase in direct ratio to Moscow's confidence in its own military strength. It is quite probable that the Soviet Government will take a stronger tone this year than it did last, in accordance with the increase and size of its armed forces. But to say that this would lead to an early attack on Manchuria by Soviet forces would be, under present circumstances, a rash and poorly founded prediction. It must be borne in mind that while the military apparatus of the country may be - and doubtless is - growing and improving, the current winter has again seen the rise of serious difficulties in the supply of food and fodder to certain regions of the country. The next few months, until the new crops are harvested, promise to be comparatively difficult ones from the point of view of food supply, - more difficult indeed than at any other time since the winter

winter of 1932-33 and the following spring. In view of these conditions (which are particularly apparent in the central part of European Russia, as far east as the Volga), it seems highly doubtful that the Government would choose the present moment to take any action which would unnecessarily increase the danger of war.

With regard to China, there is no change in Moscow's fundamental policy, which is to play China off against Japan in every way, - even at the risk of setting the two countries at war with each other. There has, however, been considerable hesitation and wavering in Moscow with respect to the attitude to be taken toward Chiang Kai-shek, that is, whether to try to work through him or against him. The relative mildness of Moscow reaction to the Manifesto of the recent Plenum of the Kuomintang indicates that the Kremlin, however great its dislike and suspicion of the Nanking Government, is not prepared at the moment to take a sharply anti-Nanking line, and may even be toying with the idea of seriously cultivating Chiang Kai-shek. This, incidentally, may be the explanation for the appearance in the Far Eastern papers of rumors to the effect that a change was pending in Russia's attitude toward China.

If any change occurs, it is safe to say that it will not be a new "policy," but it may very well be a new tactical approach, - a last broad try for the "popular front" designed to strengthen the hands of the more pro-Soviet elements in the Nanking Government and to disarm those others - like Wang Ching-wei - who are accused of being pro-Japanese. In any case, if the reports are to be believed that Borodin has again been sent on a

secret mission to China and Mongolia, it is evident that the question of relations with China is playing a prominent part, at the moment, in the minds of Soviet leaders.

THE JAPANESE EMBASSY AND THE RADEK TRIAL.

It has been reliably learned that in the latter part of February, the Soviet Government informally approached the German and Japanese Embassies and expressed the hope that, in view of the statements made by the defendants in the recent trial of Radek and others, involving representatives of those Embassies, the Governments concerned would remove from the Soviet Union those particular diplomatic officials who were alleged to have been involved. In the case of the Japanese, Mr. Ohta having already left, this request involved only the attaché of the Japanese Embassy, Mr. Sakan Hiroshima. In the case of the German Embassy, it involved three officials. (While it is not known definitely who these officials were, there is good reason to believe that they included General Ernst Koestring, Military and Air Attaché, and Mr. Baum, the representative of the DEUTSCHES NACHRICHTEN BUREAU, who, while not named on the diplomatic list, nevertheless acts as press attaché for the German Embassy.)

When making this request to an official of the Japanese Embassy, Mr. Kozlovski of the Soviet Foreign Office explained that Soviet officials were not at liberty to discuss in any way the question of the reliability of the evidence produced in the trial in question. The Japanese diplomat replied that whatever the attitude of the Soviet officials might be toward the trial, the Japanese Government could not regard the oral and unsupported statements made on that occasion as sufficient  
proof

proof of any guilt on the part of their officials. He promised to investigate the question and consult with his Ambassador and reply at an early date.

On February 25, it is understood that the Japanese Ambassador informed the Soviet Government that careful investigation had failed to reveal any substantiation of the charges arising out of the trial and that they therefore saw no reason to remove the official in question. This statement, it is related, was greeted on the Soviet side with "deep disappointment."

It is believed that the German Government has given a similar refusal to the Soviet request.

ALLEGED STATEMENTS OF JAPANESE WAR MINISTER  
CONCERNING ESPIONAGE IN THE SOVIET UNION.

Considerable attention has been devoted in the Soviet press to the story stated to have been published by the Tokyo newspaper MIYAKO on February 20, 1937, concerning statements made by the Japanese Minister regarding the carrying capacity of the trans-Siberian Railway.

According to this story, as related in the Soviet press, M. Sugiyama stated in reply to interpolation that the Japanese Government was aware of the carrying capacity of the trans-Siberian Railway. Upon being asked how the Japanese Government had acquired such information, General Sugiyama is said to have replied: "In the Soviet Union there are elements which are in opposition to the present Government and it is through them that we have acquired information." The issue of the newspaper in question is said to have been confiscated by the police.

This story was made the subject of a bitter special article which appeared in the Moscow PRAVDA on March 2, signed by one A. Antonov, pointing out that this was equivalent to official Japanese confirmation of the justice of the charges levied by the prosecuting attorney in the recent Hadek trial, to the effect that the Japanese Government had conspired with Trotzki elements in the Soviet Union.

There is little that can be said here by way of comment on these charges. No sane person doubts that the Japanese Government is taking advantage of every

available

available opportunity to acquire military and strategic information concerning the Soviet Union by every means at its disposal, including espionage. Nevertheless, it is not believed that the field for activities of this sort, especially under the direct management of the Japanese Embassy in Moscow, can be very great at the present moment, in view of the almost fantastic degree of suspicion and observation to which that Mission is subjected. That Japanese agents should have attempted, and in some cases succeeded, to make contact with discontented elements in the country, Trotskyists or otherwise, is also in no way implausible. Nevertheless, not all foreign observers were convinced that the conspiracy described by Radek, Sokolnikov and Pyatakov at the recent trial was adequately proved by those proceedings, and even the incidents of espionage and wrecking which were laid at the feet of the Japanese Embassy by the evidence adduced during the court proceedings seem in some respects too theatrical and puerile to be entirely credible. As far as the carrying capacity of the trans-Siberian Railway is concerned, it may be pointed out that this railway carries a large number of foreign passengers, including Japanese, every year; that the general facts concerning its technical qualities and carrying capacity have long been known to the military authorities of interested countries, and that this is scarcely a question on which representatives of the Japanese Government should have found it necessary to consult the remnants of the Trotsky opposition in the Soviet Union.

THE NOVEMBER BORDER INCIDENTS.

It was reported in the Moscow PRAVDA on February 18 that the bodies of those Soviet and Japanese soldiers who had been killed in the border incidents of November 24 and 26, 1936, and which had been found behind the enemy's lines, had been exchanged on February 16. The ceremony had taken place at the kilometer marking 117/118 on the Far Eastern Railway, on the sector between Pogranichnaya and Kasypnaya Pad. The officers of the Gredsko border platoon turned over to the representatives of the Japanese military authorities the bodies of eight soldiers and one Japanese officer, a captain. The Japanese turned over the bodies of two Red Army soldiers, one of whom had been killed in battle and the other, Baranov, had died as a prisoner. (It has been claimed in Moscow that this Baranov died under torture.)

In addition to this, on February 14 the Soviet authorities also delivered to the Japanese authorities the body of a Japanese corporal who was killed on October 11, 1936, in some fighting which took place in the Khunchunsk district, near the conjunction of the Soviet, Manchurian and Korean borders. This incident seems not to have been mentioned at the time in Moscow.

THE DENIAL OF ALLEGATIONS REGARDING THE INTERRUPTION OF COMMUNICATIONS BETWEEN THE U.S.S.R. AND JAPAN.

On February 8, the Moscow PRAVDA published a TASS communiqué denying the Japanese reports to the effect that the Soviet Government had taken measures to cut off communications between the U.S.S.R. and Japan, and for this purpose had stopped the regular Japanese steamship service between Vladivostok and Japanese ports and had forced the Japanese Shipping Company Siosen-Gumi in Vladivostok to cease operations. It had further been alleged, the PRAVDA added, that it was for this purpose that the Soviet authorities in Vladivostok had raided the Japanese vessels SIBERIA-MARU and KONGOZAN-MARU (see the report of February 1, page 15).

After stating that these reports did not correspond to the truth and were obviously published to mislead the public opinion in Japan, the communiqué went on to say that in actuality regular connections between Vladivostok and Japanese ports were being maintained without hindrance by Japanese vessels, and that the Soviet authorities had taken no steps toward their interruption. The raids on the Japanese vessels had had no relation to this question.

As far as the firm Siosen-Gumi was concerned that matter also had had no relation to the question of regular communications. The firm Siosen-Gumi for a number of years had leased docks and warehouses in Vladivostok from the organs of the People's Commissariat for Water Transport, under yearly contracts. In this way the Siosen-Gumi

had

had enjoyed privileges which did not arise out of the treaty relationships between the U.S.S.R. and Japan, - which were not accorded and were not being accorded to any foreign firm even of those countries which had commercial treaties and navigation agreements with the U.S.S.R., - and which Soviet vessels did not enjoy in a single Japanese port. The authorities of the People's Commissariat for Water Transport, despite these facts, had found it possible in the past to grant the firm Siosen-Gumi the privileges in question, as long as this practice was not prejudicial directly to their own business interests. In the current year the authorities of the People's Commissariat for Water Transport had refused to conclude a new lease contract with the Siosen-Gumi because this was not advantageous from a business point of view.

The Soviet authorities had detailed information that the firm Siosen-Gumi had repeatedly abused the privileges accorded to it and had engaged in illegal activities.

MONGOLIAN BORDER INCIDENT.

In the last of these reports, as of February 1, 1937, mention was made (page 11) of the alleged penetration of Japanese-Manchurian forces onto the territory of the Mongolian People's Republic in the neighborhood of Lake Dair. It was stated at that time that the Mongolian Government had protested to the Government of "Manchukuo."

On January 21 (according to the Moscow PRAVDA of February 15), the Manchurian Government replied that according to the investigation which they had undertaken, no such violation of the Mongolian border had occurred at all and that the protest of the Mongolian Government was founded on false information.

The Mongolian Government then sent a new note in which it pointed out that a second careful investigation had revealed the complete accuracy of the facts of the incident as related in its previous note and had shown that the Japanese-Manchurian troops had continued to remain on the occupied territory and at certain points were even attempting to advance further. The note related in detail the points occupied by Japanese-Manchurian troops in the district in question. The Mongolian Government repeated its demand for the immediate removal of these troops from Mongolian territory in the interests of the successful continuation of the conversations being carried on at Manchuria Station, and of the avoidance of complications on the border.

The Manchurian Government, in another note dated February 3, replied that the information of a geographic nature

nature given in the last Mongolian note was unsatisfactory and asked for further details. According to the PRAVDA, this was an obvious delay of the settlement of the question. Nevertheless, the Mongolian Government had acquiesced in this request and had sent telegraphically still more detailed information concerning the position of the troops in question. Up to the present time no news has been received from the Manchurian Government, and Japanese-Manchurian troops continue to occupy Mongolian territory.

The Embassy is privately informed from Japanese sources that the matter ended for the time being by the two parties flatly disagreeing on the demarcation of the boundary in the district in question. The "Manchukuoan" authorities are said to have replied to the last Mongolian communication by saying that according to their information, the district in which the troops in question were then stationed was Manchurian territory.

THE SHENSI TROUBLES.

Press comment which has recently appeared in Moscow concerning the events in Shensi Province has been somewhat more revealing than the earlier comment with respect to Moscow's attitude toward - and connections with - these developments.

The Moscow magazine *MIROVOM KHOBYAISTVO I MIROVAYA POLITIKA* (World Economy and World Politics) No. 1 for 1937, carried the first detailed discussion of the Sian affair which has appeared in the Moscow press. The text, however, had obviously been censored, hacked up and deleted to a point where it consisted principally of citations from foreign newspapers, strung together without any particular logic or consequence. The charges of responsibility for the kidnaping, which the Soviet press had at one time levied against the Japanese Government and Chang Ching-wei, were not mentioned in the article under discussion. Passages from foreign newspapers were cited at length to show that Chang Hsueh-liang was a silly, egotistic man, with few principles of his own, but it was explained by way of comment on these passages that this of course did not apply to his anti-Japanese feelings, which were entirely sincere. The impression which the article was apparently intended to leave on the Soviet reader was that Chang Hsueh-liang's only guiding political principle was Nipponophobia and that the fact that he identified himself almost completely with the program of the Chinese communists was merely due to the pressure brought to bear on him by his patriotic soldiers who, with the sound instinct of  
the

the common people, recognized the virtues of the "popular front" movement. Nothing was said to indicate that there had ever been any contact between Chang Hsueh-liang and the communists or any fraternization between the two military forces.

On February 27, the Moscow IZVESTIYA commented editorially on the revolt in Shensi and made the following statements:

"As is known, the Communist Party energetically assisted last month in the peaceful settlement of the Shensi conflict, in which the Chinese Red Army had not taken part directly, and, in its subsequent proposal to the Plenum of the Kuomintang, the Party advanced a concrete program for collaboration which met with the complete approval of Chinese public opinion and was supported by influential elements among the leaders of the Kuomintang themselves."

On the same day, the Moscow PRAVDA ran an article by Alexander Kherasidze, who frequently writes editorials on Far Eastern and American affairs. The action taken by the army of Chang Hsueh-liang was described in this article as "advantageous to the Japanese invaders."

"This is the reason," the article went on to state, "why this uprising, although it reflected the hopes of the Chinese people, was condemned by them. A rebuff to the predatory aspirations of foreign aggressors and the struggle for the true independence of the great Chinese people are possible only with the united participation of all the popular forces of the country. This was properly

realized

realized by the broad masses of the soldiers of northwestern China, who refused to allow themselves to be provoked by the Japanese agents. . . . . The proposal of the Chinese Communist Party met with the widest response throughout China. All honest Chinese patriots properly saw in it a firm foundation for the creation of the united national and anti-Japanese front. It is well known what a great rôle the Communist Party played in the matter of preventing the Sian events from turning into a new civil war in accordance with the longing of the Japanese imperialists and their agents in China."

These passages give the following general picture.

The revolt, although it reflected the hopes of the Chinese people, and was carried out with the indirect participation of the Chinese Red Army, was nevertheless condemned by the Chinese people as being advantageous to Japan. For this reason, the Chinese Communist Party took a very active part in liquidating the affair by means of a compromise with the Nanking Government.

Moscow's position, consequently, boils down to one of complete sympathy with the motives and aims behind the Sian revolt, but of disapproval of the way in which these motives and aims found expression. The fact that this uprising, which Moscow professes to consider as a tactical blunder, could be settled by peaceful means, is regarded as a triumph for pro-Soviet and anti-Japanese factions in China.

THE KUOMINTANG MANIFESTO.

The decisions of the Third Plenum of the Central Executive Committee of the Kuomintang have naturally caused bitter disappointment in Moscow.

Press comment which appeared in the Moscow papers on February 27 outlined the Soviet reaction to the Kuomintang's Manifesto. The IZVESTIYA described the document as evasive, inconsistent and fraught with danger for the Kuomintang itself. "The Manifesto," it wrote,

"is evidence of the degree of the acuteness of the struggle which is going on among the various groups of the Kuomintang, as well as of the lack of desire or the inability of the leaders of the Kuomintang to take the stand required in the interests of the salvation of the country."

The anti-communist aspect of the document was, in the opinion of the IZVESTIYA, the result of the intrigues of "the notorious" Wang Shing-wei and other pro-Japanese elements, who operated with "the support and approval of the Japanese militarists."

The PRAVDA took a similar tone. "The Manifesto," it said,

"had not justified the hopes of the Chinese masses. Instead of containing a developed program of struggle for the independence of China - instead of subordinating the whole foreign and internal policy of China to this end and showing that the Kuomintang is not setting itself up in opposition to the mighty liberating movement which has seized the Chinese masses but is ready to participate in this movement - instead of the NEW WORD for which the country was waiting: - the Kuomintang has in effect declared that it maintains its former position. . . . It is clear that, at least externally, it is a declaration of the immutability of the very foreign and home policy which has hitherto cleared the way for Japanese aggression and has already resulted in the loss of immense sections of Chinese territory."

Nevertheless, while the official press did not conceal its disappointment at the anti-communist principles

announced

enunciated by the Plenum, it showed a definite tendency not to draw too sharp conclusions at the present moment. It was pointed out that the proof of the pudding would be in the eating. "The real decisions of the Plenum," the *IZVESTIYA* remarked, "will reveal themselves not so much in its resolutions as in the further course of events in China in general and in northwest China in particular and in the further foreign and domestic policy of the Nanking Government." The *PRAVDA* took the same tone. "There is no reason to think," it wrote, "that the only result of the Plenum will be this unfortunate manifesto. We are inclined to think that under the pressure of the popular masses, the Nanking Government will be forced to repudiate in both deed and word the policy of internecine warfare, which is being abetted and encouraged from outside, and the policy of further tolerance of foreign aggression."

The Moscow press took further comfort in "the circumstances under which the Plenum convened and the fact that this is the first time that the demand for a return to Sun Yat-sen's policy has been openly made." All this, in Moscow's eyes, was described as "further evidence that there has been a big shift in the direction of a popular front, not only in the public opinion of the country but also in the balance of forces within the Kuomintang. Nothing that happened at the Plenum, it was remarked, could alter this fact."

REPORTED VISIT OF BORODIN TO CHINA.

Japanese circles in Moscow report confidentially that M.M. Borodin, the former communist leader in China, has recently paid a secret visit to China. He is said to have traveled in North China and to be at present in Ulan Bator.

This news, if true, is extremely interesting, although it is difficult to draw any conclusions from it. Borodin has been considered during the last few years as being rather in disgrace in Moscow. His official position has been that of editor-in-chief of the MOSCOW DAILY NEWS and his name continues to appear as such in that publication. His duties as editor, however, have always been more or less nominal and there is no reason to believe that they would prevent him from paying a secret visit to China, if this were considered as desirable by the Soviet leaders.\* It was noted that Borodin was not present at the recent reception given by Litvinov for the visiting Finnish Foreign Minister, - a type of function which he has been accustomed to attend.

In a conversation which he had with a member of the Embassy staff several months ago, Borodin talked in a way which was decidedly at variance with the views he must have held in the past. He praised very highly the former activities of Americans, particularly business men and missionaries in China, and states that he felt that the American Government had let them down. When reminded that, according to the tenets of communism, these

people

\* Mikhail Koltsov, who has for many months been working in Spain as a journalist, continues to figure as the editor of the Moscow magazine ZA RUBEZHOM.

people were rank exploiters and imperialists, Borodin replied by saying that the development of China by people such as this was only in the interest of the Chinese. He related that when he had left his work in Shanghai in the trouble days of 1927, he had expressed the hope that his successor in the moral position which he had occupied in China would be an American. The general tenor of his remarks was that the United States should take an active part to rescue the Chinese people from Japan.

It was considered at the time that these remarks were only an interesting example of the extent to which Moscow communists were willing to ignore the theoretical tenets of their own faith in the effort to encourage the United States to fight their battles in the Far East.

On the other hand, it may really be that Borodin has taken a comparatively liberal position in his views on the Chinese situation and that it is this which has led to his recall to active participation in Far Eastern affairs at a time when the Kremlin is willing to make enormous concessions in dogma in order to play off China effectively against Japan.

SOVIET INFLUENCE IN SINKIANG.

On February 20, the Moscow PRAVDA reported that a delegation of merchants from Urumchi had recently visited the U.S.S.R. The delegation had visited a number of industrial enterprises and had concluded a number of sales and purchases. Upon returning to Urumchi, the members of the delegation had delivered lectures about their journey before the assembled merchants of Urumchi and Kulaja. In the course of these lectures they had described the economic progress of the U.S.S.R. and the favorable prospects for the development of trade between the Soviet Union and Sinkiang.

Actually, there are reliable indications from confidential sources that this delegation came to Moscow for the purpose of discussing certain political, as well as economic matters, and of obtaining a \$2,000,000 loan. The Soviet Government at first attempted to deny all knowledge of the presence of the delegation in Moscow. The publication of this brief notice in the Moscow press was probably the result of the fact that the details of the visit, through a somewhat amusing coincidence, became too well known to certain of the interested foreign diplomats to be denied further.\*

\* The Chinese Embassy, through the inadvertence of the Moscow telegraph office, received certain telegrams from Sinkiang which were intended for the delegation.

## THE DOUBLE-TRACKING OF THE TRANS-SIBERIAN RAILWAY.

In the Embassy's report, dated December 21, 1936, (despatch No. 2198 of December 22, 1936), mention was made on page 18 of the fact that Lavrentev, at that time Secretary of the Far Eastern Krai Committee of the Communist Party, had stated that the double-tracking of the Amur Railway would be completed in 1936. It is characteristic of Soviet publicity that another and much more detailed article on this subject, which has now appeared in the press, explains that 600 kilometers of the line, namely, from Khabarovsk to Voroshilov, still remain to be double-tracked during the coming year.

This article, which appeared in the Moscow PRAVDA, No. 45, for February 15, 1937, was written by the "Chief of Construction for the Double-tracking of the Railroads of the Far East" N. Frenkel. Frenkel is an engineer who was arrested some years ago, at a time when the C.C.P.U. was particularly preoccupied in the procurement of engineering skill for its prison labor projects. He was arrested on charges of speculation and was put to work on the Baltic-White Sea Canal. It is evident that after the completion of this project he was sent to the Far East. From the fact that a man of his background has been placed in charge of the double-tracking activities, it is not difficult to guess the type of labor which is being employed on this construction job.

The article makes it plain that the work has been proceeding in the face of great difficulties. Chief of these has been the climate. There are not more than 135-140 days in the year when work can be carried on in

unfrozen

unfrozen soil and concrete poured under normal conditions. Of these days an average of 40 are attended by heavy rainfall. Thus, there are scarcely more than 100 really favorable construction days in a year. The question of water supply is also a difficult one in a country where rivers freeze almost to the bottom and where the zone of eternal frost lies only very slightly if at all below the surface.

One of the most difficult tasks before the construction engineers is that of widening the single-track tunnels without interrupting traffic on the line.

CHANGES IN COMMUNIST PARTY LEADERSHIP IN SOVIET FAR EAST.

In the last of these reports, dated February 1, 1957, reference was made to the removal of the former Secretary of the Far Eastern Krai Committee of the All-Union Communist Party, Lavrentev, and his replacement by another high Party official, Vareikis.

It has now been learned that this change was only a part of a complete change of the Party leadership in the Far Eastern Krai, which has apparently affected most of the members of the Krai Committee.

This is of interest with respect to foreign relations in the Far East for the reason that the principal charge levied against the former Party leaders of that district was that they had underestimated the importance of the work of the Party in connection with national defense, and had shown a tendency to leave this work entirely to the semi-voluntary civilian defense organization, the OGOAVIARHIM (Society for Air and Chemical Defense). It is perhaps significant that the arrival of the new Party leader, Vareikis, in the Far East was followed by extensive air and gas defense maneuvers in all of the leading cities, with the fullest participation of the civil population.

It is evident, however, that lack of emphasis on preparation of the civil population for the military defense was not the only point in which the Far Eastern Party organization had fallen down. The provincial press in that part of the world has been full of stories of the discovery of Trotskyists among the Party officials.

The local branch of the Young Communist League, for which the Party leaders are in general responsible, has been experiencing serious difficulties. During the year 1936 it lost 20,000 members through voluntary withdrawals. The leaders in the Krai Committee are also held responsible for a certain exodus from the collective farms, which has been taking place despite the comparative advantages which the Government has extended to collective farms in this area. Finally, the Party apparatus has had to answer for certain difficulties, which have arisen in the Jewish settlement of Birobidzhan. The press has contained several references to the rise of a Jewish "nationalistic" opposition movement in that settlement under the leadership of two men, Lindeberg and Kattel. It is evident that these two leaders are now under arrest, and that other repressive measures have been taken, but this did not lessen the guilt of the local Party authorities. Details of this movement are not further known.\* Settlement of this Jewish community has been proceeding slowly but steadily, the number of new settlers having been over 8,000 in 1936,\* as compared with 7,000 in 1935 and 5,500 in 1934.

Whatever progress may have been made in military preparations in the Far East, it would not seem from the above that the Soviet leaders had been entirely successful in bringing the civil population of that region up to the same pitch of political unity and enthusiasm which foreign visitors profess to see in the demonstrations of the Moscow proletariat.

\* Information obtained from the records of the proceedings of a number of Party gatherings in the Far Eastern Krai as reported in the TIKHOOKEANSKAYA ZVEZDA (Pacific Ocean Star), Nos. 26 and 32 of February 2 and 9, 1937.

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This telegram must be  
closely paraphrased be-  
fore being communicated  
to anyone (C)

10800

Dated March 15, 1937.

Recd 5:40 a.m.

Secretary of State,  
Washington.

55, March 15, 11 a.m.

FOR THE PRESIDENT AND SECRETARY OF STATE.

Spanish Ambassador in casual informal conversation  
gave definite impression of gloom over military situation  
but seems now convinced inadvisability declaring war on  
Italy. Advised he was leaving for London last night. Believe  
perverse attitude Foreign Office here.

DAVIES

JS

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EMBASSY OF THE  
UNITED STATES OF AMERICA

Moscow, March 26, 1937.

No. 152.

Subject: Japanese attitude toward the Soviet Union.

STRICTLY CONFIDENTIAL.

DIVISION OF EASTERN EUROPEAN AFFAIRS  
APR 9 - 1937  
DEPARTMENT OF STATE

RECEIVED SECRETARY OF STATE  
APR 21 1937

ASSISTANT SECRETARY  
OF STATE  
FOR EASTERN AFFAIRS

RECEIVED  
DIVISION OF EASTERN AFFAIRS  
APR 10 1937  
DEPARTMENT OF STATE

RECEIVED  
DEPARTMENT OF STATE  
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The Honorable  
The Secretary of State,  
Washington, D. C.

For Distribution-Check		Yes	No
Grade			
Per	MID ONI Embassy Tokyo 1/24		

Sir:

I have the honor to report in connection with a recent conference which I had with the Japanese Ambassador, arranged at his request, concerning the Japanese attitude toward the Soviet Union. The Japanese Ambassador, Mr. Mamoru Shigemitsu, is a regular officer of the Japanese Army, a fine type of man, and of rather a liberal outlook. We had quite an extended discussion.

He stated that he wanted me to know that he and his Government had been making every effort to compose their

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APR 26 1937

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their differences with the Soviet Union; that he had encountered very great difficulty in persuading the Foreign Office here of the non-aggressive attitude of his Government; that they were exceedingly skeptical and suspicious; that apparently they were most confident of their military strength and power and were not disposed to meet his approaches, but that he had hopes that the situation might be bettered. In that connection he stated that the Japanese budget, including military appropriations, would be passed within the next two weeks, and that provision therein would be made for additional armed forces; that this was in fact made necessary, in part, by the Russian attitude; that the Japanese forces in "Manchukuo" consisted of five divisions which, with technical auxiliaries, did not exceed 100,000 men; that the Russian forces on the east consisted of 17 divisions; that accordingly it was necessary for them to increase their forces from five to seven divisions which the budget plan had made provision for; that his country did not require more than this in "Manchukuo" because of its proximity to the Japanese base. The impression which I gathered was that he was quite concerned about the aggressive attitude of the Soviet Union.

Respectfully yours,

*Joseph E. Davies*

Joseph E. Davies.

*cc to A-M*

710 - Japan

JED:bjd

Original and four copies to Department.

4  
Received *J. E. Davies*



EMBASSY OF THE  
UNITED STATES OF AMERICA

*S*  
*FE*  
*A*

Moscow, March 26, 1937.

No. 155.

Subject: Japanese attitude toward the Philippines,  
Singapore, extension in the south, China.

STRICTLY CONFIDENTIAL.

*pk*  
DIVISION OF  
EUROPEAN AFFAIRS  
APR 27 1937  
DEPARTMENT  
OF STATE

For	in U.S.A.
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SECRETARY OF STATE  
APR 25 1937  
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*Perkins*  
*Hankey*  
*55-37*

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The Honorable  
The Secretary of State,  
Washington, D. C.

Sir:

I have the honor to report that upon the same occasion as is described in my despatch No. 152 of March 26, 1937, the Japanese Ambassador stated to me the following:

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He wished to assure me that his Government had no imperialistic ideas of territorial aggressive expansion through the Philippines or through Singapore or the south; that notwithstanding statements to the contrary of jingoes in his own country, which he deplored, he

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was positive that the attitude of his Government was as above stated; that "Manchukuo" provided them with an outlet for their surplus population and with a source of raw materials sufficient for their existence; that they were content to consolidate their gains and develop their national existence through such a policy.

I then asked him "What about China?". He stated that Japan had made a great mistake in China; that he had been stationed in China and was for a time the recognized expert in Chinese affairs; that he had resigned in protest against the policy of Japan toward China; that his attitude was well known, and that his return to the Service was an indication of an acceptance of his views; that Japan had no policy or intention of territorial acquisition of Chinese territory; but that the Chinese situation was difficult as they were so close together and there were constant matters of difference which amounted to irritations as between the two peoples.

I gathered from this conversation, and other information which I have generally picked up here, that the economic and financial condition of Japan is pressing heavily upon the Government and that Japan, like Germany, and Italy, are much concerned over the rearmament of Great Britain and other democracies, and their <sup>own</sup> non-economic inability to continue armament expansion.

The Japanese Ambassador deplored with me the conditions in the world which seemed to indicate a lack of statesmanship among the leaders of the nations of the world

world in failing to provide for some means for the settlement of world conditions through equitable, peaceable arrangements, instead of through the imposition of these enormous war armament costs with their burden on the civilian populations and the threat of catastrophic war. In that connection he stated very strongly his belief that the voice of the United States, and particularly that of President Roosevelt, would have great moral effect upon world public opinion and perhaps be the most influential single factor alleviating these conditions. He also spoke enthusiastically of the great practical contributions which were being made through the trade agreements of Secretary Hull.

Respectfully yours,

  
Joseph E. Davies.

710 - Japan

JED:bjd

Original and four copies to Department.

*CC to A-M*

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*JED*

TELEGRAM RECEIVED



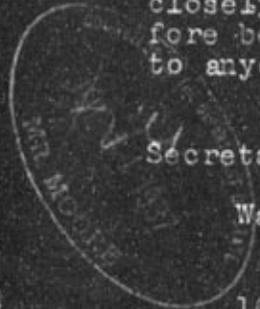
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LMS  
This telegram must be closely paraphrased before being communicated to anyone. (C)

FROM Moscow

Received July 10, 1937  
DIVISION OF EUROPEAN AFFAIRS  
JUL 12 1937  
DEPARTMENT OF STATE

Secretary of State,  
Washington.



164, July 10, 4 p. m.

In the course of a confidential conference Litvinov spoke freely on the European situation and conditions here and with apparent frankness. He stated that the recent visit of ~~(?) sixty (?)~~ was distinctly anti-Soviet but was not of serious consequence. Insofar as it played into the hands of Germany, it weakened the Little Entente, and thereby adversely affected France and European peace. That in the last analysis, however, it was not serious for the actions of smaller states or blocks of smaller states were realistically of little importance as in his opinion European developments depended upon the actions of larger nations. In commenting on the Czechoslovakian situation he stated that the Weigel incident in his opinion was part of a deliberate plan on the part of Germany to create a record in justification for future hostile acts against Czechoslovakia at a time when it would be opportune for her to act. In answer to my direct question he stated it as his opinion this would not be this year. With reference to Spain he stated

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JUL 15 1937

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Confidential File

that

LMS 2-No. 164, July 10, 4 p. m., from Moscow.

that conditions were bad and that the outlook was very dark due to "cowardly conduct" of European democracies who were running away from the situation which they refused to face while the Fascists were definitely and aggressively smashing forward with the immediate result that the Non-Intervention Committee was probably destroyed which was no great loss because it was ineffective and a smoke screen anyway; that the objective of Fascist countries was to procure belligerent rights for Franco on the sea and to deny belligerent rights to the Spanish Government on soil; that such a plan would be seriously prejudicial to the Spanish Government for it was obvious that England on the one hand could not physically furnish war material and that because of national policy and law United States on the other hand would not furnish war material; while the Fascist states usually supply Franco without limit. He stated that England was so intent upon preserving peace at any cost and seemed to be so anxious to appease Germany in this situation that there was danger of yielding to the Fascist states in the course of pending discussions although he could not think that England would recognize belligerent rights to Franco. In reply to my question as to whether in his opinion France would permit the  
establishment

LMS 3-No. 164, July 10, 4 p. m., from Moscow.

establishment of a Fascist Franco state on southern border of France, he stated, "What can they do about it." They will not do anything without England and they are doing nothing now while later it may be too late. I asked him whether he saw indication of the weakening of the London-Paris-Moscow axis by reason of reactions in Western Europe because of events here - alleged treason in Red Army and alleged confusion and weakness of Government disclosed by necessity for wide-spread purge of party. To this he made no direct response but intimated strongly that he did not think such an opinion could obtain or that it would affect the situation. He asserted vigorously that there was no governmental weakness here but actual strength which in his opinion was demonstrated by the fact that probably no other country in the world could have sustained the loss through death and removal of so many heads of military and civil branches of government because of treason and still preserve its stability, direction, and force to the degree where "business went on as usual every day". In reply to my question as to the possibility of England agreeing that Germany should have free hand in Eastern Europe in consideration for concessions to preserve peace in Western Europe he stated that the English Ambassador in Berlin

was

LMS 4-No. 164, July 10, 4 p. m., from Moscow.

was violently pro-German; that Eden meant well but that there were indications that Eden did not have the same "free hand" with Chamberlain as he had with Baldwin, but that he still believed in the assurance which Eden gave him in London that England would not be a party to any such arrangement. In reply to final question, he stated that, while the outlook for peace in Europe was very dark, he did not think there was danger of military aggression this year.

DAVIES.

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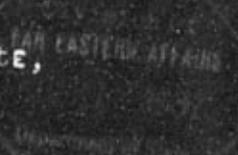
# TELEGRAM RECEIVED

DIVISION OF  
EUROPEAN AFFAIRS  
OCT 11 1937  
DEPARTMENT OF STATE

JR  
This telegram must be closely  
paraphrased before being **FROM**  
communicated to anyone. (C)

Moscow  
Dated October 7, 1937  
Rec'd 8:50 a.m., 9th.

Secretary of State,  
Washington.



256, October 7, 11 p.m.

Referring to my telegram No. 255, October 7, 8 p.m.,  
the following occurrence which took place this afternoon  
may be of some interest.

One. Mishi, Counselor of the Japanese Embassy,  
called upon Henderson, my First Secretary, and asked him  
if he had any confirmation of the rumor that Boromolov,  
the Soviet Ambassador to China, was in Moscow and whether  
he possessed any information other than that appearing  
in the press regarding the President's speech and reported  
changes in American policies with respect to the Far East.

Two. After Henderson had answered both questions in  
the negative the Counselor voluntarily discussed the Far  
East situation at some length alleging that, encouraged  
by the recent attitude of the League of Nations, the Soviet  
Government was becoming more and more overbearing towards  
Japan and no one knew how far it might eventually go. He

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JR-2- #256, October 7, 11 p.m., from Moscow.

He indicated that there was even a possibility that the Soviet Government would attempt without becoming itself involved to send Mongolian troops to the assistance of China.

Stating that difficulties in the Japanese concessions in North Sakhalin were due entirely to the provocative attitude of the Soviet authorities, he said that Japan feels that the Soviet Government is making every effort to persuade the League of Nations and even powers outside the League to declare an economic boycott on Japan and that under cover of this boycott the Soviet Government hopes to cancel the Sakhalin and fisheries concessions and take other measures which would permanently damage Japanese economic interests. He added that if Litvinov is successful in creating a solid front of League members against Japan a conflict is likely to ensue which will involve all Europe and Asia.

Three. In attaching significance to this call it should be known that Tuesday I had arranged luncheon conferences with the Chinese, Italian, German, Japanese and other Ambassadors and Ministers covering the whole week and had been obliged to cancel the German, Japanese and subsequent luncheons because I was confined to bed with a sever cold. Possibly the Japanese Ambassador attached significance to this cancellation.

Four.

JK-3-1256, October 7, 11 p.m., from Moscow.

Four. As a matter of fact I personally have strong  
reason to believe the rumor of Bogomolov's presence here  
is correct and that his visit is of considerable importance.

DAVIES



EMBASSY OF THE  
UNITED STATES OF AMERICA

~~FO~~  
~~FE~~  
~~AMK~~

No. 641

Moscow, October 14, 1937.

Subject: Recent Developments in Soviet  
Relations with Far Eastern  
Countries.

CONFIDENTIAL

DIVISION OF  
EUROPEAN AFFAIRS  
NOV 10 1937  
DEPARTMENT OF STATE

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NOV 23 1937

The Honorable  
The Secretary of State,  
Washington.

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DEPARTMENT OF STATE  
NOV 24 1937  
ASSISTANT SECRETARY  
OF STATE

I have the honor to refer to my despatches  
152 and 153 of March 26, 1937, relative to  
Soviet-Chinese and Soviet-Japanese relations, and  
to despatch No. 531 of September 2, 1937, concern-  
ing recent developments in Soviet relations with  
Far Eastern countries during the months of July and  
1/ August, and to transmit herewith a memorandum on  
such relations during the month of September 1937.

In brief it may be stated that although there  
was a certain alleviation during September in the  
strained relations which have long existed between  
the

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the Soviet Union and Japan, the animosities and unfriendliness of the two nations were nevertheless frequently obvious. The period under review was marked by unusual quiet on the Manchurian-Soviet frontier, no border infractions or disputes of any importance having taken place for the first time in many months. Certain friction arose, however, over the detention of an armed Japanese cutter and 28 Japanese fishing boats, and the arrest of 270 Japanese fishermen charged with poaching in Soviet waters. After an exchange of notes between the Japanese Embassy and the Soviet Foreign Office the armed cutter was released, as well as the fishing vessels and fishermen, upon payment of 500 rubles' fine per vessel.

Increased tension in Soviet Sakhalin arose during the month. Japanese oil and coal concession companies were accused of breaking their concession agreements. From information obtained in Moscow, however, it would appear that the Sakhalin dispute was caused more by Soviet pressure being applied to the Japanese and obstacles placed in their way in order to force them to relinquish their concession rights, than by the alleged infringement of the concession agreements. In this respect the Embassy has been informed that so many obstacles had been placed in the way of the Japanese companies and that so many Japanese citizens had been arrested that it would be practically impossible to continue the operation of the concessions. It would seem that no final settlement of this matter has as yet been reached.

On September 15 the Japanese Consuls in Odessa and Novosibirsk were recalled, due to the refusal of the Soviet authorities to permit them to carry on their consular functions. The Japanese Government has maintained, however, that the consulates are only temporarily closed and that it has the right to open them again when circumstances justify such action, notwithstanding the number of consulates maintained by the Soviet Union in Japan.

The strained relations and the animosities between the Soviet Union and Japan were well illustrated early in September by three cases of assault on Soviet employees in the Soviet Embassy in Tokyo. According to a Moscow press release the Soviet Ambassador in Tokyo lodged a strong written protest "against the increasingly frequent assaults made of late by unknown Japanese on employees of the Soviet Embassy and trade delegation in Tokyo".

As reported in telegram No. 248, September 27, the Soviet Government sent a strong protest to the Japanese Government against the actions of the Japanese military forces in China and warned Japan that the Soviet Union would "consider it fully responsible for all the consequences from these unlawful actions" - i.e., for any damage done to or loss of life in the Soviet Embassy in Nanking. As far as can be ascertained the Japanese Foreign Office has not as yet replied to the Soviet note.

With respect to China, interest has chiefly centered on the recent conclusion of the Sino-Soviet

Non-Aggression



Enclosure:

1. Confidential Memorandum - Soviet Relations with Far Eastern Countries.  
(Covering September 1937.)

710 - Far East.

EPjr/hls

Original and four copies to the Department.  
One copy to the Legation, Riga.  
One copy to the Embassy, Tokyo.  
One copy to the Embassy, Peiping.

Confidential  
Excluded

Enclosure No. 1 to Despatch  
No. 841, dated October 14, 1937,  
from the American Embassy,  
Moscow, U.S.S.R.

CONFIDENTIAL

MEMORANDUM

SOVIET RELATIONS WITH FAR EASTERN COUNTRIES

(COVERING SEPTEMBER, 1937.)

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\* \* / \* \*

THE AMUR ISLAND DISPUTE AND  
OTHER BORDER INCIDENTS

The Amur Island Dispute.

Since the publication of the TASS communique of July 9 (see last report on Recent Developments in the Far East) there has been no further mention of the Amur Island dispute in the Soviet press or the Japanese English-language press. It is consequently felt that the incident has been filed away with the score of similar border incidents of recent years and that no more will be heard of the matter. It has been recently stated in this connection that it is the common belief in China that Japan had provoked the Amur incident to see whether the Soviet Union would fight, and, finding that it would not, promptly struck in North China. Although the Embassy hesitates to comment on this belief, it is possible that Japan took advantage of the incident to put pressure on the Red Army in order to ascertain the morale of that organization. Later developments in North China create a suspicion that Japan had tested the Red Army, not with the idea of invading Siberia but in order to form an opinion of the Soviet attitude in the event of a Japanese advance in North China. In the course of the negotiations in Moscow settling the incident, it became apparent that the Soviet attitude was more conciliatory than on previous occasions, and it is possible that Japan then decided that it could strike in North China without the danger of having Soviet diversion on its flank.

Other

Other Border Incidents.

The month of September was marked by unusual quiet on the Manchukuo-Soviet frontier. The Soviet press and the Japanese English-language press have not published any accounts of frontier incidents of any importance. On September 5 the Moscow press referred to a Japanese report to the effect that two Soviet gunboats landed thirty-five Red Army soldiers in Manchuria near Huling on the Ussuri River as "a vicious and provocative invention of which not a single word is true". On September 6 the PACIFIC STAR published a short account of an unsuccessful attempt to steal a Soviet tractor by four men dressed in semi-military uniforms and an exchange of rifle fire between Soviet and Japanese-Manchurian soldiers.

With the exception of these unimportant incidents no border infractions or disputes have come to the attention of the Embassy.

SEIZURE

SEIZURE OF JAPANESE SHIPS

On September 8 the Moscow PRAVDA announced that on September 5, Soviet authorities had detained an armed Japanese cutter, the Osaka Maru, which was allegedly anchored in Soviet waters 2 1/4 miles from the shore between Furugelm Island and the mouth of the Tyumen-Ula River. The PRAVDA stated that according to the captain of the vessel the cutter had been sent by the Korean governor-general to Soviet waters "to control the activities of the Korean fishing vessels and to prevent their entry into Soviet territorial waters. This declaration of the captain obviously did not correspond to the facts, for in the vicinity of the Osaka Maru's anchorage were noticed tens of Japanese and Korean fishing boats even closer to our shores than the Osaka Maru herself".

The PRAVDA article continued:

It is worthy of attention that during the present year continual illegal entry on the part of Japanese fishing schooners and cutters in Soviet waters has been observed and generally in those regions which have no value from a fishing point of view. It is consequently obvious that the actual objective of such a massive entry of Japanese fishing schooners is in no way fishing. Many schooners have been detained by our authorities. Investigations are being carried on. Their captains will be brought to trial.

On September 9 the Japanese ambassador in Moscow protested vigorously to the People's Commissariat of Foreign Affairs against the seizure of the Osaka Maru and twenty-eight Japanese fishing boats, and the arrest of 270 Japanese fishermen against whom the charge of illegal inshore fishing had been lodged. The Soviet

Government

Government claimed that the territorial limit of the waters in question was eight miles. The Japanese Government insisted that the three-mile limit applied there as elsewhere. It was later reported that the Soviet Foreign Office rejected the Japanese protest and stated: "The protest was unfounded, being based on misinformation".

On September 10 the Soviet Ambassador in Tokyo delivered a counter-protest to the Japanese Foreign Office to the effect that several hundred Japanese fishing boats had recently entered Soviet waters and that the ships under detention were seized while poaching in Soviet waters. According to the JAPANESE ADVERTISER (September 11), the Japanese Foreign Minister urged the Soviet Ambassador to reconsider the Japanese demand for immediate release of the captured ships.

On September 16 the Japanese press announced that the pertinent Soviet authorities had ordered the release of the Osaka Maru. No mention was made of this release in the Soviet press nor has any report been made regarding the 28 Japanese fishing vessels. The Embassy has been informed, however, that the 28 vessels and the 270 Japanese fishermen in question had been released after payment of 500 rubles fine per vessel.

INCREASED

INCREASED SOVIET-JAPANESE TENSION  
ON SAKHALIN ISLAND

On September 24 the Moscow press announced that Japanese concessionaires had "grossly violated Soviet laws and safety regulations in open violation of the concession agreement on Soviet Sakhalin". The Soviet press further stated that the concessionaires were acting in conformity with circles striving to bring about strained Soviet-Japanese relations. In explanation the PRAVDA stated that early in 1937 a Japanese oil concession company in Sakhalin had recruited and brought to Vladivostok about 2000 Soviet workers but had refused to transport them to Sakhalin until the middle of August. As a result, the workers remained without work for over three months. In September the oil company started to dismiss large numbers of workers who had been recruited at the request of the company and was planning to discharge some 2500 more. Officials of the oil company explained that the company was winding up the work of the concession and stopping prospecting for an indefinite period.

The PRAVDA stated that a similar situation existed at a Japanese coal concession where large numbers of workers were discharged because of curtailment of operations. The PRAVDA maintained:

There is no need to prove that these accounts of the concessionaires' are a gross violation of the concession agreements, which by no means permit the concessionaires to wind up work at the concessions at their own discretion, leaving only a skeleton staff to maintain them. Reducing the outfit means a decrease in the income of the Soviet Government from these concessions. The cessation of

prospecting

prospecting work at the oil concessions makes it impossible to utilize new deposits. It is equally obvious that the leaving of a skeleton staff for the mere maintenance of the coal concessions will mean additional damage.

The PRAVDA stated that the Japanese have tried to justify their action by "alleging that obstacles were placed in the way of their work". The PRAVDA maintains, however, that "the falsity of such statements is made obvious for, as a matter of fact, the concessionnaires ~~are~~ and do have every possibility for normal work so long as they do not go beyond the confines of Soviet law and the concession agreements". In conclusion the PRAVDA stated:

The local organs and trade unions, indignant at the unlawful actions of the concessionnaires, had appealed to the Soviet Government to take necessary measures to defend Soviet interests. It is expected that the People's Commissariat for Heavy Industry will not permit concessionnaires to violate terms of the concession agreement and that the concessionnaires will be given a serious warning in this respect. The local authorities consider that, as a matter of fact, the concessionnaires will also be asked to make good all losses incurred in connection with the planned cessation of production.

From information obtainable in Moscow, it would seem that the Sakhalin dispute has been caused more by Soviet pressure being applied to the Japanese in order to force them to relinquish their concessions than infringements of the concession agreements. Soviet-Japanese friction has often been reported in Sakhalin, but has recently increased considerably owing to the arrest and imprisonment of officers and Japanese workers of the two concessions in question. The Counselor of the Japanese Embassy in Moscow informed a member of my staff

staff that during recent months so many obstacles had been placed in the way of the Japanese concessionaires and that so many Japanese employees had been arrested that it was practically impossible to continue operation. He stated that although the oil concession agreement permitted the employment of approximately 500 Japanese workers for special types of work and prospecting, it had proved impracticable to hire such workers as they were continually being arrested for committing minor offenses. Japanese managers and foremen were then arrested on the charge of not correctly supervising their subordinate workers. The Japanese Counselor stated that the oil and coal concessionaires had received protests from the local branch of the People's Commissariat for Heavy Industry but as there was no clause in the concession agreements relative to the curtailment of work, the concessionaires had refused to accept the protest and would curtail operations until the local authorities proved more lenient with respect to the Japanese employees. The Japanese Counselor was of the opinion that the Soviet Government was trying to make the Japanese concessionaires break the concession agreement in order to force them to relinquish the concessions. He stated that all negotiations were being carried on between the concessionaires themselves and the local Soviet authorities and that the Japanese Embassy in Moscow had decided that the People's Commissariat for Foreign Affairs was powerless to take any action. The Japanese Ambassador had protested on numerous occasions

against

against the frequent arrests of Japanese subjects in Vladivostok and Sakhalin, usually on charges on having broken working regulations, carrying cameras or for committing minor commercial offenses.

CLOSING

CLOSING OF JAPANESE CONSULATES  
IN THE SOVIET UNION

It will be recalled that in the last memorandum on relations in the Far East, it was stated that the Soviet Foreign Office had requested the Japanese Government to close up the Japanese consulates in Odessa and Novosibirsk. On September 14, the Moscow press announced that:

The Soviet Government has informed the Japanese Government that beginning with September 15 it will not recognize the right of the Japanese consuls in Novosibirsk and Odessa to carry out consular functions in these cities.

In a note sent as far back as last May, in which it pointed out that the Soviet Union has only six consulates in Japan while Japan has eight in the U.S.S.R., the Soviet Government, in accordance with the principle of an equal number of consulates, asked Japan to close two of her consulates. The note further stated that in Novosibirsk and Odessa there are no Japanese subjects, except the employees of the consulates, and no Japanese interests to defend. The consulates in the two cities could be closed without any harm to the work of Japanese consular authorities in the U.S.S.R.

In correspondence with the People's Commissariat of Foreign Affairs, the Japanese Government stated that Japanese subjects and interests might have to be protected in the future in the two cities, while Japanese steamers might at some future time call at Odessa. It is pointed out that this was tantamount to a refusal on the part of the Japanese Government to accept a perfectly legitimate proposal by the Soviet Government and to a refusal to negotiate the question in a businesslike way.

The Japanese Foreign Office on September 14 protested against the action of the Soviet Government in ordering the Japanese Consulates in question to be closed and declared that Japan reserved her right under the 1925 agreement which authorized each country to open

nine consulates in the other's territory. The Japanese YOMIURI commented on the dispute as follows:

The Soviet Union has formally informed Japan that it will cancel recognition of the Japanese consulates in Odessa and Novo Sibirsk.

As a result of the conclusion of an agreement in 1925 in Moscow between the two countries, Japan opened consulates at Vladivostok, Habarovsk, Blagoveschensk, Oha, Petropavlovsk, Alexandrovsk, Novo Sibirsk and Odessa. In exchange, the Moscow Government opened consulates in Seoul, Kobe, Tsuruga, Otaru, Hakodate, Dairen, Nagasaki and Tokyo. Trade relations were thus promoted. Later, the Moscow Government abolished its consulate at Nagasaki. Its Tokyo consulate-general was abolished last June. The eight-eight balance thus was broken. The Soviet Union is making this as excuse for cancellation of its recognition of the two consulates.

The balance was broken at the Soviet's own convenience. According to the original agreement, the two countries are able to open up to nine consulates in all. The Soviets' convenience has nothing to do with Japan.

The Embassy has been informed that due to the refusal of the Soviet authorities to permit the Japanese consuls in Odessa and Novosibirsk to carry out their consular functions, the consuls in question had been recalled. The Japanese Government maintained, however, that the consulates were only temporarily closed and that it had the right to open them when circumstances justified such action. The Japanese Counselor of Embassy in Moscow has informed a member of my staff that there is no provision in the Consular Protocol, annexed to the Soviet-Japanese Treaty of 1925, which gives the Soviet Government the right to demand the closure of the Japanese consulates which were opened up, according

according to treaty, in specific cities in the Soviet Union. He stated that the Soviet Government was acting absolutely arbitrarily in this matter and that if the Soviet contention of equality of consular establishments were accepted, the United States would have the perfect right to demand the Soviet Government to close down its consulates in New York and San Francisco on the grounds that the United States did not maintain consulates in the Soviet Union.

ARRISTS

ARRESTS AND EXECUTIONS IN THE SOVIET FAR EAST

During the month of September, arrests and executions continued in full swing in the Soviet Far East. Those coming to the notice of the Embassy included 20 Russians and Koreans in Voroshilov-Ussurisk, accused of belonging to "anti-soviet terrorist and espionage-diversionist organizations of Trotskists and rightists who were active on the railroads of the Far East and occupied with spying and the fulfillment of diversionist acts under the direct instructions of Japanese intelligence organs and also preparing a number of terrorist acts against the leaders of the Soviet authority." The 20 persons were sentenced to death (PACIFIC STAR, September 10, 1937). On September 15, the PACIFIC STAR announced the death sentence of a further 19 persons, all presumably Russians. On September 21, the execution of 7 officials in Severnoe, including the President and the Secretary of the Executive Committee of Severnoe Rayon was announced. The men were accused of sabotage, poisoning livestock and illegally taxing the peasants. On September 30, the editorial staff of the PACIFIC STAR was severely criticized by the Moscow PRAVDA and, although no arrests have as yet been announced, past experience leads one to believe that the directors and editors involved have in all probability been removed from office and arrested. On the same day, the PACIFIC STAR announced the death sentence of four city officials in Rukhlovo.

All in all, the total number of executions announced in the PACIFIC STAR alone during the period May 9 -

September

September 30 on charges of Japanese espionage of the fulfillment of diversionist acts has amounted to 281. This number, however, does not represent the total number of persons executed in Siberia and the Soviet Far East but only that number which has come to the attention of the Embassy through the medium of the PACIFIC STAR, which is but one of many Siberian newspapers. Competent observers in Moscow have calculated that the number of executions in Siberia and the Far East have totaled well into the thousands during the last six months, and arrests and removals from office, into the tens of thousands.

As of possible interest to the Department, it has been reliably reported that approximately 170,000 Russian born Koreans have been exiled from the Soviet Far East to Central Asia.

AMREB

ALLEGED ASSAULTS ON EMPLOYEES OF THE  
SOVIET EMBASSY IN TOKYO

The strained relations and the animosities between the Soviet Union and Japan were well illustrated by three cases of assault on Soviet employees of the Soviet Embassy in Tokyo during the early part of September. Although the Japanese English-language press failed to report the incidents, according to the Moscow press, an Embassy secretary, the wife of the military attaché and the wife of the trade representative were attacked by unknown Japanese.

According to the Moscow press (September 20) the Soviet Ambassador to Japan lodged a written protest on September 17 "against the increasingly frequent assaults made of late by unknown Japanese on employees of the Soviet Embassy and Trade Delegation in Tokyo. .... In protesting against all these absolutely impermissible cases, Slavutski drew special attention to the fact that even women are being assaulted and that in all cases agents of the police who witnessed the assaults took no steps whatever to prevent them and detain the assailants."

"In conclusion, Slavutski insisted that the necessary steps be taken to investigate the above-mentioned cases, punish those guilty and that effective measures be taken by the Japanese authorities to prevent a repetition of such occurrences in the future."

REPORTED

REPORTED OPENING OF SINO-SOVIET AIRLINES

On September 11, DOMEI reported from Moscow that the inauguration of a regular air service between China and the Soviet Union was being planned by the Soviet Government and that negotiations were already in progress between Moscow and Nanking. A week later, it was announced in the Japanese ADVERTIZER that a new air route had in fact been opened between Siam to Central Asia (and thence to the Soviet Union) and from Ulanbator to Lanchow.

The Embassy has been unable to verify the above reports. It is of interest to note, however, that air communications have for many years been maintained from Moscow and other important points in the Soviet Union to Sergiopol in Central Asia and thence to Bakhty on the Soviet Sinkiang border, and from Alma Ata to Dzarkent, also in the vicinity of the border. Furthermore, it has been reported (VENNERSGEOGRAPHIE VON RUSSISCH-ASIEN, Ost-Europa Verlag, Berlin, 1934) that a Chinese airline from Shanghai to Bakhty, via Urumchi, was established in 1933. It would seem, however, that this line never functioned as an established mail or passenger route but that occasional flights were merely made over it. It was planned at one time (1933) to extend the Soviet line from Bakhty to Urumchi. As far as can be ascertained, however, no further steps were taken in this direction until possibly at the present time.

The above information is given in order to show that the establishment of air communications between Moscow

and

and possibly Nanking is no new idea but has been under consideration for several years. It is quite possible that the former aggressive policy of the Soviet Union in Sinkiang, and the attempted Sovietization of that province prevented the Soviet Government and the Chinese National Government from coming to any understanding. With the conclusion of the Sino-Soviet Non-Aggression Pact and the recent rapprochement between the two countries, it is now possible that air communications have finally been established.

In this respect, it should be reported that Mr. Boromlov, Soviet Ambassador to China, is said to have returned to Moscow by air, via Sian and Lanchow.

T.S.

THE CHINESE NOTE OF SEPTEMBER 25 TO THE  
PEOPLE'S COMMISSARIAT OF FOREIGN AFFAIRS

On September 25, the Chinese Embassy in Moscow forwarded to the People's Commissariat of Foreign Affairs the following note:

"The Chinese Embassy has the honor to call to the attention of the People's Commissariat of Foreign Affairs of the U.S.S.R. the aerial bombardment of peaceful population, refugees, sanitary and Red Cross detachments and cultural institutions carried on by the Japanese aggressor without restriction and indiscriminately in districts located far from the arena of the battles.

"Since the renewal of Japanese invasion in the summer of this year the Japanese in violation of international law and morals have been deliberately attempting to carry out in practice the barbarous doctrine of totalitarian war. The destruction of the Nankai University in Tientsin, an institution known for its contribution to science, illustrates the war of Japan against Chinese culture. The bombardment of refugees awaiting for trains at the southern station in Shanghai shows how little regard Japan has for innocent defenseless women and children. Particularly in the course of the last few days the severe bombardment of Canton destroyed entire blocks populated with peaceful toilers, killing thousands of people. In Nanking, the capital, Japanese bombardiers are attempting with their raids, repeated day after day, to cause a similar ruthless destruction.

"The Japanese command has even demanded the evacuation of foreign embassies and missions so that Japan can accomplish its aim of entirely destroying the capital of China.

"Such acts of barbarity are explicitly forbidden by the code of international law on war, a code on the creation of which civilization has exerted many efforts.

"The world today is too closely interconnected to be divided into imaginary sections. What is taking place in the Far East now may occur in any other section of the world tomorrow, for the Japanese war as it is conducted by the Japanese militarists is not only a war against China but also a war against civilization itself. Should mankind pass such barbarous acts without protest then entire mankind will suffer.

"The Chinese Embassy, therefore, has the honor, according to instructions of the government of the Chinese Republic, to call the attention of the Soviet Government to the serious consequences ensuing from the barbarous nature of the Japanese military action in China which affect entire mankind and to ask that the Soviet Government undertake such measures as would facilitate the rapid cessation of such uncultured, inhuman action."

14712

THE SOVIET NOTE OF SEPTEMBER 26 TO THE  
JAPANESE MINISTER OF FOREIGN AFFAIRS

On September 26, Mr. Slavutski, the Soviet Ambassador in Tokyo, at the instruction of the Soviet Government sent the following note to Mr. Hirota, the Japanese Foreign Minister:

Monsieur le Ministre, on September 19 the acting consul general of the U.S.S.R. in Shanghai, Simansky, received from the commander of the Third Squadron of the Japanese fleet Admiral Hasegawa a report regarding the intentions of the Japanese military naval and air forces to subject the city of Nanking and its environs beginning with noon September 21 to bombardment from the air and to other military measures and in connection with it a proposal to the ambassador of the U.S.S.R. in China, Bogomolov, together with the entire personnel of the embassy and all Soviet citizens residing in Nanking, to depart from Nanking for districts of greater safety.

Immediately upon the receipt of this notice the acting consul general of the U.S.S.R. in Shanghai, Simansky, at the instruction of the ambassador of the U.S.S.R. in China, Bogomolov, declared to the consul general of Japan in Shanghai, Mr. Okamoto, a protest against the intended unlawful actions of the Japanese military air forces and informed the embassy of the U.S.S.R. with its entire staff will remain in Nanking, and warned that the Government of the U.S.S.R. places on the Government of Japan all responsibility for anything which may happen to the embassy of the U.S.S.R. in Nanking and to Soviet citizens from unlawful actions of the Japanese military air forces.

Mr. Okamoto promised to transmit this declaration to the Japanese government, repeating however, the proposal of Admiral Hasegawa regarding the evacuation of the Soviet embassy from Nanking and emphasizing that the Japanese authorities will bear no responsibility for accidents which may occur.

On September 22 the naval ministry of Japan informed officially the military-naval attaché of the U.S.S.R. in Japan, Kovalev, that allegedly from September 22, Chinese airplanes with Japanese distinguishing marks will start flying over Nanking.

On September 23 the Japanese consul in Shanghai, Mr. Wakazuki, informed the consul general of the U.S.S.R. allegedly of an eventual bombardment of the Soviet embassy in Nanking by Chinese airplanes masked as Japanese planes.

The many bombardments of Nanking by Japanese aviation which resulted in a great number of human victims among the peaceful population and in the destruction of many buildings and structures which have no military value whatsoever give cause to fear that a continuation of these bombardments threatens also the embassy of the U.S.S.R., the life of the ambassador and his staff and the property of the embassy of the U.S.S.R. The Soviet Government has all the more reason to fear such consequences from the measures undertaken by the Japanese military forces because, as it is known, the Japanese military authorities have already created for the general consulates of the U.S.S.R. in Tientsin and Shanghai and for the consulate of the U.S.S.R. in Kalgan impossible conditions for the normal carrying out of the functions they are charged with.

Considering the actions of the Japanese military authorities with regard to Nanking and the unlawful demand presented by them on the evacuation from Nanking of the embassy of the U.S.S.R. as unlawful and contradictory to the universally recognized principle of international law, the Soviet Government declares its resolute protest against these actions of the Japanese military forces which are unprecedented in the history of international relations and confirms that the embassy of the U.S.S.R. in China has been given instructions to remain further at its post and warns the Japanese government that it will consider it fully responsible for all the consequences from these unlawful actions.

THE SINO-SOVIET NON-AGGRESSION PACT AND THE  
SOVIET ATTITUDE VIS-A-VIS THE HOSTILITIES  
IN THE FAR EAST

For a full discussion of the Sino-Soviet Non-Aggression Pact, attention is drawn to this Embassy's despatch No. 573 of September 20, 1937. In brief, the significance of the Pact may be summarized as follows:

(1) To Japan, the conclusion of the Pact would appear to mean that Tokyo can no longer count as strongly as it has in the past upon the possibility of the present Nanking Government joining the anti-Comintern front; that if it intends to enforce its demands upon China, it can do so only by overthrowing the present Nanking Government; that it must count upon the Chinese Communists and left-wing sympathizers of the Soviet Union supporting the Nanking Government.\*

(2) To China, the conclusion of the Pact would appear to mean that in the present conflict, the Nanking Government has destroyed to a considerable extent its own maneuvering ability as it will be now unable to play Japan and the Soviet Union off against one another; that it can depend upon the Chinese Comintern Communists and pro-Soviet elements for support as long as it opposes Japan; that it will be compelled to reckon with the Chinese Communists once the present conflict is over; that China is now in a better position to obtain arms and military supplies from the Soviet Union than

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\* According to the London TIMES (September 23) a manifesto was issued by the Chinese Communist Party in which it was declared that (1) the Government of the Soviet Republic of China was dissolved; (2) the Red Army was abolished and would be reorganized into a Nationalist Revolutionary Army placed at the disposal of the Nanking Government; and (3) all measures aimed at the forceable overthrow of the present Kuomintang Government would be abandoned.

than heretofore.

(3) To the Soviet Union, the conclusion of the Pact would seem to indicate that China has been definitely kept out of the anti-Comintern front; that the Chinese Communists have been restored to a comparatively favorable position and free not only to join the struggle against Japan but also to strengthen their influence in China; that China is more dependent upon Moscow than heretofore.

The rumors which have appeared in the foreign press to the effect that the Pact was accompanied by secret military clauses and that Soviet arms have commenced to pour into China are discounted in Moscow. A spokesman of the Japanese Embassy has stated that such rumors are even discredited in Tokyo and that at the present time, the Japanese Foreign Office does not believe that the Soviet Union is supplying arms or military technical aid to China. In general, it may be stated that it is the consensus of opinion in Moscow that the Soviet Union has kept its hands free in China and that, for the present at least, it is determined to take no action which would be likely to embroil the Soviet Union in a conflict which would promise to undermine the strength of the three countries involved. In many respects, it would seem that Moscow is more interested in stirring up opposition to Japan in China, Geneva, and the world at large, and by advocating collaboration between the Chinese Communists and the National Government, in indirectly strengthening Chinese resistance to Japan - one of the "fascist enemies" of the Soviet Union.

This would seem to be the present policy of the Soviet Union. If later, it should appear that the Soviet Union might be in a position to turn the scales against Japan by supplying China with materials of war or by lending actual military aid, either in the guise of Mongolian troops or in any other form, it may decide to resort to more active measures. In this respect, it has been reliably reported that Mr. Bogomolov, the Soviet Ambassador to China, has returned to Moscow in order to try to persuade the Kremlin to supply China with planes, munitions of war and military technical advisers.

With respect to the Soviet attitude vis-a-vis the present hostilities in the Orient, little can be added to those comments made in the last report on Soviet relations with Far Eastern countries. The Soviet press has been remarkably restrained in its comments on the conflict and, with the exception of news items covering the actual hostilities, has, generally speaking, refrained from commenting editorially on the conflict or the attitude of the Soviet Government. Even the bombardments of Shanghai, Nanking and Shanghai were passed over without the usual fulminations and were but briefly reported, usually by citations from English or American newspapers. On September 25, it was briefly reported that numerous factories in the Soviet Union had held meetings in which resolutions were passed expressing the indignation of the workers over the bombardments. These meetings, however, failed to obtain any publicity whatsoever.

The restrained tone of the Soviet press inclines one to believe that the Kremlin is playing a cautious game and is disposed to keep clear of any commitments in China, for the present at least. Although the present situation in the Orient would seem to offer the Soviet Union a unique opportunity to strike at Japan and settle once and for all the many border and other disputes, it is the opinion in Moscow that the Kremlin is guided by the present internal difficulties in the Soviet Union and is resolutely against any foreign entanglements, and especially any entanglements that might give cause to bring the German-Japanese anti-Comintern Pact into play.

TELEGRAM RECEIVED

DIVISION OF  
EUROPEAN AFFAIRS  
OCT 26 1937  
DEPARTMENT OF STATE

✓  
A-W  
EU

EG  
This message must be  
closely paraphrased be-  
fore being communicated  
to anyone. (C)

FROM Moscow  
Dated October 25, 1937  
Rec'd 8 a. m.

SECRETARY OF STATE  
OCT 25 1937  
NOTED

*Handwritten notes:*  
C. H. ...  
cut

Secretary of State,  
Washington.

276, October 25, 9 a. m.

STRICTLY CONFIDENTIAL FOR THE PRESIDENT AND THE  
SECRETARY OF STATE.

Supplementing my telegram #266, October 14, 10 p. m.,  
I have the honor to report that today I received certain  
further information supplementary to the said cable and  
on the same authority which is as follows:

The Soviet Government refuses any definite commitment  
with reference to direct military aid and cooperation with  
China despite strong attitude of influential Far Eastern  
Soviet officials and some support here in military and  
other circles. Bogomolov, Soviet Ambassador to China, is  
still here. He will not return to China nor will he re-  
ceive final instructions until conclusion of Brussels  
Conference. Same authority advises that in his opinion  
France is throwing cold water here on project of commit-  
ments for direct military aid to China by Russia because  
it prefers that its ally should husband its strength against  
a possible German attack and not deplete its energies in  
the Far East.

793.94/10827

FILED

OCT 28 1937

EC -2- 7276, October 25, 9 a. m. from Moscow.

It was also stated that China is finding serious difficulties by restrictions on shipments through French Indo-China as a route for supplies. Overseas shipments are required to be split up and mixed with non-contraband goods on account of risk. There are indications that France fears lest it might become involved through shipments via this route. France and the Soviet Union are reluctant to become the spearhead in the situation without assurance of support from great powers.

With adequate supplies China, it is claimed, could make strong defense indefinitely. Difficulty does not lie in procuring supplies but in their transport.

Informant also advised that Germany's attitude is not unfavorable to China and that despite formal objection raised by Japan to presence of German instructors in Chinese armed forces German Government refused to require their return on the ground that it was a matter of private and individual enterprise.

China deeply disappointed by England's alleged premature statement relative to sanctions and deeply grateful for President's Chicago speech. They contrast less performance than they had reason to hope for from England with much greater moral support from the United States than they had reason to expect.

The

ZC-94 #276, October 25, 9 a. m. from Moscow

The Japanese Ambassador left here Wednesday for Berlin avowedly for the purpose of medical attention.

This message has not been repeated to Brussels but have made no personal commitment as to manner of transmission as in case of previous telegram where names were used.

DAVIES

C:HR

EDA  
This telegram must be  
closely paraphrased  
before being communi-  
cated to anyone (d)

MOSCOW

Dated December 21, 1937

Received 3:11 p.m.

Secretary of State  
Washington

330, December 21, 2 p.m.

The following is a brief summary of statements  
made to me yesterday in the strictest confidence by the  
Chinese Ambassador in Moscow.

One. I am secretly leaving for China within two  
or three days to confer with Chiang Kai Shek and to  
explain to him the Soviet attitude with respect to  
China. The journey which is by airplane across  
central Asia will be hazardous. Before departing I  
desire to give you to understand something of what  
I have been encountering during the last year.

Two. I came to Moscow as Ambassador in November  
1936. Before my appointment I had a reputation of  
being a firm supporter of Chinese-Soviet friendship.  
I had been on friendly terms with Soviet officials in  
China including Bogomolov, the Soviet Ambassador; had  
already visited the Soviet Union on several occasions;  
and had discussions in Moscow regarding difficult Soviet  
relations with some of the highest Soviet officials.

Three.

NOTE  
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E A - 3 - #333, December 21, 2 p.m. from Moscow

Three. One of the purposes of my mission was to obtain assurances from the Soviet Government that if China pushed Japan so far as to make war inevitable the Soviet Union would support China both with supplies and armed forces.

Four. Although while in China Bogomolov had been free in making oral assurances of Soviet readiness to assist China in case of war with Japan, and in Moscow at the time of my arrival I was unable to get in touch with him. He did call upon me to say good-bye prior to his return to China some time after my arrival but avoided discussing political problems. I found that Litvinov was also evasive. In response to my overtures he usually replied that he preferred to have important matters involving Soviet-Chinese relations discussed at Nanking.

Five. Bogomolov and influential groups in China friendly to the Soviet Union continued during the Spring and Summer of 1937 to endeavor to make the Chinese Government believe that if it would undertake to offer armed resistance to Japan it could confidently expect the armed support of the Soviet Union.

For

CEA - 31 - #233, December 21, 2 p.m. from Moscow

For various reasons I insisted that my Government give serious consideration to no assurances which were not in writing. My insistence was interpreted by pro-Soviet circles in China as implying lack of confidence in Soviet integrity. Now that the Soviet Government has failed to give the assistance which these circles stated it would give, they are contending, instead of conceding that I was right, that my lack of confidence in Soviet oral promises had undermined Chinese-Soviet relations and that I am responsible, therefore, for the failure of the Soviet Government to enter the conflict.

Six. The following incident illustrates my difficulties. In October a Chinese Communist visited Stalin and reported to his friends in China, who in turn reported to the Chinese Government, that on a certain date the Soviet Government would join China in its war against Japan. In response to an inquiry from my Government, I replied that my information would indicate that the Soviet Government had no intention of permitting itself to be involved in the hostilities in the Far East in the foreseeable future. Nevertheless, the friend of the Soviet Union in China insisted that

EDA - 4 - #333, December 21, 2 p.m. from Moscow

that the Communists were in a better position than I to report on Soviet intentions. When upon the date mentioned the Soviet Government made no move towards giving armed assistance to China my Government ordered me to ask why Stalin had failed to keep his promise. Stalin, in reply to my inquiries made to him indirectly, stated that he had never made the promise credited to him.

Seven. I must state out of fairness that neither Litvinov nor any other high Government official in Moscow has ever given me any promises of Soviet armed support to China against Japan. Nevertheless, they have not taken recommended measures to end the campaign of belligerency carried on by their representatives and friends in China.

Eight. Bogomolov, upon his return to the Soviet Union several weeks ago, was arrested. It is my understanding that the charges against him are not that he had made unauthorized promises to the Chinese Government but that he was too optimistic in reporting to his Government the ability of the Chinese armed forces to resist Japan. Apparently the Soviet Government had been led by Bogomolov to believe that the Chinese resistance to a Japanese attack would be much

MORE

EDA - 5 - #333, December 21, 2 p.m. from Moscow

more stubborn than it has been effectual, and a feeling is commencing to be manifest in high circles that Japan may be able to emerge from the war much more quickly and in a much better economic and military condition than had been anticipated. It is beginning to fear that the war instead of weakening Japan may result in adding to its strength, prestige and aggressiveness.

Nine. Although for internal consumption the Chinese Government is endeavoring to assure its people and the world that time is on its side and that if the Chinese armies continue to offer resistance Japan will inevitably become exhausted. Nevertheless, there is a growing feeling among informed Chinese circles that Japan by following a ruthless policy of depriving the population of conquered portions of China of even their elementary needs will be able to mobilize supplies in sufficient quantities to permit it to carry on the war for a protracted period.

Ten. I have talked with the new Soviet Ambassador to China and will tell you in confidence that I am convinced that he is a Smirnov who was replaced recently as Soviet Assistant Commissar for Defense.

HENDERSON

MPL:SKS