Translated by Def. Doc. # 1632 Defense Language Branch Before distribution to be presented first to the State Secretary Berlin 20, July 1939 Woermann Berlin 19, July 1939 The Jananese Counsellor of the Embassy who was apparently dispatched by his Ambassador to gain information, visited me today and began a talk with an extremely detailed explaration of the late incident which occurred on the border between Marchukuo and Outer Morgolia. The events, according to his explanations, occurred in the area where a river called Halahaho on most mars forms the border-line. It is true that there exists no clear agreement on the border line, but the said river has been practically recognized as the borderline. Since April of this year Outer Mongolian troops at first arreared on the east side of the river again and again; later they were reinforced with Russian troops. At the same time Outer-Morgolian or Russian airplanes often appeared over Manchurian territory. In one case an airplare flew deer into the land and dropped a bomb upon a bridge about 30 - 40 Km

Def. Doc. # 1632 to the east of Tsitsihar. Finally the Mongolians and Russian in large formation have appeared on the east side of the river and that with motorized troors and tanks. Thereupon a pitched battle with major units developed, whereby the Japanese gained the upperhand. The fighting activities, however, have not yet entirely ceased along the whole lire. The Outer-Mongolians and Russians have lost thousands of men and hundreds of airplanes. On the Marhurian side, Jaranese troops have also taken part in the battle. The total loss of our side amounts to about 1,000 men. As to the reason of such Russian action, the Japanese Government is entirely dependent upon a supposition: The action might have the aim to ascertain whether the Japanese desrite the warlike events in China are still strong erough also in Manchukuo. Another rossibility might be to give a kind of moral help to the Englishmen in relation to the occurrence in Tientsin. A third interpretation is that the Russians are desiring to display, ir consideration of the regotiation in Moskow, that they are not interested in the events in Europe but that they are looking toward the Far East. Finally it is even insisted that the Russians are eager to create difficulties between the Anti-Comintern Powers in this way. Hereupon Mr. Usami arparently reached the point, to which he was steering. First he inquired after our information about

Def. Doc. .. 1632 the English-French-Russian negotiations. I have given him our information concerning the negotiation of the "estern Powers with Moskow, which coincided with his own. Then he inquired after our relation with the Soviet Urion in a very emphatic form. He referred among others to a report of the "News Chronicle," according to which a Mon-Aggression Pact between Germany and Russia is now being negotiated and which mentioned the rumor of the dispatch of prominert German rersons to Moskow. I replied to him that all those news were nothing but a swindle. It is true that we are now keeping contact with Soviet Union because of an economic negotiation. The quantity of trade between us has been reduced to an insignificant sum from its very considerable height in former times. There are plenty of useful thirgs in Russia, which we can utilize quite well, so it is quite natural that we are trying to further our economic relation to some degree. This has lead to nothing more than preliminary diplomatic talks, being held partly in Moscow, nartly in Berlin. Mr. Usami then inquired after the details or the German credits given to the Soviet Union in former days. I have referred him to Mr. Wiehl for further information or this question.

Daf. Doc. # 1632 Mr. Usami then came out with the following: Germany and Japan economic negotiations are also being held at this moment. Japan is extraordinary capable of accerting German machines. Our regotistors, however, have exclaimed that the German capacity in this connection is restricted and that some sorts of machines could not be delivered because of her owr requirements. It would make an extremely unrleasant impression in Jaran, if those machines which Japan had been deried, would yet be sent to the Soviet Union. I have referred Tr. Wsami to Mr. "iehl also ir this point. In the end the Counsellor of the Embassy came back again to the rumour on the rolitical rarrrochement betreen Germany and the Soviet Union and said, it would be aryway quite good, if a soothing declaration in this regard would be giver in Tokyo. The Embassy has on 'ts rart already revorted to that effect. During our tolk I have also stated upon inquiries that it is a known fact that the German press does not attack the Soviet Union to such a degree as in the past, and described this as a fact which implies rothing sersational because of the reighhourhood of the Soviet Urior with Poland. /s/ "oermarn