

Hsueh-liang, in part, as follows:

"In accordance with Point 2 the Soviet Government recommends the reinstatement of Mr. Emshanov as manager of the Chinese Eastern Railway, and Mr. Einsment, as assistant manager, and expects your immediate official confirmation of this.

"As regards Points 1 and 3, also accepted by you, the Soviet Government proposes that as soon as Point 2 has been fulfilled, you send your representative to Habarovsk, with official written credentials, while on its side the Soviet Government appoints Mr. Sinanovsky, agent for the People's Commissariat of Foreign Affairs in Harbin, to take part in the discussion of the technical questions connected with carrying out these points."

VII. Just as the month ended definite news was received to the effect that the Mukden Government had already despatched Mr. Tsai You-chen and Mr. Li Chao-ken (a Director of the Chinese Eastern Railway) to Habarovsk, there to open direct and independent negotiations with the Russian authorities. The choice of this city- outside Manchuria and on the Trans-siberian Railway) was a definite concession to Russian opinion. Chang Hsueh-liang is also reported to have accepted the demands of the Moscow Government with relation to the re-instatement of Mr. Emshanov and Mr. Einsment as manager and assistant manager of the Chinese Eastern Railway. The acceptance of these conditions (upon which Russia insisted as a sine qua non of settlement) and the dispatch of the gentlemen named as plenipotentiaries of the Mukden Government would seem to prove that this is the beginning of the end insofar as the present crisis is concerned. It is to be expected that no further hostilities will take place. Economic necessity has again triumphed over nationalistic prejudices.

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