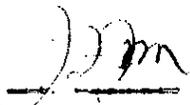


July 6, 1942

FROM: INTELLIGENCE AND RECORD SECTION.  
TO: LIAISON OFFICER.

This section has received an intercept transmitted by Vladivostok which, paraphrased from the text of the commercial code used in the message, appears to call for the immediate attention of those concerned. The message seems to be from a businessman intensely alarmed concerning that, which he hears, is the turn of events. Here is the paraphrase of the code:

Rumors flying here to the effect that a majority of Chiang Kai Shek's advisors now disposed to a separate peace with Japan, since they regard the situation very black because of the failure of deliveries of war materials under the Lend Lease set-up of the United States. Advisors in bitter mood because of this and also, in particular, the dearth of planes expected. Symptomatic of their attitude is expressed resentment concerning the attitude of many Americans flying for the Chungking Government who, they say, are motivated by mercenary motives alone. The current rumor has it that these advisors are angling to open negotiations with the Japanese, but this rumor is discounted despite what certainly appears to be signs of discontent over the situation. Our interest here understandable in view of immediate developments following possible peace between Tokio and Chungking, a move which would be followed immediately by the bombing of Vladivostok. Chungking needs reassurances which should be forthcoming without delay.           END.

  
Chief of Section

APPROVED FOR RELEASE   
DATE: 09-Jun-2009