

1939

740.00/1531 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, May 18, 1939—5 p. m.

[Received May 18—7:10 a. m.]

234. At my conference today with the Minister for Foreign Affairs, Arita handed me the following message which the Prime Minister requested me to deliver personally to the Secretary of State on my forthcoming visit to Washington in the hope that the message may also be brought to the attention of the President:

"At present there is a serious antagonism among the nations of Europe and no one can assure that there will be no clash in the near future. If, by mischance, war is to break out, its consequences would be practically beyond our imagination and that [*the*] indescribable sufferings of hundreds of millions of people as well as the complete destruction of civilization would ensue. It is, therefore, absolutely necessary for us to exert our effort to prevent the occurrence of such casualty, and, I believe, that is the duty mainly incumbent on the United States and Japan since these two powers are situated outside the scope of European conflict.

Then what are the causes of this antagonism in Europe? There may be contentions on both sides, but on cool scrutiny of the European situation since the World War we come to the conclusion that, although Germany and Italy may be advised to be more patient, Great Britain and France also have a great deal to reconsider.

Undoubtedly the intention of the United States Government is to prevent the occurrence of such catastrophe and thus to save Europe from the misery of war. Similarly, it is the ardent wish of Japan that nations should have their own proper places in the world and thus the true world peace might be established and maintained. I, for myself, am doing my utmost to realize this ideal, and on this point, I believe, will be found the possibility of much closer cooperation between Japan and America as well as the foundation of a deeper mutual understanding between the two nations."

GREW

894.00/856 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, May 18, 1939—7 p. m.

[Received May 18—10:03 a. m.¹]

235. 1. Before departing tonight on leave and confiding the Embassy to the effective hands of Dooman in whose judgment and an-

¹ Telegram in six sections.

alytical ability I have full confidence and whose views on policy and procedure coincide very closely with mine, I wish to submit the following analysis of the political situation in Japan as I estimate it up to date.

2. In a long farewell conversation this morning with the Foreign Minister and in a talk which he had with Dooman yesterday, Arita said that the new agreement now under discussion with Germany and Italy² will contain no military or political commitments except such as may apply directly to combating communistic activities. Japan desires to avoid European entanglements. Nevertheless, Japan regards the Soviet Government and the Comintern as identical and if Soviet Russia should become involved in a European war Japan herself might find it impossible to avoid involvement. If Great Britain and France conclude an alliance with Soviet Russia, Japan may be obliged to reconsider her position vis-à-vis the totalitarian states. Apart from the specific field of combating communistic activities, it will be the careful aim of Japan in every other field to maintain an attitude of strict neutrality between the democratic and totalitarian states.

Arita spoke with some bitterness of the efforts of Great Britain to draw Russia into a military alliance. It was all very well to say, as Craigie³ had said to him, that the proposed British plan would not be applicable in the Far East, but the fact is that Russia straddles both Europe and Asia; even if the British plan were specifically to exclude the Far East, the close association which it would bring about among Great Britain, France, and Russia would inevitably lead to the closest collaboration in the pursuit of their policies in the Far East. Japan, as before stated, has every desire to avoid involvement in every instance and to maintain a neutral position between the two groups, but if the British plan goes through and thus prepares a basis for concerted action in the Far East by the democracies, Japan would necessarily have to reconsider her position vis-à-vis Germany and Italy. In this connection, he went on to say that if war were to break out in Europe—and he believes that there is no immediate danger—and the United States becomes involved, the position which Russia might take might conceivably decide whether peace could be maintained between the United States and Japan.

3. The Minister made to me the following confidential oral statement:

"Japan is bound to Germany and Italy by the tie of anti-communism and as we deem it necessary, further strengthening of

² For documents concerning the relations of Japan with the European Axis Powers, see pp. 153 ff.

³ British Ambassador in Japan.

this bond is being seriously considered. But if any one should regard Japan, because she had taken such a measure, as joining into the camp of totalitarian nations in opposition to the democratic nations, he would surely be misunderstanding the true intention of the Japanese Government. Japan is not a totalitarian, no more than a democratic, state. She has an original constitution of her own which is centered around the Imperial family, and is based on the spirit of levying [*allowing?*] everything to have its own proper place, surpassing all ideas of antagonism. In joining hands with Germany and Italy we have no other purposes than to combat the destructive activities of Comintern. If the United States, not understanding the true intention of Japan on this point, should base her future policies on such misunderstanding, it would bring about a deplorable situation not only respecting the relations between the United States and Japan but also in respect of the peace of the world."

4. Arita said to me, and I believe his statement to be accurate, that there is now no substantial opposition in the Government to the proposed arrangement with Germany and Italy as now formulated. At the present moment the Cabinet appears to have weathered the recent storm and to be momentarily secure. I do not, however, believe that this present security can be regarded as permanent because [of] many divergent forces active within the country.

5. In my conversation with the Foreign Minister I then turned to the question of America's legitimate rights and interests in China which are now subject to serious interference by Japan and I stated that Japanese-American relations could not be expected to improve until these interferences were removed. I also emphasized the deplorable effects of the bombing operations.⁴ What might I tell my Government on these points?

6. The Minister's reply was ambiguous and vague. He said that most of the interferences of which we complained were temporary and would disappear as military necessity permitted but that certain measures, such as exchange control in North China, might be permanent. There is no intention, he said, to limit American trade beyond the requirements of military necessity or to discriminate against American commerce.⁵ There is also no intention to take over the International Settlements in Shanghai⁶ or Kulangsu but greater cooperation on the part of the Settlement authorities is hoped for. In connection with the general question of economic rights and interests in China, he said that the feeling of resentment in this country against Great Britain is so strong that it was hopeless to try to improve relations with that country. He would be satisfied if his efforts were successful to prevent these relations from becoming worse than

⁴ See vol. I, pp. 487 ff.

⁵ See *ibid.*, pp. 757 ff.

⁶ See *ibid.*, pp. 838-848.

they now are. The position with regard to relations with the United States was an entirely different one, as there is a general call for improvement. He was making a strong effort along those lines and hoped to be able to show concrete results before long.

7. The Minister then made to me the following confidential oral statement:

"I have previously stated frankly my opinion regarding the new order in East Asia and we have had occasions of exchanging views on this question. However, I regret to say that Japan's position does not seem to have been fully understood.

I wish to take this opportunity to emphasize once again that the Japanese Government in establishing the new order have no intention of excluding trade and other legitimate economic activities in China of the countries of Europe and America. The establishment of a new order is not exclusive in character as is thought in some quarters, but is the means by which trade and other economic relations between East Asia and the European and American countries will eventually prosper on a sound basis.

As Japan is now carrying on large-scale military operations, and has only recently embarked upon the undertaking of realizing the ideal of the establishment of a new order, the military or economic necessity require some measures which may cause inconveniences to nationals of the third powers and affect their rights and interests. But, since such measures are, as a rule, exceptional and temporary in character, any judgment formed on the basis of the present abnormal conditions is apt to lead to misunderstanding of the real intention of Japan. Such an outcome is much to be regretted as being likely to disturb the foundation of the relations between Japan and the United States, the two countries which should always remain friendly to each other. Therefore it is earnestly desired that, in dealing with various questions arising between our two countries with regard to China, the United States will understand that large-scale military operations are in progress over an extremely wide area and will at the same time consider the new situation in East Asia on a broader perspective so that she will arrive at a balanced judgment."

He amplified this statement by reverting to one of his favorite themes: National defense has an economic as well as a military aspect. The United States is well equipped in both respects; however, while Japan has an army and navy strong enough to meet any military threat, her economic defense is inadequate; and she cannot enjoy a sense of security until the deficiencies in the latter respect have been made good.

8. The Minister on his own initiative then turned to the subject of the so-called "South Sea advance" and made to me the following confidential oral statement:

"We understand that, since the military occupation of Hainan Island by Japan and the placing of the Sinnan Gunto (Spratly Islands) under the jurisdiction of the Formosan Government Gen-

eral,^{6a} rumors have spread, giving the impression as though Japan entertained some territorial designs toward the South Seas; that as a result certain interested countries are apprehensive, and that even some Americans have a similar apprehension with regard to the Philippines. The Japanese Government consider it regrettable from the standpoint of Japanese-American friendship that such apprehension has been aroused. They are, therefore prepared, if the United States Government should desire that some step be taken by the Japanese Government for the purpose of dispelling such apprehension, to enter into conversation with the United States Government."

Cipher texts by mail to Shanghai, Chungking, Peiping.

GREW

393.115/697

The Japanese Minister for Foreign Affairs (Arita) to the American Chargé in Japan (Dooman)

[Translation]

Go No. 13, Asia I

TOKYO, June 21, 1939.

SIR: The operations begun on May 21 on the coast of Kwangtung Province, China, by the Imperial armed forces are purely military in character and are for the purpose of wiping out enemy forces belonging to the Chiang régime^{6b} and dealing that régime a deathblow. While the Imperial armed forces will exert every effort to avoid damage to interests of third powers, it is hoped that your government as well as your authorities in China will cooperate fully in the efforts of the Imperial armed forces to eliminate or reduce to a minimum accidental damage to interests of your country and will take special measures to avoid the occurrence of unfortunate incidents. At the same time it is requested that every precaution be taken against stratagems of the Chiang Régime aimed to draw third powers into the conflict.

With respect to the Japanese government's basic desire to prevent the occurrence of incidents special reference is made in addition to a note under date October 12, 1938, Go-No. 37, Asia I, from the then Minister for Foreign Affairs, Prince Konoe.⁷

I avail myself [etc.]

HACHIRO ARITA

740.00/1531

The Secretary of State to the Chargé in Japan (Dooman)

No. 1767

WASHINGTON, July 8, 1939.

SIR: Reference is made to the Embassy's telegram no. 234, May 18, 5 p. m., in which there is given the text of a message from the Prime

^{6a} See pp. 277 ff.

^{6b} Chinese Generalissimo Chiang Kai-shek, President of the Executive Yüan (premier), December 1935-January 1, 1938, and November 1939-.

⁷ See telegram No. 664, October 13, 1938, 4 p. m., from the Ambassador in Japan. vol. I, p. 623.

Minister which was handed to Ambassador Grew by the Minister for Foreign Affairs with the request that Mr. Grew deliver the message personally to me. There is enclosed a reply to this message.

Very truly yours,

CORDELL HULL

[Enclosure]

The Secretary of State to the Japanese Prime Minister (Hiranuma)

On his return to Washington Ambassador Grew delivered to me personally the message which Your Excellency was so good as to place in his hands through the Japanese Minister for Foreign Affairs. I have read with unusual interest the expressions of Your Excellency's concern at the existence among the nations of Europe of antagonism which may lead to open conflict, and of Your Excellency's concern as to what the consequences might be to millions of people and to civilization should such antagonism lead to an outbreak of war. In this situation Your Excellency sees it as the duty of the Governments of our two countries, owing to their situation "outside the scope of European conflict" to exert efforts to prevent the occurrence of the casualty envisaged.

I have carefully noted also the statements pertaining to the causes of strained relations in the European situation, the interest of my Government in the preservation of peace, and finally the "ardent wish of Japan" that the relations of nations might be so arranged that true world peace would be established and maintained.

Your Excellency will have no doubt, in the light of the published utterances of the President and myself and of the principles we have advocated and supported, that the Government of the United States wholeheartedly desires to see established and maintained upon the basis of fair dealing and fair play between and among nations a condition of true world peace. With especial reference to the situation in Europe, Your Excellency will be apprised of the recent earnest efforts of this Government: the President's identic messages sent on September 26, 1938, to the heads of several European governments which had reached an alarming crisis in their relations;⁸ identic messages addressed on April 14, 1939, by the President and myself respectively to the Chancellor of the German Reich and to the Premier of Italy with regard to the possible removal of the pervading threat or fear of a European war.⁹

⁸ Department of State, *Press Releases*, October 1, 1938 (vol. XIX, No. 470), p. 219.

⁹ *Ibid.*, April 15, 1939 (vol. XX, No. 498), p. 291.

It would be most gratifying to me, and I may also speak for the President, if there could be found ways for the use of your Government's influence toward discouraging among European governments, especially those governments with which your Government may have special relations, the taking of any action, or the pursuance of any policy, that might endanger the general peace. I am confident that any such contribution as this would constitute a high service to those great sections of humanity which live in fear of the devastation of war.

In further reference to Your Excellency's expressed desire to see a true world peace established and maintained, I venture to observe, in a spirit of frankness which I trust will not be misunderstood, that this objective is made the more remote by the existence and the continuance of armed conflict and consequent political disturbances in the Far East today. Just as the unfolding of events in the European sphere have their repercussions in the Far East, so, it appears, the prolongation of abnormal conditions in the Far East contribute to causes of unrest in Europe. American opinion is therefore perturbed by the trend of events in the Far East, especially with regard to various declared Japanese aims and to various methods and instrumentalities which various Japanese agencies employ in pursuit thereof.¹⁰

If, therefore, it should prove impracticable or inexpedient to make effective contribution at once to the settlement of problems arising in the European area, there nevertheless would be urgent need for the exertion of efforts in connection with disturbed conditions in other geographical areas, especially by those nations which may unhappily now be engaged in armed conflict. It is my view that each peaceful settlement, in whatever geographical sphere, constitutes a stabilizing element and an important step toward improvement in the general world situation.

Your Excellency may be assured of the genuine desire of the President and myself to do all within our power to convert into practical results those principles and hopes to which we have frequently given expression in connection with the foreign relations of the Government of the United States. While this Government does not perceive any practicable steps which it might usefully take at this time in addition to those already taken, this Government is sincerely interested in the suggestion contained in Your Excellency's message, and in giving further consideration to that suggestion would be pleased to have such further information as Your Excellency may

¹⁰ The last phrase, beginning with the word "especially", has been corrected in accordance with instructions in telegram No. 239, August 2, 1939, 9 p. m., to the Chargé in Japan.

find it agreeable to offer by way of amplifying and making more definitive Your Excellency's concept as to the steps which might usefully be taken toward moderating the situation in Europe.

711.94/1293

Memorandum by the Secretary of State

[WASHINGTON,] August 30, 1939.

The Japanese Counselor came to say goodbye. After an exchange of the usual remarks on such occasions, Mr. Suma referred to the differences now existing between our countries after a long-standing friendship. He proceeded to add that the new Japanese Government would have as a chief purpose the restoration of good relations between our two countries. He then inquired if I had anything to say that he might repeat to his Government officials upon his return to Tokyo. I replied that I had nothing particularly in mind more than what I had said to the Japanese Ambassador on August 26th¹¹ when he called here. I went on to state that I had heretofore already said about all I could say on this general subject; that I was mindful of the long friendship between the people of Japan and the people of the United States; that my Government, during the present period when international law is being kicked aside and ignored, treaty obligations violated with impunity, and an increasing state of international lawlessness is in evidence in so many parts of the world, all the more vigorously upholds the integrity of international law, of treaty observation, of friendly relations with every other nation alike, including Japan, based also on the rule of fair play and fair dealing; that my Government, of course, is very desirous of a resumption of normal international relations everywhere based on the foregoing principles and rules of conduct, which would include the principle of equality of treatment and opportunity both commercially and industrially.

I then said to the Counselor that I might repeat the message I sent to his country by a previous Counselor who called some two years ago to say goodbye before returning home, and that was that I would have him say to his statesmen that some of these days the fact will dawn upon the three or four most powerful nations of the world, including his country and mine, that there is room enough on this planet for sixteen or eighteen such nations to live and thrive, maintaining all of those normal and peaceful and other worthwhile relations that would make possible the fullest measure of human progress; that when that fact was realized the human race would be just ten times better off than it is or will be otherwise in the future. The

¹¹ See memorandum by the Secretary of State, vol. I, p. 851.

Counselor strove to be most agreeable in his conversation and demeanor and took no issue on anything I said, but made it clear that his Government now would undertake to restore mutually desirable relations between our two countries.

C[ORDELL] H[ULL]

793.94/15340 : Telegram

The Chargé in Japan (Dooman) to the Secretary of State

[Paraphrase]

TOKYO, September 5, 1939—7 p. m.

[Received September 5—10:50 a. m.¹²]

458. Sawada, Vice Minister for Foreign Affairs, summoned me to the Foreign Office and informed me that, on behalf of the Minister for Foreign Affairs, he (Sawada) had handed a note to the diplomatic representatives of the belligerent countries. Sawada gave me a copy of the note, of which the following is a substantial translation:

"Confronted by the recent outbreak of a European war, the Government of Japan plans to avoid becoming involved in that war and to devote its energies to settling the China incident. In connection with this intention and in view of the profound concern with which the Government of Japan regards the attitude toward the situation in China taken by other nations, the Government of Japan desires to ask that, in deference to the Japanese Government's above-mentioned intention, no measures of a character likely to affect injuriously the position of Japan with reference to the China affair be taken by the Government.

With respect, moreover, to areas of China controlled by Japanese forces, it is to be feared that the presence in such areas of naval vessels and troops belonging to powers participating in the conflict in Europe might result in unfortunate incidents and in a condition of affairs ill-adapted to Japan's noninvolvement policy. The Government of Japan accordingly believes that it is incumbent upon it to proffer to the belligerent nations in question friendly advice that they effect—as a voluntary act—the withdrawal of their naval vessels and troops from the above-mentioned areas; and, it may be added, the Japanese authorities, upon the removal of these vessels and troops, will be prepared to exert every possible effort toward safeguarding lives and properties of citizens of the belligerent nations."

Later I was told by the Foreign Minister's private secretary that to the British, French, Polish, and German Ambassadors, representing the belligerent nations, and to the Italian Ambassador and myself as representatives of neutral nations, had been handed the above quoted note.

In handing the copy of this note to me the Vice Minister for Foreign Affairs asked me to communicate it to the Government of

¹² Telegram in three sections.

the United States for "its information." With reference to the note, he orally added that his Government considered it of primary importance to avoid the development of any situation in territory of China under the control of forces of Japan which might ultimately result in Japan's becoming involved in the European war. I remarked that the possible breaking out in occupied territories of China of a conflict between the armed forces or citizens of the warring nations of a nature to cause Japan to become involved in the war in Europe was exceedingly difficult for me to visualize. The Vice Minister stated that on the morning of September 5 an incident was reported involving invasion by British naval ratings of the German Club in the Shanghai International Settlement and that the prevention of further such incidents and of cases even more serious was desired. I then asked if the Japanese request in regard to removal of forces in China of belligerent nations was to be construed as applicable to forces which the warring countries maintain in the foreign concessions and international settlements—if, for instance, the withdrawal by the British and French of their forces from the Shanghai International Settlement and French Concession, respectively, was desired by the Japanese Government. To this Sawada answered "Yes" without qualification, and discussion of the subject thereupon ceased.

Utilizing the occasion presented, I inquired as to the accuracy of a statement to the effect that no formal proclamation of neutrality would be published by the Japanese Government, which appeared in the press on the morning of September 5. The Vice Minister's reply was to the effect that the statement issued by the Japanese Cabinet the evening of September 4 had made clear the Japanese Government's attitude and that for the present no further steps in that direction were envisaged.

DOOMAN

793.94/15349 : Telegram

The Chargé in Japan (Dooman) to the Secretary of State

[Paraphrase]

Tokyo, September 6, 1939—7 p. m.

[Received September 6—11:08 a. m.^{12a}]

459. With reference to the Japanese note, a translation of which was telegraphed the Department yesterday (Embassy's No. 458), only the first paragraph of the note has been published here. There has been no disclosure here of the "friendly advice" statement, as to the withdrawal of British and French warships and troops from

^{12a} Telegram in two sections.

China, or of any other part of the important second paragraph. There is probably some significance in the concealment from the Japanese public that the Japanese Government has made what amounts to a drastic demand on the Governments of Great Britain and France.

I think that the Japanese move is intended either to permit a graceful retreat if their advice is found unacceptable, or else that the people of Japan are not to be enlightened until they find themselves faced with a situation from drastic action already taken. In either the one case or the other, I am of the firm opinion that nothing would have a more healthy effect than a statement from the American Government expressing its unqualified disapproval of Japan's action as calculated to prejudice both directly and indirectly the position in China of non-Oriental powers.

Tomorrow afternoon I am to make a formal call on the Minister for Foreign Affairs, on his appointment. The thought occurs to me that I might say at that time, informally and as an expression of my personal opinion, that Japan is at present more dependent upon the United States as a source of supply for machinery, raw materials, etc., than ever before in order to meet the increasing demand which the European war has created for Japanese goods. I should continue by saying that what is, actually, a demand that British and French forces in China be withdrawn from China cannot fail to raise the query whether, bearing in mind the fact that there are no German forces whatever in China, Japan's real intention may not be the elimination from China of Western influence; and, in conclusion, that any action taken by Japan which would tend to confirm the foregoing view would not be helpful in disposing the American public to help Japan to benefit economically or commercially from the European situation now existing.

Is any objection perceived to the making of the above statement in the manner suggested? In Japanese history the term "friendly advice" has had sinister associations; first, when Japan was pressed by continental European powers to return Kwantung to China after the war between China and Japan in 1894,¹³ and next when Japan used it in August 1914 in the Japanese note to Germany demanding the return of the German leasehold in Shantung to China.¹⁴

Repeated to Shanghai for transmission to Peiping and to Chungking.

DOOMAN

¹³ For the text of the notes presented to Japan by Russia, Germany, and France on April 23, 1895, see *Die Grosse Politik der Europäischen Kabinette, 1871-1914*, vol. ix, No. 2244 and No. 2252. Also see the Japanese proclamation respecting the retrocession to China of the ceded districts of the Fengtien Peninsula, May 10, 1895, *British and Foreign State Papers*, LXXXVII, p. 805.

¹⁴ For the text of the note, see telegram dated August 15, 1914, midnight, from the Ambassador in Japan, *Foreign Relations*, 1914, supp., p. 170.

793.94/15348 : Telegram

The Secretary of State to the Chargé in Japan (Dooman)

[Paraphrase]

WASHINGTON, September 6, 1939—6 p. m.

276. With reference to the first paragraph of your telegram No. 458, September 5, 7 p. m., the Department yesterday addressed inquiries on the subject referred to therein to the British and the French Ambassadors in Washington.

With reference to the suggestion contained in paragraph two of your telegram No. 459, September 6, 7 p. m., final sentence, the Department has it under consideration.

Referring to the third paragraph of your telegram No. 459, we do not feel that it would be advisable, in your conversation with Arita, to make any reference to Japan's dependence upon this country for materials or to the effect that the Japanese action to which you refer might possibly have upon the commercial relations between Japan and the United States. No objection is perceived by the Department, however, to your pointing out to Arita that it is your opinion that any action on the part of the Government of Japan to force the withdrawal of armed forces of France and Great Britain in China from that country, would be interpreted in the United States as a direct step toward the elimination of Western influence from China; and that in the United States the consequent reaction as regards Japanese-American relations would certainly be seriously prejudicial.

HULL

893.0146/722

Memorandum by the Secretary of State

[WASHINGTON,] September 7, 1939.

The Japanese Ambassador called at my request. I said that in the light of our recent conversations, which emphasized his desire, and in a general sense of course my desire, to improve relations on a basis of friendliness and fair play between our two countries, just as between ours and all other countries, I was genuinely surprised to receive a copy, through official channels, of the notice given to the British and French to take their naval vessels out of Shanghai waters and their guards out of the Shanghai area, and presumably out of all other localities in China where they are stationed. I then spoke orally to the Ambassador from a prepared manuscript, substantially as follows:

The American Government has received from the American Embassy in Tokyo a text of the note presented by the Japanese Government to the governments of belligerent nations, in which the Japanese

Government advises the belligerents to withdraw their troops and warships from regions in China which are under the control of the Japanese armed forces, a copy of which was handed to the American Chargé for communication to this Government for purposes of information.

I find it necessary to bring to the attention of the Japanese Government the fact that the advice thus given to the governments of belligerent powers directly affects rights and interests of the United States. For the moment, I shall speak only of the situation at Shanghai. At that port several foreign countries, including both Japan and the United States, maintain landed armed forces. These forces are there for the purpose of assistance in the protection of the lives of the nationals respectively of the various countries concerned, and, in connection with that duty, the maintaining of order in general. The powers have in that connection both individual and common responsibilities. In the opinion of the American Government, the fact that some of these powers have become belligerents in other parts of the world affords no more sound a basis for advice by Japan that those powers withdraw their forces from Shanghai than would the fact that Japan is engaged in hostilities afford for a similar giving of advice by some other power to Japan that Japan withdraw her forces from the same area. In passing, I may point out that no such demands were made by any power in 1914, at which time Japan was a belligerent.

If, in the presence of the Japanese advice, the British and the French forces are withdrawn, it will create a situation fraught with extreme difficulties of many practical kinds both for Japan and the United States.

I proceeded to speak orally from a supplementary manuscript, substantially as follows:

The International Settlement at Shanghai has grown up in consequence of efforts and activities begun by nationals of various powers—prominent among whom were and have been Americans, British subjects and French subjects—more than a century ago. The foundations of the port were laid and its prosperity was developed long before Japan began to take an active interest in world commerce. The International Settlement is an area wherein persons of all nationalities reside and which is governed by the locally created and locally maintained agency whose officers are elected by and are responsible to its own taxpayers regardless of nationality. Interests of the various powers there are interwoven. Not since the middle of the nineteenth century has any one power claimed a right of preponderance or predominance of influence there. The United States has its rights and interests there just as has Japan. The respective rights and interests of the various powers there are interdependent. Shanghai is

international. For several other powers to be forced out would mean to the United States that all powers are being forced out. The American Government cannot and does not admit any right on the part of any power to force it out. The rights of the United States have in many ways been impaired by acts of Japanese authorities during recent years. There are many ways in which the United States is capable of taking action of retaliation. The American Government would view with great regret and disapproval action by the Japanese Government in consequence of which the international character of the port of Shanghai would be destroyed.

In further conversation, in addition to the foregoing, I re-emphasized the utter lack of right or reason or consistency on the part of the Government of Japan to order these other Governments out of Shanghai and to break up the International Settlement and its government—for, I added with emphasis, the proposed action of Japan would result in just that—and I said, therefore, he must understand that my Government is very much concerned with respect to the definite rights and interests thus threatened. I said that in view of the action of the Japanese military authorities in China in insisting on exclusive occupation of the Yangtze River to all practical intents and purposes, with its immense deprivation of commercial rights and interests of Americans, and similar action in many cities and localities throughout China, and in the light of the so-called Japanese preachment of “a new order in Asia or eastern Asia”, this Government must make clear its conclusion that the purpose behind the Japanese notice to the British and French is not a mere innocent, friendly purpose, but a purpose further to exclude first one set of nationals of another country, and then another set of nationals of still another country, until the Shanghai situation would be on a parity with the Yangtze River situation and others like it in China. I then said, “How does your Government expect us to prevent the Congress and the country, if we should attempt to do so, from taking up the question of our monetary and financial and trade relations with your country and dealing with it in a way that you can well imagine in the light of all the circumstances?”

The Ambassador made no defense except to quietly suggest that Japan through friendly motives was giving this notice for the avoidance of possible friction in China. I re-emphasized what I had already said in relation to this phase and stated that we could not possibly give that interpretation to the notice.

I stated that I would like to have an indication of the Japanese Government's reaction in the light of the exposition of the subject which I had made to the Ambassador, as recorded above.

C[ORDELL] H[ULL]

793.94/15351: Telegram

The Chargé in Japan (Dooman) to the Secretary of State

[Paraphrase]

Tokyo, September 7, 1939—6 p. m.

[Received September 7—10:03 a. m.¹⁵]

463. . . .

(2) As the Japanese Foreign Minister this afternoon received all chiefs of mission in turn, interviews were necessarily very brief. The Foreign Minister expressed regret that Japanese-United States relations are not marked by the mutual friendship and confidence which he would desire for them and that incidents arousing American feeling against Japan had occurred in spite of the Japanese Government's efforts to prevent injury to American interests in China. He stated that he would sincerely endeavor to improve Japanese relations with the United States.

Mentioning the Japanese Government's notes communicated to the belligerent European powers on September 5, the Foreign Minister said he wished to emphasize Japan's determination against becoming involved in the European war and in favor of doing simultaneously what was possible to prevent extension of the hostilities to the Far East. Japan would be glad, he added, to cooperate with nations which were animated equally by a desire to confine the war to the present belligerents.

(3) Replying, I said I would not fail to report the Foreign Minister's observations to my Government. It had been the endeavor of the United States, I said, to cooperate with Japan along with other nations in order to promote peace in the Far East; but that the differences in American and Japanese objectives and policies were militating against cooperation, a particularly unfortunate condition at this time when mutual friendship and trust were needed so badly between nations not engaged in the European war for the purpose of terminating as soon as possible the war in Europe.

Repeated to Shanghai for transmission to Chungking and Peiping.
DOOMAN

893.0146/702

Memorandum by the Secretary of State

[WASHINGTON,] September 15, 1939.

The Ambassador of Japan called at his own request. He said that he had had a number of dispatches from his Government since our conference a week ago yesterday, at which time we discussed the re-

¹⁵ Telegram in two sections.

ported plans or threats of Japan to push the British and French guards or troops out of Shanghai, thus leaving the British and French sectors unguarded. The Ambassador prefaced his statement by bringing into the scope of our discussion the guards or troops located at Tientsin and Peking. I interrupted to say that, while our conversation of last week related primarily to the International Settlement situation at Shanghai, I had also in mind the Tientsin and Peking situations but assumed that no discussion of them was necessary for the reason that the rights of all foreign governments, including those of Japan and the United States, were definitely and firmly fixed by the Boxer Protocol;¹⁶ that I further assumed that this international agreement would not be violated, and, hence, no particular reference to those two situations appeared to be as urgent as the Shanghai question. The Ambassador told me his Government had instructed him to elaborate on what he had said to me last week in our conference.

He then proceeded to relate, more or less in the way of repetition, in fact, that the British and French troops in China were more or less of a menace to peace and might involve Japan in the European war situation; that if Italy should enter the war, the Italian troops at Shanghai might clash with the British and French troops; that German nationals in Shanghai might easily be attacked by British troops or at least a clash might occur between them; that Japan was very desirous of remaining neutral in the European war situation, and that these steps, in the way of friendly advice, to get the British and French to withdraw their troops would clarify the peace situation and remove possible dangers of clashes and military complications, as already stated. The Ambassador finally added that, of course, his Government had no idea or purpose to invite the guards or troops of my Government to leave Shanghai. This was the substance of his comment, which was chiefly a repetition of what he had said last week. It was all in a friendly tone and conveyed nothing resembling threats on the part of his Government towards this Government, but, on the contrary, he indicated that our two governments would or might be in key positions to promote peace when and if the psychological occasion should present itself.

I said that I desired first to draw the attention of his Government to what my Government considers a definite, clean-cut distinction between regular military forces and the guards or troops of my Government, the Japanese and other governments which were first installed in China in connection with the Boxer Rebellion and also in connection with the International Settlement at Shanghai. I said

¹⁶ Final protocol between China and other powers, signed September 7, 1901, *Foreign Relations*, 1901, appendix (Affairs in China), p. 312.

that the primary function of these armed guards is to protect their respective nationals against mob violence or violence from other uncontrolled forces in those areas of China which the regular police protection could not cope with; that these are really guards and not forces intended to perform the regular functions of military forces; that, therefore, I thought the Government of Japan was not now in a position to justify a proposal, apparently serious, to induce these British and French guards to retire, on the theory that their functions are those of regular military forces; that I would request the Government of Japan to give this point further consideration and also to keep in mind the fact that these local questions pertaining to guards of my Government and the Japanese and other governments in China are not legitimately related, certainly to any major or serious extent, to whatever plan or program Japan has in China at present, whether it be a program of preserving order or of absolute subjugation; that, therefore, I considered it to the interest of both my Government and that of Japan as well to take the position that these questions have no legitimate relationship to the controversy between Japan and China for the reason that they are essentially international in their nature and separate from Japanese-Chinese controversies, just as they have been considered as separate from purely Chinese governmental affairs in the past. I emphasized the view of this Government that should the Japanese get the British and French guards out of Shanghai, it would have the effect of disrupting the whole government situation, would seriously affect the rights and interests of Americans there, and would be calculated to create the impression among the people of the United States that there was basis to reports already rife, to the effect that Japan's purpose is to sweep all foreigners out of China; that, furthermore, compared to any trivial advantage a change in the Shanghai situation might be to Japan, the misunderstanding and the feeling aroused among the American people against Japan would result in an immense net loss to his country. I said that I need not remind the Ambassador that this Government had publicly announced that its policy was to remove its guards from China as soon as the Chinese authorities became able to preserve order and to afford protection to our nationals and their interests; that this Government was virtually reaching the stage when this step would be deemed feasible at the precise time that Japan moved her military forces into China, and that, of course, we had not been in a position since that time to bring our guards out. I said that so far as the Shanghai situation was concerned, while the armed forces which my Government and other governments have there are for guard purposes primarily, yet when it came to removing them by any threat of force or undue insistence bordering on duress,

they would become a symbol of their respective nations, which, in the psychological effect is of immeasurably greater importance than any small benefits Japan might acquire by forcing the moving out of these guards.

The Ambassador remarked that the Japanese were undertaking by amicable discussion to settle all these matters. I expressed my gratification at this assurance, and emphasized the definite policy of this Government to settle all matters with other governments by amicable and friendly discussion and not to cease until ways were found to that end. I then said to the Ambassador, as he kept repeating his foregoing statement, that he, of course was aware of the reports, already referred to, to the effect that his Government seeks to clear out all foreigners from China, and I then said that I would like to bring his attention especially to this fact, namely, that on yesterday when Mr. Sumner Welles, Under Secretary of State, was in the act of leaving for the Pan American Conference at Panama, which would deal with phases of commerce and finance, the President and I gave special instructions that in any resolutions we presented, absolute equality of industrial rights and opportunities should be preserved and kept open as heretofore to Japan, Germany, Great Britain, France, and all other nations of the world alike, and I then said, "Why is it that your Government does not pursue this spirit as well as this policy and make it known to all so there can be no misunderstanding?" The Ambassador straightened up in his chair but offered no particular reply except to say that of course he understood the idea I was undertaking to emphasize. He then said that, of course, his Government had no idea of inviting this Government to take its guards out of Shanghai, much less of threatening force for that purpose; that his Government would expect to confer with this Government about the policing situation in so far as the guards were concerned, and he indicated that that would be its policy with respect to the guards in other places. I again came back to the proposition that in my profound belief the ideas I had expressed for this Government were virtually of the same interest to the Government of Japan; that I was satisfied the Japanese proposal to oust guards of the British and French would have the definite result of breaking down and destroying the International Settlement with the resultant serious practical difficulties which would arise between our two countries and that I simply could not follow the reasoning of his Government in its efforts to link these almost purely international phases with whatever program the Japanese Government might have in China from a military standpoint. I again requested the Ambassador to bring up these differing and opposing viewpoints with his Government and to urge it to give them further consideration. The Ambassador

spoke about his Government acting without special relations with other governments, and I replied that I was speaking only for my Government, which at all times maintains the fullest freedom of action, and I added that, of course, there were instances where there were common interests and common purposes, etc., when parallel action with other governments would be natural. When the Ambassador said that his Government would expect to confer with this Government in regard to the policing situation at Shanghai, I made no comment. I then added that, of course, taking the genesis of the entire situation there and considering all of its phases, past and present, my Government could not bring out its guards on the basis of an unwarranted suggestion or threat by another government. The Ambassador made no comment on this. He left with the promise that he would take the matters up further as I had requested.

C[ORDELL] H[ULL]

123G861/839

*Address Delivered by the Ambassador in Japan (Grew) Before the
America-Japan Society at Tokyo on October 19, 1939*

MR. CHAIRMAN, LADIES AND GENTLEMEN: First of all, permit me to express my great satisfaction on returning from leave of absence to learn that there has been improvement in the health of our beloved President, Prince Tokugawa. I well know that I am reflecting the hopes of all of us in most heartily wishing that he may before long find complete recovery and return to the chair which he so long has occupied with distinction and great helpfulness. I beg that our Chairman today may be good enough to convey to the Prince an expression of this deep feeling.

Your welcome today is genuinely appreciated. Last spring we were going "home" to the United States, and this autumn, when we left America, we were going "home" to Japan. When one has remained for seven years at a post, one can hardly regard it as other than "home". At any rate, that is the way my wife and I feel about Japan and especially about Tokyo, and that same feeling extends to our friends here, both Japanese and American. To come once again to a gathering of this Society is to come into a homelike atmosphere, and that in itself gives us a very warm feeling. We thank you for your welcome.

I have been told of rumors that have been flitting about here and there to the effect that we were not returning to Japan. If there have been such rumors, they just have been based on speculation, pure and simple, for at no moment has there been the slightest doubt about our returning. Having been on the job here for approximately three years without a day of furlough, I was very considerably given an

extra month of leave, over and above the usual sixty days in the United States. Some of you with whom I talked before our departure may remember that I said at that time that I expected to be back in September or October, and here we are, right on schedule. Our plans have undergone no change and no thought of change.

We have had a pleasant and interesting time. Much of our furlough was spent at our place at Hancock in the refreshing hills and woods of New Hampshire where we were surrounded by our three daughters, occasionally some sons-in-law and six grandchildren, which inevitably made me feel something like an old patriarch, but we had time for visits also and we saw both the New York and the Golden Gate worlds fairs which, of course, were thrilling. I visited Washington on three occasions.

With regard to the Worlds Fairs in New York and in San Francisco I think that Japan has every reason to be proud of her pavilions and exhibits. I spent much time studying them in both places. The Japanese pavilion in the New York Fair is of great beauty. The Japanese exhibit in the Division of Pacific Cultures at the Golden Gate International Exposition and the effective way in which it is presented is past all praise. These objects, portraying the historical sequence of Japanese art and culture, have most courteously been lent not only by many of the foremost Japanese collectors, many of them personal friends of mine, but also by the Imperial Household Museum. As Mr. K. Sato wrote in the *Official Catalogue* of the Department of Fine Arts of the Exposition:

"It will be a surprise to us if you do not read from these material objects the spirit of the race that made them, so like and so different from your own.

"Surely America, newly come to join us on the rim of the Pacific Ocean, will feel the splendid lift of the same tides that wash our beaches."

Yes, we in America do feel the lift of the same tides that wash the beaches of Japan. I hope that both our nations will always and progressively feel the lift of those tides of friendship. I have returned to Japan to devote all that I have to give, now and in future, to try to inspire new life in those tides.

As for the future, Mrs. Grew and I are going to try to return to the United States as often as possible—every year or two if it is feasible, although such a plan must necessarily depend upon many unpredictable factors and is perhaps just a bit optimistic. But there is no doubt in my mind that an Ambassador can do more helpful work and can more intelligently and effectively represent his Government and can better contribute to clear international understanding upon which good international relations are built when given frequent opportunity

for personal contact with his Government and the people of his own country. As I have often said, indeed as I said not long ago before this distinguished Society, an ambassador is essentially an interpreter, an interpreter of official and public opinion as they exist in his own country and in the country of his residence. By going home this year I was able to do a great deal of interpreting of Japan and of Japanese opinion both to my Government and to the American people. A number of addresses were made to important groups and I talked with a large number of people. I hope and believe that my interpretations were fair and accurate. It was made very clear that the Japanese picture has many sides and many angles, and that without a comprehension of these many sides and angles, it is difficult if not impossible for another people far away to arrive at a clear and accurate conception of the basic causes and incentives that lead to Japanese thought and policy and action. Those talks aroused much interest.

I enjoyed several constructive talks with my good friend Ambassador Horinouchi who is ably representing Japan in our country, and with other Japanese visiting or residing in the United States.

In the same way, there can be no doubt that as a result of my stay in the United States and my personal contacts with a large number of Americans, both official and unofficial, my interpretations here of American thought and policy and action are going to be much more complete and accurate than they could have been had this summer's furlough not taken place. We have a phrase in English "straight from the horse's mouth." I never knew why the particular animal chosen was a horse, especially as most horses are generally not very communicative. But the meaning is clear enough. What I shall say in Japan in the ensuing months comes "straight from the horse's mouth" in that it will accurately represent and interpret some of the current thoughts of the American Government and people with regard to Japan and the Far East. I had the privilege of also conferring repeatedly with the President and with the Secretary of State during my stay at home.

But here I am constrained to pause before passing on, to pause in sadness, in deepest sorrow, yes and in impotent bitterness, at the dreadful holocaust that has broken loose in Europe, a holocaust not of God's doing but of man's. That we, in our lifetime, should have to pass through another such frightful disaster seems an intolerable burden for one generation of humanity. I shall not try to deal with that subject today; indeed, what could possibly be said to alter in any infinitesimal degree the blackness of the cloud that has descended upon us? I say "us" advisedly. I pray with all my heart and mind that we in America may be spared from participation again in armed conflict, but in this modern world of ours no nation and no people can emerge

unscathed from the effects, direct or indirect, of warfare anywhere. When the structure of international good faith, when the reliance of mankind and government upon the inviolability of the pledged word becomes undermined and collapses, when might makes right and force becomes an instrument of national policy rather than discussion and settlement of disputes by peaceful means, then civilization crumbles also and chaos intervenes.

I turn now to some of the thoughts of the American Government and of the American people with regard to the situation in East Asia in general and to our relations with Japan in particular. It is trite to say—but all too often the fact is overlooked—that in our democratic system the policies and measures of our Government reflect, and inevitably must reflect, public opinion. If therefore in any given case or situation we search for the underlying causation of American policy, or of any specific measure or series of measures taken by our Government, we must first try to analyze the state of public opinion in the United States and the developments which have induced that state of public opinion, factors which in turn have given rise to some specific policy or some specific measure or measures of our Government. In this connection I have not for a moment lost sight of the force of public opinion in Japan.

Obviously American public opinion is frequently divided; seldom is it unanimous. In the face of a divided public opinion, the Government must choose between acting according to its judgment as to what will best serve the interests of the country and withholding action altogether. But when public opinion is unanimous, or nearly unanimous, then governmental policy and action must and will reflect the opinion and wishes of the people as a whole. For the American Government is the servant of the American people. American public opinion with regard to recent and current developments in the Far East is today very nearly unanimous, and that opinion is based not on mere hearsay or on propaganda but on facts.

Among the conditions existing in the United States which impress me more and more vividly each time I return to my country are, first, the freedom which prevails in public discussion, and second, the demand for knowledge of facts and the intelligent appraisal of those facts by men and women in every walk of life. Especially is this true today in regard to foreign affairs. It is not alone the Government official or the student or the business man or the manufacturer or the financier who keeps his finger on the pulse of our foreign relations. This interest—and it is a keen, living interest—extends to the masses—the factory hand, the servant in the house, the taxi driver in the street. In the past few months at home I have been immensely impressed by the intelligent grasp by people in every

quarter of what is going on in every corner of the world. I have been drawn into discussion of foreign affairs not only by men and women in important and influential positions but by travelers in the smoking compartment of railroad trains, by the stewards in airplanes, by the men and women behind the counters in the stores and shops, by the attendants at gasoline stations, by the drivers of taxis who were taking me to some destination. And what impressed me most was that these people not only knew what was going on abroad but had formed their own individual opinions of those events and of what the United States should or should not do about it. Those people, mostly, are widely read. My chiropodist, when I entered his room, was reading an important book on Japan, and we discussed that book throughout the session. A farmer in the small New England village where we live lent me another recent book on Japan. In the many talks which I had with many, many people, I received the distinct impression that those people are sufficiently well-informed and sufficiently wide-awake to distinguish between fact and propaganda. I do not suppose that any country in the world is better served today, by press and radio, with accurate foreign information than is the United States. In every country there are of course certain elements of the press inclined toward sensationalism, but the vast majority of the American people today read and demand the despatches and comments of correspondents and commentators of proved reliability for accurate reporting. Propaganda not based on fact, or distorting fact, is anathema to the average American. And the senseless propaganda with which foreign countries sometimes try to influence public opinion in our country does the countries of its origin and the interests of those countries far more harm than good. The average American, knowing the facts, sees through it and will have none of it.

Here, then, is the stuff of which public opinion in the United States is built. It is only through such individual contacts as I enjoyed this summer that one comes to appreciate the tremendous force of public opinion in our country and to realize its fabric and its power. When such opinion tends toward unanimity in any given issue, it is a force to be reckoned with, a force which the Government cannot possibly overlook and will not fail to reflect in its policies and actions.

What am I to say to you today? Would it be the act of a friend of Japan, a friend of the members of this Society, would it be in the interests of Japanese-American relations which this Society steadily labors to build up and improve, if I were to misstate the truth or try to obscure it by painting an inaccurate picture of my observations at home? If an Ambassador is in effect an interpreter, mustn't

he interpret correctly on the basis of facts known to him? And on returning from a long stay in America, would it not insult your intelligence if I were to talk of trivialities? I suppose that there is not a person here who does not know that American public opinion strongly resents some of the things that Japan's armed forces are doing in China today, including actions against American rights and legitimate interests in China. On that subject public opinion in the United States is unanimous. And, mind you, I know whereof I speak, from personal talks with a very large number of people in diverse walks of life throughout our country, constituting a reliable cross-section of the American public.

If we then accept as a regrettable fact this state of American public opinion, and we must accept it as a fact, then isn't it from every point of view, especially from the point of view of statesmanship, reasonable and logical that we should in all frankness examine the basic causes of that state of public opinion? I know those causes in general and in detail. It would be harmful to overlook them. I earnestly believe that those causes must be removed and that by their removal only constructive good can come to both our nations. The attainment of such mutually constructive good, needless to say, is and has been and always will be the fundamental purpose of my ambassadorship to Japan.

Before I left for America last May a Japanese friend of mine begged me to tell my friends in America the situation in Japanese-American relations as he conceived it. It ran somewhat as follows:

American rights and interests in China are suffering some minor and unimportant inconveniences in China as a result of Japanese military operations; the Japanese military take every possible precaution to avoid inconvenience to American interests; reports published in the United States in regard to damage to American interests by the Japanese in China are intentionally exaggerated in order to inflame the American people against Japan; in large measure those activities of the Japanese to which Americans object are the result of differences in customs, differences in language, and a legalistic attitude which has been adopted by the United States; the attitude of the Government of the United States in regard to impairment of American rights and interests in the Japanese-occupied areas of China is in large part due to internal political conditions in the United States; in the near future the situation in the occupied areas of China will be so improved that the United States will no longer have any cause for complaint. That was the point of view of my Japanese friend.

Alas, the truth is far otherwise. The facts, as they exist, are accurately known by the American Government. They are likewise known by the American people, and in the interests of the future relations

between Japan and the United States those facts must be faced. Only through consideration of those facts can the present attitude of the American Government and people toward Japan be understood; only through consideration of those facts, and through constructive steps to alter those facts, can Japanese-American relations be improved. Those relations *must* be improved.

Having said all this I do not propose today to deal in detail with the causations which have brought about that feeling in my country. This is not the occasion to enter any "bill of particulars." Those facts, those difficulties between our nations, are matters for consideration by the two Governments; indeed, some of them are matters which I have been discussing with the Japanese Government during the past two years, and I shall continue to approach these matters. But I believe that the broad outline of those facts and difficulties are known to you. Some of those difficulties are serious.

Now many of you who are listening to me may well be thinking: "There are two sides to every picture; we in Japan also have our public opinion to consider." Granted. In America, as I have already said, I did my best to show various angles of the Japanese point of view. But here in Japan I shall try to show the American point of view. Without careful consideration of both points of view we can get nowhere in building up good relations. I wish you could realize how intensely I wish for that most desirable end and how deeply I desire, by pure objectivity, to contribute to a successful outcome. Let me therefore try to remove a few utterly fallacious conceptions of the American attitude as I think they exist in Japan today.

One of these fallacies is that the American approach to affairs in East Asia is bound by a purely "legalistic" attitude, a conception which widely prevails in this country today. What is meant by a "legalistic" attitude? If we mean respect for treaties, official commitments, international law, yes; that respect is and always will be one of the cardinal principles of American policy. But the very term, "a legalistic attitude", as it has often been used in my hearing in Japan, seems to imply a position where one cannot see the woods for the trees, where one's vision of higher and broader concepts is stultified. Let me therefore touch briefly on a few of the cardinal principles of American policy and objectives, moulded to meet the requirements of modern life, which, it is true, are fundamentally based upon but which seem to me far to transcend any purely "legalistic" approach to world affairs.

The American people aspire to relations of peace with every country and between all countries. We have no monopoly on this desire for peace, but we have a very definite conviction that the sort of peace which, throughout history, has been merely an interlude between wars is not an environment in which world civilization can be stably devel-

oped or, perhaps, can even be preserved. We believe that international peace is dependent on what our Secretary of State has characterized as "orderly processes" in international dealing.

The American people desire to respect the sovereign rights of other people and to have their own sovereign rights equally respected. We have found by experience that the successful approach to the resolving of international disputes lies not so much in merely abstaining from the use of force as in abstaining from any thought of the use, immediately or eventually, of the methods of force. Let cynics look about them and contemplate the consequences of resort to menacing demands as a process in the conduct of international relations! Is it being purely "legalistic" to put to wise and practical use the finer instincts common to all mankind?

The American people believe that the day is past when wars can be confined in their effects to the combatant nations. When national economies were based upon agriculture and handcraft, nations were to a large extent self-sufficient; they lived primarily on the things which they themselves grew or produced. That is not the case today. Nations are now increasingly dependent on others both for commodities which they do not produce themselves and for the disposal of the things which they produce in excess. The highly complex system of exchange of goods has been evolved by reason of each nation's being able to extract from the ground or to manufacture certain commodities more efficiently or economically than others. Each contributes to the common good the fruits of its handiwork and the bounties of nature. It is this system of exchange which has not only raised the standard of living everywhere but has made it possible for two or even three persons to live in comfort where but one had lived in discomfort under a simple self-contained economy. Not only the benefits of our advanced civilization but the very existence of most of us depends on maintaining in equilibrium a delicately balanced and complex world economy. Wars are not only destructive of the wealth, both human and material, of combatants, but they disturb the fine adjustments of world economy. Conflict between nations is therefore a matter of concern to all the other nations. Is there then any stultification through "legalistic" concepts when we practice ourselves and urge upon others the resolving of international disputes by orderly processes, even if it were only in the interests of world economy? How, except on the basis of law and order, can these various concepts in international dealing be secured?

The American people believe in equality of commercial opportunity. There is probably no nation which has not at one time or other invoked it. Even Japan, where American insistence on the open door is cited as the supreme manifestation of what is characterized as a "legalistic"

American attitude—even Japan, I say—has insisted upon and has received the benefits of the open door in areas other than China, where, we are told, the principle is inapplicable except in a truncated and emasculated form. That highly complicated system of world economy of which I have just spoken is postulated upon the ability of nations to buy and sell where they please under conditions of free competition—conditions which cannot exist in areas where preemptive rights are claimed and asserted on behalf of nationals of one particular country.

I need hardly say that the thoughts which I have just expressed are of universal applicability.

Another common fallacy which I am constrained to mention is the charge that the American Government and people do not understand “the new order in East Asia”. Forgive me if I very respectfully take issue with that conception. The American Government and people understand what is meant by the “new order in East Asia” precisely as clearly as it is understood in Japan. The “new order in East Asia” has been officially defined in Japan as an order of security, stability and progress. The American Government and people earnestly desire security, stability and progress not only for themselves but for all other nations in every quarter of the world. But the new order in East Asia has appeared to include, among other things, depriving Americans of their long established rights in China, and to this the American people are opposed.

There’s the story. It is probable that many of you are not aware of the increasing extent to which the people of the United States resent the methods which the Japanese armed forces are employing in China today and what appear to be their objectives. In saying this, I do not wish for one moment to imply that the American people have forgotten the long-time friendship which has existed between the people of my country and the people of Japan. But the American people have been profoundly shocked over the widespread use of bombing in China, not only on grounds of humanity but also on grounds of the direct menace to American lives and property accompanied by the loss of American life and the crippling of American citizens; they regard with growing seriousness the violation of and interference with American rights by the Japanese armed forces in China in disregard of treaties and agreements entered into by the United States and Japan and treaties and agreements entered into by several nations, including Japan. The American people know that those treaties and agreements were entered into voluntarily by Japan and that the provisions of those treaties and agreements constituted a practical arrangement for safeguarding—for the benefit of all—the correlated principles of national sovereignty and of equality of economic opportunity. The principle of equality of economic op-



portunity is one to which over a long period and on many occasions Japan has given definite approval and upon which Japan has frequently insisted. Not only are the American people perturbed over their being arbitrarily deprived of long-established rights, including those of equal opportunity and fair treatment, but they feel that the present trend in the Far East if continued will be destructive of the hopes which they sincerely cherish of the development of an orderly world. American rights and interests in China are being impaired or destroyed by the policies and actions of the Japanese authorities in China. American property is being damaged or destroyed; American nationals are being endangered and subjected to indignities. If I felt in a position to set forth all the facts in detail today, you would, without any question, appreciate the soundness and full justification of the American attitude. Perhaps you will also understand why I wish today to exercise restraint.

In short, the American people, from all the thoroughly reliable evidence that comes to them, have good reason to believe that an effort is being made to establish control, in Japan's own interest, of large areas on the continent of Asia and to impose upon those areas a system of closed economy. It is this thought, added to the effect of the bombings, the indignities, the manifold interference with American rights, that accounts for the attitude of the American people toward Japan today. For my part I will say this. It is my belief, and the belief of the American Government and people, that the many things injurious to the United States which have been done and are being done by Japanese agencies are *wholly needless*. We believe that real security and stability in the Far East could be attained without running counter to any American rights whatsoever.

Mr. Chairman, Ladies and Gentlemen: I have tried to give an accurate interpretation of American public opinion, most carefully studied and analyzed by me while at home. The traditional friendship between our two nations is far too precious a thing to be either inadvertently or deliberately impaired. It seems to me logical that from every point of view—economic, financial, commercial, in the interests of business, travel, science, culture and sentiment—Japan and the United States forever should be mutually considerate friends. In the family of nations, as between and among brothers, there arise inevitable controversies, but again and again the United States has demonstrated its practical sympathy and desire to be helpful toward Japan in difficult times and moments, its admiration of Japan's achievements, its earnest desire for mutually helpful relations.

Please do not misconstrue or misinterpret the attitude which has prompted me to speak in the utmost frankness today. I am moved first of all by love of my own country and my devotion to its interest:

but I am also moved by very deep affection for Japan and by sincere conviction that the real interests, the fundamental and abiding interests of both countries, call for harmony of thought and action in our relationships. Those who know my sentiments for Japan, developed in happy contacts during the seven years in which I have lived here among you, will realize, I am sure, that my words and my actions are those of a true friend.

One Japanese newspaper queried, on my return from America, whether I had concealed in my bosom a dagger or a dove. Let me answer that query. I have nothing concealed in my bosom except the desire to work with all my mind, with all my heart and with all my strength for Japanese-American friendship.

Today I have stated certain facts, straightforwardly and objectively. But I am also making a plea for sympathetic understanding in the interests of the old, enduring friendship between our two great nations. In a world of chaos I plead for stability, now and in the long future, in a relationship which, *if it can be preserved*, can bring only good to Japan and to the United States of America.

711.94/1323 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, October 23, 1939—10 p. m.

[Received October 23—1: 17 p. m.]

544. Our 543, October 23, 7 p. m.¹⁷ Yakichiro Suma, newly appointed Foreign Office spokesman and formerly Counselor in Washington, gave a long interview to the foreign correspondents today in regard to Japanese-American relations. While these correspondents are understood to have cabled the significant portions thereof to their papers in the United States, in view of Mr. Suma's position, it is believed that the Department may wish to have the contents of his interview as reported here which were substantially as follows:

Question: Are you handling Ambassador Grew's address given at the Imperial Hotel as an official protest or have you received an official protest with similar contents?

Answer: We do not regard it as an official protest nor have we received such an official protest.

Question: What is Japan's view in regard to that speech?

Answer: For a diplomat to report accurately the feeling of his country to the country to which he is accredited takes an unusual amount of courage and I am deeply impressed with Mr. Grew's action. However, it is difficult to agree with the Ambassador's statement that the American public has a correct grasp of the situation in East Asia. From my own experiences in America there has

¹⁷ Not printed.

been deplorable ignorance among the people concerning conditions in the Far East. Recently I read Hugh Wilson's book entitled "Memoirs of a Diplomat" in which he states that as the American people are geographically too well blessed, public opinion in regard to foreign affairs is not of a serious character and I am in agreement with him. American views with regard to the Far East are completely directed by emotion. The American Government and people should pay full attention to actual facts of the situation in East Asia and their opinion should be more constructive and practical.

Question: As the treaty expires next January,¹⁸ the view is strong here United States will cease buying Japanese silk and Japan will cease buying American cotton. What do you think of that?

Answer: I heard this sort of view quite often while in the United States. I even heard that all trade relations would cease. However, this would amount to aggressive action against Japan and as it would not bring the result desired by the United States the majority of opinion inclined to the view that it could be spoken of lightly. As Walter Lippmann has said, the responsibility for the adjustment of Japanese-American relations rests not only with Japan; the United States also must exert every effort to observe the road to adjustment.

Question: What do you think about the rumor that a four-power conference including Japan, England, France and the United States will be held to discuss the question of opening the Yangtze River to navigation.

Answer: That is purely conjecture. France and England would not have to be mentioned. If necessary, discussions could be carried on with the United States. In any case the question of opening the Yangtze to navigation is not to be dismissed lightly.

Copies by air mail to Shanghai and Peiping. Shanghai requested to repeat to Chungking by naval radio.

GREW

711.94/1326: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Extract]

Tokyo, October 28, 1939—7 p. m.

[Received October 28—9:15 a.m.]

560. Our 555, October 26, 5 p. m.¹⁹

1. According to the press the Foreign Minister made the following statement in regard to Japanese-American relations at yesterday's Cabinet meeting:

"Recent opinion in the United States toward the China affair, both official and unofficial, is extremely unfavorable and in the course of the coming negotiations looking toward the adjustment of Japanese-American relations it is doubtful whether Japan's wishes can be

¹⁸ See pp. 189 ff.

¹⁹ Not printed.

realized. Accordingly, the Imperial Government must anticipate that with the expiration on January 25 next year of the Treaty of Commerce and Navigation between Japan and the United States, Japanese-American relations may reach the worst state possible and must take into consideration at once counter-measures with respect to imports and exports, plans for commodity mobilization and similar problems."

GREW

711.94/1363

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] November 4, 1939.

I held today with the Minister for Foreign Affairs the first important conversation since returning from leave of absence, an interview which had been delayed owing to the recent troubles in the Foreign Office. Our conversation today lasted an hour. I spoke to the Minister in English but he himself spoke through Mr. Okumura, as interpreter.

The Minister opened the conversation by expressing regrets for the delay in receiving me on the ground that he had only recently taken office and had had to familiarize himself with some of the problems thereof. He said he knew what I had done during the past seven years in the interests of Japanese-American relations and of the report of my recent visit in the United States as expressed in my speech of October 19 before the America-Japan Society. He said that he fully shares my desire for better relations between our two countries. Both sides must have full appreciation of the standpoint and views of each other, an action which of course applies to all international relations. Both Japan and the United States are stabilizing factors in their respective regions and both wish to remain away from the disastrous effects of the war.

The Minister referred to my last brief talk with him and said he fully shared my views that informal conversations were better and more effective than the writing of official documents. I said immediately that this represented my own feeling as I had already told him but of course he must realize that notes sometimes had to be written apart from conversations and that I might still have to write many notes in future but that I would always try to limit them to a minimum.

The Minister then said that our views were already partially known to him through the various notes we had written to his predecessors and from my speech before the America-Japan Society but that he would now be glad to listen to what I had to say.

In opening my side of the conversation I said that wishing to present the American point of view as clearly and concretely as possible I had prepared three manuscripts which I would leave with the Minister not as official documents but as informal papers and I requested him to be good enough to read them carefully because they would give him in fairly concentrated form a clear picture of the situation as it exists between our two countries. These manuscripts are:²⁰

(1) A chronological statement of the Embassy's written representations to the Japanese Government since the commencement of the present hostilities in China showing which of these representations have been answered and which have not been answered.

(2) A series of excerpts from memoranda of some of my conversations with the Minister's predecessors, showing the representations made and the assurances repeatedly given that American rights and interests in China would be respected.

(3) Certain passages from the original draft of my speech before the America-Japan Society on October 19 which had been omitted from the speech.

With regard to the first paper, I said that this list does not necessarily present a complete accounting of instances in which American citizens or American rights or interests have suffered interference, discrimination, indignities or damage as a result of Japanese activities. The recapitulation shows that of 382 written representations made, 256 have not been acknowledged. I pointed out to the Minister that not all or many of the 116 replies received could be regarded by us as satisfactory. In the case of 10 representations, replies were not necessarily required.

With regard to the second paper, I asked the Minister to observe the specific assurances which had been given me by his predecessors that American rights and interests in China would be respected, assurances which are not being carried out in practice.

With regard to the third paper, I said that the material therein included embraced statements which were contained in the original draft of my speech before the American-Japan Society on October 19 but that I had omitted those statements from the speech with a view to avoiding any possible embarrassment to His Excellency or to the Japanese Government. Those statements were however important as specifying and clarifying some of the difficulties existing between the United States and Japan. I also pointed out that I had carefully avoided giving to the press the text of the speech as actually delivered until the Foreign Office itself had asked me to release the text to the press. The Minister acknowledged this point with a smile and a nod.

I then said that in my opinion the coming months might be critical in Japanese-American relations. There is at present in the United

²⁰ None printed.

States a strong demand for an embargo against Japan when our Treaty of 1911 expires next winter and it is my earnest hope that steps will be taken by Japan which will relieve this pressure of public opinion. I said that I desired to make it perfectly clear that I was presenting certain objective facts and that no other implication should be drawn from my remarks. I was not used to what might be called the old-school diplomacy and believed that perfect frankness in such conversations as the present one was highly desirable in the interests of both sides. (Neither the substance nor the tone of my remarks conveyed any threat whatsoever and there was no indication that the Minister took my remarks as a threat). I said that certain fundamental differences between our two countries would presumably some day have to be faced but I felt that the first thing to do was to clear the atmosphere. For this purpose, in my opinion, two things were necessary: first, cessation of the bombings, indignities and more flagrant interferences with American rights and interests in China which were causes of current irritation in the United States; second, some step or steps of a positive nature which would convince the American Government and people by concrete evidence that Japan intends to improve our relations. In this connection I mentioned the opening of the Yangtze River to American navigation as the sort of positive step I had in mind.

In reply to this presentation the Minister said that there appears to be a misunderstanding on the part of the United States that Japan intends to drive American interests out of China. I replied that quite apart from any future intention the fact remains that American interests are being driven out of China. The Minister observed that American assistance in the reconstruction of China is going to be absolutely indispensable.

The Minister requested us to bear in mind the following points:

a. Japan is engaged in warfare on a scale unprecedented in Japanese history and great stakes including the expense of many lives and much treasure are involved. Japan's paramount object is to convert an anti-Japanese China into a China sympathetic to Japan. In the Minister's personal opinion Japan and China must live in good neighborhood and prosper in a common way. If third powers help China to antagonize Japan, stabilization will be impossible.

b. The Minister expressed the hope that the United States will give better appreciation of the extent to which the Japanese authorities in China are endeavoring to protect American property in China. They are doing their best under abnormal and difficult conditions. The United States is evidently not satisfied but the Minister hopes to give concrete facts of the care taken. This referred to bombings and other encroachments. I mentioned the subject of Japanese monopolies. The Minister said he thought that such monopolies were set up purely for purposes of price control.

At the end of the conversation the Minister said that he was now discussing these various matters with his colleagues in the Cabinet and with the Prime Minister.

We then agreed on a communiqué to the Japanese press stating simply in effect that we had explored the field of Japanese-American relations in a mutually constructive spirit. He however authorized me to tell the American press correspondents that I had presented the American point of view in general and in detail. This was done.

At no point in the conversation was the question of negotiating a new treaty between the United States and Japan touched upon either by the Minister or myself.

The atmosphere of the conversation was excellent and at the end of the official exchanges of views the Minister and I indulged in pleasant personal reminiscences.

JOSEPH C. GREW

*Press Release Issued by the Department of State on November 4, 1939*²¹

In reply to inquiries by press correspondents for comments on press despatches from Tokyo to the effect that Mr. Joseph C. Grew, American Ambassador to Japan, informed the Japanese Minister for Foreign Affairs on November 4 that Japan was in danger of economic pressure from the United States if it continued its present program in China, the Department informed the correspondents that the American Ambassador to Japan has reported by telegraph that his talk with the Foreign Minister today dealt with objective facts and that he wished to say categorically that no threats of economic sanctions were made either in the substance or in the tone of what he said.

793.94/15485a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, November 13, 1939—8 p. m.

349. For your information.

1. On October 11 the Counselor of the Japanese Embassy, when calling on an officer of the Department, expressed the opinion that a central regime would be set up very soon under Wang Ching-wei;^{21a} that the regime would not be a puppet one; that it would be a fully independent and well-established government; but that it would prob-

²¹ Reprinted from Department of State, *Bulletin*, November 4, 1939 (vol. I, No. 19), p. 465.

^{21a} Formerly a member of the Chinese Government.

ably be necessary, from the point of view of combating communist activities, for Japanese forces to remain at certain points in China for a period of time. On November 7, during a call on another officer of the Department, the Counselor again referred to the proposed regime, stating that the Japanese placed great hopes in its establishment; that the Japanese expected the regime to become a stable and independent one like "Manchukuo"; that he did not expect the Japanese to raise questions of *de jure* recognition of the new regime by the United States and other powers but it was hoped that, as a solution to many difficulties, foreign governments would deal and cooperate with the new regime. In regard to the question of Japanese troops, the Counselor stated that it was hoped that the time would come when they could withdraw but that of course was a very difficult question.

2. It is our opinion that the proposed regime, if set up, would be a purely artificial creation, and that its existence would depend upon Japanese armed support; that the regime would lack any spontaneous or genuine broad support on the part of the Chinese public; and that it would be designed primarily to serve the special purposes of Japan which, as in the case of the regimes established during recent years under Japanese auspices in Manchuria, Inner Mongolia, at Peiping and at Nanking, would result in depriving the people and the Government of the United States, and the people and governments of other third countries, of long-established rights of equal opportunity and fair treatment in China which are legally and justly theirs. We could not regard the setting up of such a regime as evidence of a disposition on Japan's part to pursue a course in and with regard to China which would be in accord with fundamental principles and policies in which this Government believes. The setting up of such a regime would therefore in our opinion serve to render more difficult rather than to facilitate an adjustment of American-Japanese relations.

Sent to Tokyo. Repeated to Peiping and Chungking.

HULL

894.00 P.R./144

Press Statement by the Japanese Prime Minister (Abe), November 21, 1939 ²²

In a press interview on November 21, the Prime Minister outlined at some length various aspects of Japan's future relations with the proposed new regime in China, and he said that the Government expected to follow in settling the China "incident" the principles laid

²² Reprinted from enclosure in covering despatch No. 4377, December 28, 1939, from the Ambassador in Japan; received February 5, 1940.

down by Prince Konoe in the latter's statement of December 22, 1938.²³ He said he believed that the new regime would eventually assimilate the Chungking Government, thus obviating any need for Japan to have any future dealings with the latter. He reiterated the Japanese contention that North China and Inner Mongolia should be a special zone for Japan, both politically and economically, and that Japan would show more concern over those areas than over any other part of China. He said that Japan probably would conclude an anti-Comintern pact with reborn China along the lines of the Japanese-German-Italian anti-Comintern accord,^{23a} and that Japan would, in all probability, keep troops in China as long as that pact was in force.

711.94/1366

Memorandum by the Under Secretary of State (Welles)

[WASHINGTON,] November 24, 1939.

The Japanese Ambassador called this afternoon to see me at his request and in view of the return of the Secretary of State the Ambassador was received by the Secretary in the latter's office.

After the customary preliminary exchanges of courtesies the Secretary waited for the Ambassador to commence the conversation. The Ambassador stated that he was calling solely of his own initiative and not by instruction of his Government and that the purpose of his call was to undertake a general exchange of views in as much as the Ambassador believed that there was considerable, and perhaps increasing, misunderstanding on the part of public opinion in the United States of the course pursued by Japan in China and of the policy of the Japanese Government in its relations with China. The Ambassador stated that the two principles of Japanese policy towards China were, first, the desire of Japan to guard against the spirit of communism in China, and second, the need of Japan to assure herself of satisfactory economic relations between China and Japan. The Ambassador went on to say that the Government of Japan had made every effort to satisfy these two objectives through negotiations with the government of General Chiang Kai Shek, but that unfortunately negotiations had proved fruitless and there had arisen the major conflict now going on between Japan and China. As a result of this conflict many areas in China were under the occupation of the Japanese Army and as a result of this situation "inconvenience", as the Ambassador phrased it, had resulted to American nationals and to American business interests. At the same time, the Japanese Government had given the most posi-

²³ Vol. I, p. 482.

^{23a} For text, see p. 159.

tive instructions to its military authorities in China that such impediments to American nationals and business interests should be avoided in so far as might be possible and it was the belief of the Government of Japan that as soon as hostilities ceased these obstacles to American nationals and commercial interests could be immediately lessened and eventually removed. The Ambassador stated that the Government of Japan abided by the principles of the Open Door in China and that the impediments and prejudices from which American nationals and business interests in China were now suffering should be regarded as only temporary in character.

The Ambassador said that he realized that relations between Japan and the United States were somewhat "strained" and that it was his earnest desire as Ambassador here to do everything that might be possible to improve relations, but that he did not feel that a satisfactory result in this sense could be obtained if the two governments devoted themselves to a discussion of "principles". On the contrary he felt that an effort should be made to discuss a practical solution of the problems which had arisen. The Ambassador then went on to say that the liberal elements in Japan as well as the business interests in Japan were sincerely friendly to the people of the United States and earnestly desired an improvement in relations between the two countries, but that if no such improvement were forthcoming they would unquestionably become "disappointed"; and if no means of obtaining economic cooperation from the United States were found, these elements in Japan would possibly find it necessary to look elsewhere for these means of economic cooperation, and that arrangements between Japan and Soviet Russia for economic cooperation might consequently be the inevitable result.

When the Ambassador had concluded, the Secretary replied by saying that he, of course, was confident of the Ambassador's individual desire to bring back relations between the two countries to that standard of friendship which the two peoples had enjoyed for a period of two generations. He said that he felt sure that the Japanese Government must appreciate that no country had pursued a policy of greater friendship towards Japan than the United States, and that while at times both Governments felt that developments had occurred which were not to their liking, he nevertheless believed that the Japanese people must appreciate the fact that the Government of the United States had no ambitions for territorial expansion in the Far East, nor was it pursuing any policy actuated by selfish motives which could be construed as prejudicial to Japan. He said that the innumerable incidents involving the infringement of the rights of the United States in China and the legitimate treaty interests of American nationals in China were a matter of legitimate concern to the American people

and that this Government felt that this condition could not go on for an indefinite period. The Secretary stated that it was particularly disappointing to this Government, when it called attention to these infringements of its legitimate rights and of the interests of its nationals in China, to obtain the impression from the Japanese Government that such action on our part was likely to create a feeling on the part of the Japanese people that they wished to replace their relations with the United States by closer relations with another power. The Secretary added that whatever surprise might be created in the United States by the development of closer relations between Japan and another power, it would not be equivalent to the surprise which was created when Hitler entered into closer relations with that same foreign power.^{23b}

The Ambassador was much taken aback with this remark, of which he undoubtedly gained the full significance.

The Secretary then inquired whether it was correct that Japan had some 800,000 troops now engaged in hostilities in China. The Ambassador replied that he was not precisely informed on that point, but that he thought that if the Secretary referred to the troops stationed in Manchuria as well as in China proper, that might be a correct estimate.

The Secretary then inquired what was the intention of the Japanese Government with regard to that number of troops in China. The Ambassador replied that after hostilities had ceased undoubtedly the major part of the troops would be removed. The Ambassador went on to say that after the kidnapping of General Chiang Kai Shek^{23c} a deal had been made by his wife and other friends with the communist leaders in China so that General Chiang would no longer attack the communists and would attack Japan, and that it was for that reason that Japan found it impossible to negotiate with General Chiang's government. He said, however, that the Japanese Government believed that a new Chinese Government would soon be installed with which the Japanese Government could undertake negotiations providing for settlement of all the matters at issue.

The Secretary inquired whether the retention of Japanese troops in China by Japan would be for the purpose of bolstering up that government and maintaining it in power. The Ambassador answered that undoubtedly Japanese troops would be maintained after the creation of this new Chinese government for a sufficient time in order to obtain assurance that order would be maintained, et cetera, but that eventually the number left would be very small.

^{23b} For text of the German-Soviet nonaggression treaty, signed at Moscow, August 23, 1939, see Department of State, *Bulletin*, August 26, 1939 (vol. I, No. 9), p. 172.

^{23c} In December 1935, during an inspection trip in Shensi Province.

The Secretary then inquired whether the retention of Japanese troops in China would mean that the same measures of discrimination against American trade, exchange control, et cetera, would likewise be kept in force because of the continued presence of Japanese troops in China. The Ambassador answered that while the war was being waged in China by Japan measures such as the imposition of exchange control, et cetera, were required in order to make it possible for the Japanese forces to obtain food supplies, clothing, et cetera, but that after hostilities had ceased these measures would be greatly relaxed and the "inconvenience" to American interests would be correspondingly diminished.

The Secretary then inquired whether this Government was to take as accurate the interpretations given to the "new order in the East" enunciated by Japanese statesmen in Japan. The Ambassador replied that he believed that the interpretation given by Prince Konoye was to be regarded as accurate, as were the bases for peace with China enunciated by Prince Konoye in December 1938. The Secretary stated that the implications of such interpretations of the new order in the East were necessarily of very great concern to the American public because of the impressions thereby created that the rights of the United States in China and the rights and interests of its nationals were to be determined as the Japanese Government saw fit and not as treaties and international law laid them down.

The Ambassador again referred to the belief he had expressed before that a satisfactory solution of these problems could be found in a practical way provided the two Governments did not limit themselves to a consideration of principles.

The Secretary then stated that if that was the case, it seemed to him that the first move must legitimately and logically come from the Japanese Government in order that this Government might be advised as to the practical manner in which the Japanese Government proposed to remove the obstacles to friendly relations between the two Governments in accordance with the Ambassador's expressed desire. It was made very clear to the Ambassador that this Government expected the Japanese Government to present concrete evidence of the manner in which the legitimate grounds for complaint on the part of this Government were to be removed and that this Government did not feel called upon to take the initiative in making any suggestions of this character.

The Secretary concluded the conversation by telling the Ambassador that he should feel free to come in to see him at any time should he have any suggestions of this character to offer.

S[UMNER] W[ELLES]

711.94/1373 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, December 4, 1939—10 p. m.

[Received December 4—5:40 p. m.²⁴]

656. My 655, December 4, 8 p. m.²⁵ Following is the memorandum of my conversation with the Minister for Foreign Affairs today which lasted for one hour and a half. In view of the probability of inaccurate press speculation it seems preferable to send this telegram direct to Washington rather than via naval radio through Shanghai. Owing to the importance of the subject and in order adequately to convey the tone of the Minister's remarks I do not feel justified in curtailing this long telegram.

The Minister said that he was glad to resume our talks, the last of which had occurred on November 4, and that he was sorry for the delay in continuing them. He said that he had carefully studied the statements which I had made at our last meeting as well as the documents left with him. He considered very valuable the suggestions which I had made to him with regard to the importance of furnishing direct evidence of the intention of the Japanese authorities to put an end to the bombings of American property, the insults to American citizens and the encroachments on American commercial activities in China which must be removed. Admiral Nomura realizes that the impression exists in the United States that these various acts have been deliberate and that there is an intention on the part of the Japanese authorities to expel American interests from China. He desired to give me categorical assurances that such an impression is a misunderstanding and contrary to fact. Military operations on an unprecedentedly gigantic scale over extensive areas are going on in China and all of the incidents and cases of which we have complained have been accidental. The Japanese forces have been ordered to pay every possible attention in their power to protect and respect American property and citizens in China. The Minister said that he had discussed this matter with his competent colleagues in the Cabinet and he could tell me as a fact that the personnel of the military commands in China has been so arranged as to ensure this protection and respect.

The Minister desired to say that such limitations to the commercial activities of Americans in China as have occurred are a result of the military operations including control of the occupied areas, such operations not being consonant with the peaceful enjoyment of ordinary commercial rights. These limitations are however exceptional and

²⁴ Telegram in three sections.²⁵ Not printed.

temporary and our rights will be restored when peace comes. It will only lead to misunderstanding and confusion to generalize and to forecast future conditions on the basis of these temporary circumstances.

At this point I mentioned some of the different ways in which American commercial rights and interests were being injured including the setting up of monopolies which had resulted in ruining the business of various American interests. It seemed to me difficult to explain these monopolies and other restrictions as due to military necessity. The Minister said that in war time it became necessary to control commodities and that the monopolies and other handicaps could be explained on this basis. I countered, however, with the observation that many of these measures gave the American Government and people the impression that they were intended to be permanent and that I would welcome concrete evidence to the contrary.

The Minister then said that he desired to repeat the assurances given me by his predecessors that the Japanese forces in China have not the slightest intention to drive out American interests and that they have the strictest orders to the contrary. He said that our commercial problems in China should be dealt with both in Tokyo and in the field and he requested that American officials in the field should keep in close touch with local Japanese officials. The Minister said that the cases both of bombings of American property and insults to American citizens were decreasing. In Pakhoi and Nanning for instance he has heard of no case of the damaging of American property in that area. Briefly, measures were also being taken to facilitate American commerce, as in the case of shipments of wood oil from Hankow and of lace and drawn work from Swatow. The Minister was thus in a position, he says, to point out that positive measures were being taken in line with the valuable suggestions which I had made at our last meeting. He appreciated my honest desire to improve relations and by the way of reciprocating this attitude he was now studying with the proper authorities such measures as could properly be taken.

The Minister expressed the regret that while he and I were making joint efforts to improve relations these efforts were being injured by the sometimes too liberal expressions of opinion by important people in the United States, including statements with regard to a possible embargo against Japan.

At this point I interpolated some pertinent observations with regard to the freedom of the American press and of public discussion and that we had found by experience that measures to control the utterances of the press or of individuals often defeated their own object by causing an intensification of those utterances. I added that the public statements of individuals outside of the Government even though those individuals might be in close touch with the Government did not neces-

sarily represent the Government's views. The Minister smilingly observed that the same situation, especially with regard to the press, obtained also in Japan.

The Minister then said that he desired to present certain figures which he thought I would find welcome as meeting some of my representations in our last conference and wait for concrete proposals for the settlement of pending questions. He said that the list of cases which I had presented to him had been carefully analyzed and a résumé drawn up on the basis of available documents. He thereupon handed me an informal document in Japanese which he thought I would probably wish to have translated and he read to me the following résumé:²⁶ (a) Representations acknowledged or answered—179; (b) representations not acknowledged or answered—203 (1) no acknowledgment or reply required 22, (2) not acknowledged but the contents dealt with by communication to the appropriate officials in China 27, (3) not answered but settled locally or dealt with 8, (4) investigations still going on but not yet answered 110, (5) miscellaneous 36.

The Minister expressed regret that some of our representations had not been acknowledged or answered owing to clerical oversight but he could assure me that all of our representations were receiving attention and that the competent officials were seeking solutions.

Some cases had been settled or were about to be settled such as the Nyhus case and the cases of bombings around Shanghai and Nanking which amounted to 39.^{26a} In these cases the investigations had been completed and the Japanese officials were in touch with our own officials in Shanghai with the view to finding solutions. The Minister said that Mr. Yoshizawa^{26b} would explain either to Mr. Dooman or to me the details of the informal document which he had handed to me and would also be glad at all times to discuss pending questions. He said he thought it would be well for us to have periodical and frequent talks with Mr. Yoshizawa and he recommends that the officials of the Foreign Office and the Embassy constitute themselves as a sort of permanent committee to deal with these pending matters. Thus speedy settlement of these questions could be made or agreement reached as to how to solve them and this should lead to more stable relations between Japan and the United States.

The Minister alluded to the press reports that there are over 600 cases awaiting solution. Such incorrect reports mislead the public and injure our relations. He thought it would be useful to publish the actual facts and suggested Mr. Yoshizawa get in touch with us with that end in view.

²⁶ Entitled "Table B"; not printed.

^{26a} For details, see vol. I, pp. 487 ff.

^{26b} Director of the American Bureau of the Japanese Ministry for Foreign Affairs.

The Minister said that this completed his official observations and that he would now like to talk "off the record." With regard to our treaty of commerce and navigation he said that "even if the treaty expires I hope that relations may be maintained in a normal way and that there will be no cause for the people of both countries to get excited about." Japan's trade with the United States represented a very large percentage of Japan's entire trade and if commerce with the United States should be impaired Japan would obviously have to seek other commercial channels.

[Paraphrase.] It appeared to me that an implied threat of an understanding with the Soviet Government was contained in the foregoing remark of Nomura and that the remark might be considered as seeking indirectly an opportunity for bringing up the matter of negotiations for a *modus vivendi* or for a new treaty. I therefore took occasion to inform Nomura of the Secretary's views (expressed on November 24 to Ambassador Horinouchi²⁷ and cabled me on November 27), emphasizing the consideration that this Government did not feel obligated to assume the initiative in offering for consideration practical measures for removing the impediments to friendly relations between the United States and Japan.

Thereupon I took up several individual cases with Nomura, as reported separately. [End paraphrase.]

The following press release was agreed upon:

"The Minister for Foreign Affairs and the American Ambassador today continued their talks covering the general field of Japanese-American relations in a mutually constructive spirit."

The interview thereupon terminated.

Code text to Peiping and Shanghai by air mail. Shanghai please repeat to Chungking via naval radio.

GREW

711.94/1395

Memorandum by the Counselor of Embassy in Japan (Dooman)

[Tokyo,] December 6, 1939.

Mr. Yoshizawa asked whether I would be interested in hearing the report of the Japanese Ambassador at Washington on his last conversation, that of November 24, with the Secretary of State. Upon my reply that I would, Mr. Yoshizawa read the telegraphic report, which followed that of the report received by us from the Department. The former was, however, much longer and gave a more detailed account of the conversation. It was interesting to note that Mr. Horinouchi completely missed the Secretary's observation

²⁷ See memorandum by the Under Secretary of State, *supra*.

with regard to the lack of surprise which would attend any treaty arrangement between Japan and the Soviet Union: he understood the Secretary to say that the United States would be *more* surprised by such an arrangement than it was by the non-aggression treaty between the Soviet Union and Germany.

Mr. Yoshizawa then referred to the desire expressed by the Minister for Foreign Affairs during the course of his conversation on December 4 with the Ambassador, that members of the Foreign Office and of the Embassy meet at frequent intervals to discuss China problems and that they constitute themselves into an informal standing committee. With that statement in mind, Mr. Yoshizawa had asked me to call so that we might informally talk over matters of procedure.

He said that the Foreign Office had closely studied the list of "cases" presented by the Ambassador to Admiral Nomura on November 4, and that the position was somewhat more favorable than that indicated by our list. This could be explained largely by the fact that a number of cases had been settled "on the spot", as he put it, that is, following negotiations in China, without such settlements having been recorded in correspondence between the Embassy and the Foreign Office. The number of cases of bombings, including cases of machinegunning by Japanese airplanes, stands now at 144, and the number of cases of occupation of American properties, destruction, looting, et cetera, at 73. He regarded these two groups of cases as constituting one category.

There were then a number of cases and problems with a politico-economic complexion. They involved in varying degrees high policy and did not, therefore, lend themselves readily to solution. They were:

1. Shanghai International Settlement.
2. Customs and currency.
3. The maintenance of the Salt Gabelle and the servicing of loans secured by the salt tax.
4. Chefoo Harbor Improvement Committee.
5. Navigation of the Yangtze River.
6. Moneys due for goods sold on credit to the Peiping-Suiyuan Railway.
7. Taxes imposed at Kaifeng and Tatung on oil brought in by the Standard Oil Company.
8. Prohibition on exports from North China on hides and skins.
9. Control of trade at Chefoo.
10. Purchases of leaf tobacco in Central China and Shantung by the Universal Leaf Tobacco Company.

These were admittedly difficult questions, as military operations, the suppression of financial and other forms of assistance to the Chinese Government, et cetera, had to be considered with a view to terminating the hostilities in China as soon as possible. Given goodwill on both sides, however, he thought that discussions could be car-

ried on in a constructive spirit and that substantial progress could be made.

There were finally the basic and fundamental problems. Obviously there was little that could be done now in the way of examining principles of policy, such as the territorial and administrative integrity of China, but Mr. Yoshizawa hoped that we could put forward our respective views for purposes of clarification. Such clarification would be helpful against the time when conditions would make possible a search for definitive adjustment of views.

Having classified the various problems, Mr. Yoshizawa proceeded to discuss measures which might be taken by Japan to meet the American position. He divided these into two categories: negative and positive. The negative measures covered the stopping of action on the part of the Japanese directly injurious to American lives and property, such as bombings, looting, forcible occupation of mission premises, et cetera, and compensation in some form for damage already done. He said that the committee set up to examine claims had completed investigation of 39 cases which occurred in the area between Shanghai and Nanking. Mr. Yoshizawa had his assistant bring in the documents, and he showed me the stack of papers about a foot high as evidence of the work which the committee had already done. The committee had recommended the payment in a number of instances of moneys as *ex gratia* donations, scaled according to the strength of the evidence of Japanese responsibility for the damage done. These cases would be shortly taken up with the American Consul General at Shanghai with a view to settlement.

Mr. Yoshizawa said that the plan which he presented about two weeks ago to Admiral Nomura for the conversation with Mr. Grew which eventually took place on December 4 contemplated that the conversation cover only the "negative" measures which Japan could take, but that Admiral Nomura was insistent that indication be given at the same time of the "positive" measures which the Japanese Government was prepared to take to improve or ameliorate conditions in China affecting the exercise by Americans of their rights. He had, however, represented to Admiral Nomura that it was necessary for the Japanese Government to keep its feet on the ground and to await developments which would make possible the implementation of promises to take positive action calculated to improve conditions. The first of these developments must be the setting up of the new central regime under Wang Ching-wei, and that was to take place in the near future. It was his intention, then, to propose a further conversation between Admiral Nomura and Mr. Grew in order that the plan of the Japanese Government for the further meeting of the American position could be presented. Such measures as could be

taken would touch largely on the cases of a politico-economic character above listed as the second category of outstanding questions.

Mr. Yoshizawa then expressed disappointment over the unfavorable publicity in the United States with regard to the steps already taken by the Japanese to improve the situation. It was a fact that bombings had practically stopped, that American properties had been evacuated, and that some claims had been settled, and he thought that it might be advisable for the Foreign Office to give out some facts. I said to Mr. Yoshizawa that, in my opinion, the giving out of publicity at this time would be a mistake, as it would be difficult for the Japanese to make any correct statement which could have any beneficial result. I referred to the large number of replies that we had recently received from the Foreign Office on bombing cases, and I pointed out that mere mention of the fact that replies had been recently made in 59 cases of bombing would probably give the public the impression that progress was being made, whereas in point of fact the replies contained in every instance disclaimer of Japanese responsibility. Every statement given out by the Foreign Office would, I felt certain, require further counter publicity to put it in accurate perspective. Mr. Yoshizawa said that there was no pretense that the replies which I mentioned were conclusive and final. The Foreign Office had failed thus far to take cognizance of our various notes, and the replies which had been sent were intended to discharge the obligation of the Foreign Office to indicate that it was seized of these matters. So far as the question of publicity was concerned, the last thing he wished to do was to start a controversy in the press of both countries.

In concluding the conversation I said that I would report to the Ambassador the general line of procedure proposed. Mr. Yoshizawa suggested that we meet again early next week.

711.94/1373 : Telegram

The Secretary of State to the Ambassador in Japan. (Grew)

[Substance]

WASHINGTON, December 8, 1939—8 p. m.

392. Reference is made to conversations between the Ambassador and the Japanese Minister for Foreign Affairs on December 4 (see telegram 656, December 4, 10 p. m.) and between the Counselor of Embassy and the Director of the American Bureau of the Japanese Foreign Office on December 6 (see telegram 666, December 7, 2 p. m.²⁸).

²⁸ Not printed; see memorandum of December 6, 1939, *supra*.

(1) The two telegrams cited were read with interest in the Department, which approves the Ambassador's attitude during his conversation and concurs in his points made at that time.

(2) With reference to the Ambassador's request for the Department's comment and instructions, it is suggested that the attitude and position of the United States Government continue to be accurately represented by the viewpoint and desiderata which were set forth in the Department's telegraphic instructions prior to the Ambassador's conference with General Ugaki on July 4, 1938,^{28a} and in the American notes to the Japanese Minister for Foreign Affairs on October 6 and December 30, 1938.²⁹ The Department expresses confidence in the Ambassador keeping in mind this attitude and position.

(3) Respecting the procedure outlined by Director Yoshizawa, the Department states that naturally it has no objection to classifying problems in such manner as may seem helpful to the Japanese Foreign Office in considering the situation, but the Ambassador is asked to avoid an expression of approval of or agreement to any special classification. The various problems involved are conceived by the Department to be integral parts of a single larger problem, which is unwarranted interference with American rights and interests in and concerning China. With reference especially to Yoshizawa's proposed categories, it is the opinion of the Department that without involving in a fundamental fashion "basic principles" there could scarcely be effected a fair adjustment of problems which have to do with Yangtze River navigation, Shanghai's International Settlement, Chinese maritime customs, Chinese currency, etc.

(4) Reactions of the Department to statements made by the Japanese Minister for Foreign Affairs are indicated in the comments given below, while the Department's reaction to his statements regarding American claims has been telegraphed separately.³⁰

Regarding the Minister's reference to a decrease in instances of American properties in China being bombed by Japanese military airplanes and of instances of American citizens being insulted and affronted, the Department observes that, although a complete cessation of these occurrences naturally is essential to improving Japanese-American relations, the stopping of direct physical attacks on American citizens and property would be purely a negative development.

Regarding commerce, it was pointed out with some evidence of satisfaction by the Foreign Minister that certain shipments of lace and drawn work from Swatow and of wood oil from Hankow indicated a Japanese wish to facilitate American enterprise in China. If viewed

^{28a} See memorandum of July 4, 1938, by the Ambassador in Japan, vol. 1, p. 605.

²⁹ *Ibid.*, pp. 785 and 820.

³⁰ Not printed.

in a perspective that includes the normal free movement of Chinese-American trade, to call attention especially to the isolated instances just mentioned of cargo shipments (which were subject to various restrictive conditions) is to emphasize the enormous damage inflicted and continuing to be inflicted by Japanese military operations in China upon general American interests in and concerning China.

Regarding the Minister's indication that military operations have resulted in limitations being placed upon American commercial activities in China, that such limitations are temporary and exceptional, and that upon the coming of peace these American rights will be restored, does he suggest that official companies under Japanese Government control (namely, the North China Development Company and the Central China Promotion Company) and the growing and extensive monopolistic control by these companies of various phases of Chinese economic life are only incidental to Japanese military operations and upon cessation of such operations will vanish, together with their subsidiaries in China? The Japanese authorities, or régimes which function with their support and under their guidance, are attempting the establishment in China of currencies which are linked with the Japanese yen in such manner and with such trade controls discriminatory in character that, though there is comparative freedom of movement for commodities and funds between Japan and its occupied areas in China, there is a serious disruption of the normal flow of Chinese-American trade. Is it suggested by the Foreign Minister that these developments also are temporary in nature?

While the United States Government appreciates fully the efforts being made by the Japanese Government to ameliorate the material damage being done in China to American interests, it is constrained to observe that these efforts thus far are felt to have little more than touched the fringe of the problem.

(5) The above suggestive comments are offered to the Ambassador as of possible assistance in his further conversations with Japanese Foreign Office officials.

Repeated to Chungking and Peiping.

HULL

711.942/388 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, December 18, 1939—10 p. m.

[Received 10:08 p. m.³¹]

687. My 686, December 18, 6 p. m.³² Following is our translation of the *pro memoria* read and handed to me by the Minister for Foreign Affairs today:

³¹ Telegram in four sections.

³² Not printed.

December 18, 1939.

1. On two previous occasions I have had the opportunity of consulting with Your Excellency on the problem of opening the way for improvement in the existing condition of relations between Japan and the United States. Today is our third meeting. On the occasion of our first interview, November 4, Your Excellency expressed the hope that in order to open the way for the improvement of existing conditions in the relations between Japan and the United States, Japan would on its part take such measures as would directly indicate to the American people that Japan desires improved diplomatic relations. These measures were to be not only of a negative but also of a positive nature. The summarized table which you presented at our meeting on November 4³³ has been carefully analyzed, the true conditions of the pending problems and questions have been made clear and a policy for their solution has been set forth. It is desired in the first place to present an outline of the progress, based on this policy, which has been made toward a solution.

I should like to call to Your Excellency's attention the following facts with regard to the so-called negative measures of which you have spoken:

(1) Bombings. An examination of the number of recent cases reveals one during September, two during October and none during November.

(2) Indignities. No cases have been heard of recently.

(3) Questions concerning commercial rights and interests. While two or three cases have recently been reported by your Embassy, it is our policy to take appropriate and just measures for each case as soon as circumstances have been carefully examined.

Further, as it has been frequently stated, Japan is not in a position requiring it to assume responsibility for so-called compensation in such cases as are given under (a) on table B which was presented to Your Excellency last December 4. Nevertheless I am in a position again to declare that it is our policy to reimburse, as a solatium and token of sympathy, nationals of third countries promptly and in just and appropriate relation to the actual losses. If there is not complete agreement with regard to this point there is the possibility of further consideration. Among the items listed under (b), I can inform you that it is expected in the not distant future a settlement will be reached on the Western Roads Areas question which you seemed to view with particular seriousness in connection with the problems of the International Settlement at Shanghai. There are also prospects of readjustment at the same time of the question of the opening of the area north of Soochow Creek. I am sure that Your Excellency has also been informed by local Government [*sic*] reports that the question of the purchase of leaf tobacco in Shantung by the Universal Leaf Tobacco Company has been provisionally settled.

With respect to customs, currency, Salt Administration and other general problems relating to China, while exhaustive study must be

³³ Table not printed.

given these matters in view of changing situations and future effects, in so far as the adjustment of these points with the interested countries is concerned, full consideration is being given to their interests, and a practical, fair settlement should be reached. Study is now being undertaken to this end.

2. The second point I should like to mention is the problem of navigation of the Yangtze River which has long been under consideration by the Japanese military. It is the intention of the military to open the lower reaches of the Yangtze River as far as Nanking. While military operations continue in that area, and opening of the river will cause various difficulties and inconveniences, it is possible gradually to moderate military requirements. Moreover, with the inauguration of the period for gradual building up of China, it is the intention of the military to open up a portion of China despite the military inconveniences which will have to be endured. However in dealing with the opening of the military [river] to navigation, consideration must be given to the need for consolidating various military establishments in that area and to the continued carrying on of military operations even at the present time along the banks of the river as far as Nanking, not to mention the upper reaches of the river; it therefore follows that there will be restrictions based upon military necessity. However, these restrictions should gradually be relaxed with the passage of time.

While it is desired to effect the opening of the river as early as possible in order to prevent any disturbances to the economic life of the area and to forestall any adverse effects upon the building up of the area, it is a matter [*sic*] anticipated, in the light of the preparation mentioned above and the necessity of consultation with various powers, that about two months will be required. The matter of the Pearl River is also being considered along the above lines.

3. On the occasion of my conversation with Your Excellency on November 4, I stated that in order to improve international relations a precise understanding on the part of one side of the views and position of the other was essential and Your Excellency concurred. In so far as we are concerned, we are doing all that we can along the lines above indicated to improve Japanese-American relations and we intend to continue this policy. In our previous conversation Your Excellency spoke of the utterances by certain types of persons in American official life and of the difficulty of suppressing these utterances or newspaper comment. As you are aware there occur in Japan as well statements criticizing or opposing the actions of the Government, and when the public is moved by these statements, the Government is unable to restrain it.

With special reference to the question of reopening the Yangtze River, the view is held in certain quarters that the Japanese forces having made enormous sacrifices to reopen the river after it had been closed by the Chinese, no obligation rests on the Japanese to throw the river open to all. Consequently, as above stated, if at a time when progress is being made toward the adjusting of pending questions and concrete preparations are being made for the throwing open of the Yangtze River, no effective results are seen from the standpoint of improving international relations, the Government would be attacked by public opinion. In such contingency, adverse criticisms and

attacks would certainly arise not only in connection with the re-opening of the river but with the settlement of other pending questions, and difficulties would develop in putting such plans of settlement into effect. The result would be that relations between Japan and the United States, instead of improving would, it is feared, [tend toward the opposite direction and so proceed to a point which it would be difficult to estimate. I earnestly hope that Your Excellency will appreciate these considerations.]³⁴

During our conversation on November 4, Your Excellency referred to measures both negative and positive and I recall Your Excellency's observation that "In my view it is possible to bring about a speedy reversal of public opinion in the United States³⁵ and there is possibility of improvement in our relations if these measures can be taken immediately." It is my expectation that the American Government will especially appreciate the fact that the Imperial Government is overcoming innumerable difficulties and as above stated is exerting its utmost efforts with a view to opening the way for improvement in American-Japanese relations, and that the American Government will in the same spirit reciprocate the efforts being put forward on our side. It goes without saying that more than anything else the termination of the Treaty of Commerce and Navigation casts the darkest shadow over American-Japanese relations. There remains but a little more than one month before the treaty expires. On the occasion of our previous conversation I said I personally hope that if it is to be that the treaty must expire, commerce between the two countries may continue in a normal manner so that there may occur nothing which will cause the peoples of the two countries to be penalized. To meet this situation some means must be devised; formalities of various kinds must first be taken, but we cannot afford to postpone due [giving thought] to the time required for these formalities and nearly [other] related matters. I therefore believe that there is need for arranging to enter into negotiations before the Christmas holidays begin and request Your Excellency's consideration of this point."

GREW

711.942/386 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

Tokyo, December 18, 1939—11 p. m.

[Received December 18—7:15 p. m.³⁶]

688. Reference my 686, December 18, 6 p. m.³⁷ My 687, December 18, 10 p. m., transmitted in translation the *pro memoria* upon which were based the Japanese Foreign Minister's remarks in his conversation today with me. The following points were also touched upon:

³⁴ Section inserted in brackets is missing from file copy of telegram; addition is made from copy of *pro memoria* transmitted in despatch No. 4367, December 22, 1939, from the Ambassador in Japan. (File No. 711.942/458.)

³⁵ See par. 2 of telegram No. 688, December 18, 1939, 11 p. m., from the Ambassador in Japan, *infra*.

³⁶ Telegram in two sections.

³⁷ Not printed.

(1) When the Foreign Minister divided Japanese-American problems into two categories, "negative" and "positive," I pointed out the existence of certain differences of opinion between Japan and the United States involving questions of fundamental principles, which might not fall within either category mentioned, as he apparently supposed. I said that these basic considerations had been presented clearly in documents which were left with him at the meeting on November 4.

(2) I do not recollect having spoken on November 4 to the Foreign Minister of a possible bringing about of "a speedy" reversal of American public opinion.

(3) Following completion by the Foreign Minister of his statement and expression by me of my personal appreciation of the Japanese Government's efforts to improve Japanese-American relations, I conveyed orally, informally, and fully to the Foreign Minister as under my Government's instruction the reactions of the Department to the statements made to me on November 4 by the Minister (see Department's 392, December 8, 8 p. m., paragraph 4) and with regard to American claims (see Department's 390, December 8, 6 p. m.³⁸). Included was the observation by the Department that it feels the efforts of the Japanese authorities have thus far little more than "touched the fringe of the problem."

(4) Concerning monopolies in China, the Foreign Minister said it had become necessary to organize "economic blocs" of Japan, China, and "Manchukuo" in order to overcome difficulties in national defense questions. However, exclusion of other countries is not intended, while Japan is "quite ready to welcome foreign capital." To this, I inquired: "On a non-discriminatory basis?" and the Foreign Minister replied merely that foreign participation in these groupings would be welcome.

(5) Regarding currency questions, he commented that the Japanese Army had to be financed but that discriminations would be modified when fighting had stopped and a Chinese Government had been established. He said all of these "inconveniences" would be modified gradually.

(6) In concluding the conversation, the Foreign Minister spoke "off the record" to the effect that Japan and the United States must in their own interest prevent the European war's spread to the Far East and that conciliation between Japan and the United States will powerfully assist to avoid such a contingency.

GREW

³⁸ Not printed.

1940

793.94/15587a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, January 8, 1940—7 p. m.

13. The *New York Times* of January 8 contains a United Press story under Tokyo date line January 8 to the effect that it is understood that the Japanese Minister for Foreign Affairs is prepared to resume his discussions with you and to make in the course of such discussions a statement to you in regard to the Japanese Government's decision to sponsor the setting up of a new regime in China under Wang Ching-wei. Should the Foreign Minister in the course of conversation make such a statement to you, it is suggested that it would be advisable for you to express the view that the proposed regime, if set up, would seem to be an artificial creation and that, judged by the experience of regimes established during recent years under Japanese auspices in various parts of China, we cannot escape the conclusion that the proposed new regime would seem to be designed primarily to serve the special purposes of Japan and would operate toward depriving the people and the Government of the United States, and the people and governments of other third countries, of enjoyment—or even opportunity to enjoy—various long established rights in China which are legally and justly theirs. (See Department's telegram 349, November 13, 8 p. m., paragraph 2.)³⁹

HULL

711.94/1407

Memorandum by the Secretary of State

[WASHINGTON,] January 31, 1940.

The Ambassador of Japan called at his own request. He began to approach matters of difference between our two Governments but I interrupted him to say that we were deferring all these matters to Ambassador Grew and the Japanese Foreign Minister at Tokyo.

The Ambassador then said that he had not come to discuss the various questions pending, but that he did wish to make inquiry regarding the violation of a contract between Japanese agencies and American citizens in connection with certain kinds of the most desirable gasoline. I replied that I was a little surprised that his Government, with a long list of violations of treaties, agreements and Amer-

³⁹ *Ante*, p. 34.

ican interests all over China, would so much as take notice of a single minor matter such as the question he had in mind. I then said, suppose this small single matter be filed away in a pigeon-hole as has been done in so many cases of injury to American rights and interests in China, so that it could at some time in the future be taken up and discussed to a more or less extent. I remarked that so many countries were engaged in fighting in various parts of the world, either for conquest or for some other unknown and unthinkable purpose, that my Government felt that it should undertake to conserve quite a number of commodities and products in order to be able better to defend itself in case it should be attacked and that the gasoline proposition was a part of this conservation.

I elaborated generally by saying to the Ambassador that, of course, he knew how earnestly I and others have pled with his Government since 1933 to pursue a peaceful law-abiding course of cooperation, economically and financially, with this nation; that it should be five times more desirable and more beneficial to Japan both from the long and short view, but the Army people in particular seemed to brush aside this sort of sound peaceful advice and pleading with the result that they moved into China with their military forces back in July 1937. I stated that my Government was under no illusion as to what was going on over there and what was the real purpose so far as violations, not only of treaties but especially the principle of equality of industrial and commercial rights and opportunities, were concerned; that in due time everyone would be elbowed out, as in the case of Manchuria, so that a preference for Japanese could be established throughout continental Asia. The Ambassador said that exports to Manchuria had increased, to which I replied that 85 to 90 percent were temporary exports in the way of military supplies and implements.

I then brought up the proposed new puppet government and said it was currently believed that this was being organized by Japanese military forces with the result that it would be conducted as in Manchuria altogether for and in the interests of Japan and at the expense of other nations. The Ambassador rather mildly denied this view but not even to his own satisfaction, as it seemed to me. He sought also to indicate that his Government did not expect to deny other nations their rights under the open door policy, or especially the principle of equality of commercial and industrial rights. I brushed aside this theory in view of the concrete facts, adding that the Japanese Government could in short order, if and when it might so desire, make clear to the world its position to this effect, but, of course, there was no real disposition so far for it to do so.

The Ambassador again referred to the alleged breach of the gasoline contract. I said that an additional reply or comment on the matter

might well be that, in the language of the Japanese Government relating to the Nine Power Treaty, the gasoline understanding has become "obsolete". The Ambassador appeared a little amused but not much.

C[ORDELL] H[ULL]

711.94/1432 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, February 29, 1940—4 p. m.

[Received February 29—8:58 a. m.]

147. Replying to an interpellation in a committee meeting of the Lower House yesterday afternoon, the Foreign Minister made a statement with regard to Japanese-American relations of which the following is reported to be the substance:

"Even though the United States does not understand the object of Japan's Holy War with China, opposes the establishment of a new order in East Asia on all fronts, and even though the United States should insist upon carrying through its demands, the Japanese Government is not afraid of the future. The situation has not reached that stage, however. With respect to the problem of opening the Yangtze to navigation, the Japanese Government, as I have repeatedly stated, does not entertain for a moment the idea that a new commercial treaty can be had in return for the opening of the Yangtze River. The question of the opening of the Yangtze and other problems pending between the United States and Japan which are capable of settlement will be dealt with appropriately, that is to say, they will be handled in accordance with Japan's 'independent' policy which is, after all, what we mean by 'Imperial way' diplomacy. To leave unsettled those problems which are capable of being settled and to employ them to obtain advantages in dealing with other problems is a policy contrary to the spirit of the Imperial way. We do not know precisely what the American Government has under consideration, but if it is determined to ignore completely the object of Japan's Holy War and to refuse to lift a finger, Japan should display an attitude of resolution. The purpose of Japan's Holy War is clear: it is the establishment of a new order in East Asia. From whatever angle this may be viewed it is open and aboveboard. With respect to the American attitude there is some misunderstanding among the Japanese people. The United States contends that Japan has ignored the Nine Power Treaty, etc., but the Japanese Government does not admit this contention. Neither the Japanese Government nor the Minister for Foreign Affairs have recognized this contention from the outset. If an attempt should be made to get Japan to recognize this contention by force of arms, a real problem would arise. As it is plain that Japan would not yield to the United States under such circumstances, I think it is a little early to argue that the Foreign Minister is yielding to the United States."

Cipher text by air mail to Shanghai and Peiping.

GREW

793.94/15767: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, March 15, 1940—8 p. m.

[Received March 16—9:07 p. m.]

179. Department's 92, March 14, 6 p. m.⁴¹ The following is translation by the Foreign Office of the Prime Minister's statement:

"To free the world from contentions and conflicts and to make peace and good will prevail among mankind is an aim consonant with the great ideal upon which our Empire was founded. It is to that end that a new order in East Asia is contemplated. Every country should be enabled to find its proper place of peace and contentment; there should be amity and harmony among neighbors and there should be mutual respect for one another's natural endowments and common prosperity and progress for all.

In the performance of the sacred task of reconstructing East Asia, the first step to be taken is to create and insure a new international relationship between Japan, Manchukuo, and China. Needless to say, this new relationship should of necessity conform to the deal [*idea?*] underlying the construction of the new order in East Asia. That is why neighborly amity and good will, common defense against the Comintern and economic cooperation were advocated in the statement of Premier Konoye.⁴² Our goal is plain as day. The concrete program for the construction of the new order which the Japanese Government proposes to accomplish in concert with the new Central Government of China is formulated on that very statement. It is devoted to no other purpose than that the nations concerned shall respect one another's racial and national endowments and shall cultivate friendly relations of natural aid and good fellowship, stand guard against the menace of communism so as to insure the peace of East Asia, and practice the principle of ministering to one another's needs by setting up a reciprocal economic system. That Japan will respect China's independence and freedom has been made clear in the successive statements issued by our Government, and it will be proved in fact as the present disturbances subside.

Although Japan and China are now engaged in hostilities, the two peoples retain in their hearts the spoils [*sic*] of mutual sympathy and tolerance. The longer the hostilities last, the greater will be the sacrifice imposed upon East Asia. But certainly the great timeless mission of our Empire cannot be abandoned simply because of the sacrifices of this conflict. The determination of our Government and people is firm as ever, and the strength of our nation has been replenished according to plan, so that we are all ready to carry on our campaign, no matter how long, until the eyes of China's anti-Japanese and pro-Communist regime are finally opened.

Farsighted men are not lacking among the 400 million people of China. Some enlightened leaders have long advocated peace and national salvation. In order to rescue their nation from suffering

⁴¹ Not printed; it requested report of statement by the Japanese Prime Minister (Yonai) on March 13, 1940.

⁴² Of December 22, 1938, vol. I, p. 482.

and distress, they are fearlessly standing for right and dedicating their lives to their cause. These men who share in the same solicitudes toward the general welfare of East Asia are our comrades. We cannot but admire them for their high purpose and their unselfish enterprise.

Mr. Wang Ching-wei is an outstanding figure of this group. He could not endure to see the actual state of affairs by which his people are needlessly plunged into the depth of misery owing to the mistaken policy of the Chungking regime, which in the last analysis only hastened the Sovietization of his country. He came out for national salvation through opposition to communism and conclusion of peace with Japan. In the face of all manners of pressure and persecution by Chungking, he pursued the path of his conviction, bringing light to his people lost in darkness. Thus has he won the confidence and the following of his nation. His peace and national salvation movement as well as the preparation for a new central government have made rapid headway since the Sixth Kuomintang National Congress which was held in Shanghai in August of last year.

For the sake of the peace of East Asia, we are truly gratified to know that the Central Political Council is to meet soon and a new central government will be brought to being with the united support and cooperation of both regimes at Peiping and Nanking and also of many leaders representing the various political groups and various sections of society. Japan will, of course, render wholehearted assistance toward the formation of the new government and is prepared speedily to extend recognition following its establishment.

In this connection I should add that I am deeply impressed by the fact that in full accord with Mr. Wang those leading statesmen in the Peiping and Nanking Government who have for the past two and a half years devoted every ounce of their energy to the reconstruction and rehabilitation of their respective areas, are now going forward with the work of restoring peace and building up a new China.

On the eve of the establishment of a new central government of China, I express my ardent hope that Mr. Wang and all those other men of vision and leadership, united in purpose and resolute in action, will proceed with the great task for the regeneration of Asia. I am convinced that their earnest endeavors will meet with approval and support, both in and out of China, and that the misfortune brought on by the present Sino-Japanese conflict will be turned into an eternal blessing."

Repeated to Peiping and Chungking.

GREW

711.94/1454 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, March 23, 1940—7 p. m.
[Received March 23—10:40 a. m.]

199. The press reports that the Foreign Minister made the following reply to an interpellation in regard to Japanese-American relations in the Budget Committee of the Lower House this morning:

"With respect to Japanese-American relations, we have been concerned that they have not been satisfactory of late. However, we by no means think that improvement is impossible. We are making and are determined to continue to make every effort toward improvement. The fundamental cause of Japanese-American relations reaching their present state, the focal point of which is the China incident, lies in the failure of the American Government and people fully to understand Japanese thought and action relating to the incident. The Government has exerted every effort in this connection but has not succeeded in having the United States recognize our real intentions or the new world situation. Each country has its own viewpoint and interests, and in some instances these cannot be understood no matter how they are explained. Present day Japanese-American relations are in a stage, I think, where the United States because of its relations with China or because of traditional habits of thought is not yet able to understand the Imperial Government's thought and actions. Nevertheless, the Imperial Government will exert every effort towards such understanding. It is of greater importance that not only should the Government and its representatives make every endeavor to explain in order that American public opinion may receive a correct understanding of the situation but that the Japanese people from all classes and quarters should discuss the problem from every angle in order that they too may convey correct understanding. In short, the Government does not think that Japanese-American relations are stalemated and that nothing can be done. We intend to make every possible effort to change the conception prevailing in public and private circles in the United States."

Shanghai please repeat to Peiping and Chungking.

GREW

711.94/1455 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, March 24, 1940—4 p. m.

[Received March 25—1:55 p. m.]

200. 1. Replying to an interpellation in the Budget Committee of the Lower House yesterday afternoon with regard to the attitude of the United States towards Japan, the Prime Minister is reported to have stated *inter alia* as follows (our translation of press stenographic record):

"As for the problem of a general embargo this is a serious matter for the country imposing the embargo, [as well as?] the country upon which it is imposed. If one false step is taken, danger lies ahead for both countries. I do not believe that the United States would risk applying a general embargo upon Japan. However, we must be prepared for any eventuality. The Government is giving every consideration to this point. However, the question of the danger to the two countries through the imposition of an embargo is more than important—it is pure supposition—and I must refrain from giving 'yes' or 'no' replies to questions based on supposition."

2. Significant portions of a reply by the Foreign Minister on the same occasion follow:

"As for relations between the Chungking Government and the United States the fact must be admitted that the United States, which recognizes the Chiang regime, aids that regime indirectly in various fields of trade. The loan of 25 million dollars ^{42a} and now the loan of 20 million ^{42b} may be placed in that category. The United States is supplying certain types materials to the Chiang regime none of which are supplied to Japan. In other words, indirect aid to the Chiang regime has the effect of a moral embargo. The United States would deny this, but that is the way it appears to Japan.

The United States does not fully grasp the real significance of the so-called new order in East Asia. As I have often stated, the United States harbors the misunderstanding that foreign rights and interests and American rights and interests and economic activity in China and in East Asia are to be ousted. As you are also aware the United States persistently advocates the application of the principle of the open door and equality of opportunity. I do not deny that the American attitude toward Japan has become stronger with the progress of the China incident and that Japanese-American relations have become progressively worse. As I have frequently declared we are making every effort to explain Japan's ideas with regard to the new order, the open door, equality of opportunity, etc. However, we have been unable up to the present time to convince the United States. The state of affairs is such that so long as hostilities endure in China misconceptions will be announced of the right of Americans and it will be impossible for Japan's real intentions to be understood. I trust, however, that with the progress of the incident, the diminution of hostilities, and the advent of peace it will be possible to predict [that] the United States [will] recognize the new situation. These considerations preclude the thought that relations between Japan and the United States are bound to become aggravated. We must exert every effort to perfect our policy and obtain recognition for it. Accordingly I believe that the Japanese Government should seize every opportunity to make the Japanese attitude fully understood by the American Government."

Repeated to Shanghai. Shanghai please repeat to Chungking and Peiping.

GREW

Statement by the Secretary of State, March 30, 1940 ⁴³

In response to inquiries with regard to the attitude and position of the Government of the United States in the light of the setting up at

^{42a} See statement by the Reconstruction Finance Corporation on December 15, 1938, issued as press release No. P-1463.

^{42b} See statement by the Federal Loan Administrator (Jones) on March 7, 1940, issued as press release FLA-18.

⁴³ Reprinted from Department of State, *Bulletin*, March 30, 1940 (vol. II, No. 40), p. 343.

Nanking of a new regime, the Secretary of State made a statement as follows:

"In the light of what has happened in various parts of China since 1931, the setting up of a new regime at Nanking has the appearance of a further step in a program of one country by armed force to impose its will upon a neighboring country and to block off a large area of the world from normal political and economic relationships with the rest of the world. The developments there appear to be following the pattern of other regimes and systems which have been set up in China under the aegis of an outside power and which in their functioning especially favor the interests of that outside power and deny to nationals of the United States and other third countries enjoyment of long-established rights of equal and fair treatment which are legally and justly theirs.

"The Government of the United States has noted statements of high officials of that outside power that their country intends to respect the political independence and the freedom of the other country and that with the development of affairs in East Asia this intention will be demonstrated. To this Government the circumstances, both military and diplomatic, which have attended the setting up of the new regime at Nanking do not seem consistent with such an intention.

"The attitude of the United States toward use of armed force as an instrument of national policy is well known. Its attitude and position with regard to various aspects of the situation in the Far East have been made clear on numerous occasions. That attitude and position remain unchanged.

"This Government again makes full reservation of this country's rights under international law and existing treaties and agreements.

"Twelve years ago the Government of the United States recognized, as did other governments, the National Government of the Republic of China. The Government of the United States has ample reason for believing that that Government, with capital now at Chungking, has had and still has the allegiance and support of the great majority of the Chinese people. The Government of the United States of course continues to recognize that Government as the Government of China."

893.01/699: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

Tokyo, March 30, 1940—8 p. m.
[Received March 31—6:30 a. m.]

215. Following is Domei translation of the Government's statement issued today:

"Statement of the Imperial Japanese Government upon the occasion of the establishment of the new Central Government:

March 30, 1940. Life is a constant progression, and conditions change from time to time. The relations between nations are regulated in accordance with these changes. It is in conformity with such actualities that Japan is exerting her utmost efforts for the [omission] manifestation of international justice and the firm establishment of peace among mankind.

Now that a new Central Government of China has been established, and the construction of a renascent China begun, the full [*sic*] Japanese Government wish to offer their congratulations, they must extend to this new government their wholehearted cooperation and support for its development, in accordance with their repeated declarations.

It is Japan's earnest expectation that the various powers will come to a clear understanding of this solemn reality, and will forthwith contribute toward the establishment of peace in East Asia.

What Japan asks of China is that she make complete her independence and freedom on a moral basis, and that she proceed, in cooperation with Japan, towards the construction of a new order in Asia, thereby mutually participating in the resulting peace and prosperity.

In order that Japan, and the other countries of East Asia, may preserve their existence, it is only natural that she should show special concern and desire for the development and utilization of the resources of China. Japan has no intention, however, of excluding such peaceful economic activities of third powers as conform with the new situation in East Asia. On the contrary it is her desire to cooperate with these powers and thereafter share with them the benefits of international amnesties [*amenities?*]. It is for this reason that Japan, despite the abnormal conditions arising out of continued military operations, has sustained numerous inconveniences in order to protect the rights and interests of third powers. The Imperial Japanese Government are confident that the new China will pursue a similar policy.

A renascent China has just set out on the road to progress; a new defence is about to commence in East Asia. So long, however, as the remaining pro-Communist and anti-Japanese forces fail to awaken from their illusory dreams, Japan will not lay down her arms: nor will she relax her vigilance and her firm determination to surmount any obstacles that may arise in the future."

Sent to the Department via Shanghai. Shanghai please repeat to Chungking and Peiping.

GREW

893.01/706 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, April 1, 1940—7 p. m.

[Received April 1—10:45 a. m.]

222. According to the press, the Foreign Office spokesman at his press conference today with the foreign correspondents made *inter alia* the following remarks in regard to the Secretary's statement of March 30 concerning the Nanking regime (there is of course no actual written record of the remarks made at these conferences):

"The statement is natural, considering the attitude of the United States toward the China affair. It is very important, however, in two respects. The first is that from the conversations held last year between Ambassador Grew and the then Foreign Minister Admiral Nomura the United States Government gave us to understand that it was ready to enter into talks in a constructive spirit. But Mr. Hull in his statement makes it clear that the United States Government will not recognize the new government and on the other hand that it will continue to recognize as the National Government of China the Chungking Government with which Japan is engaged in hostilities. Such an attitude will instigate anti-Japanese groups such as the Committee for Nonparticipation in Japanese Aggression, headed by Henry L. Stimson,⁴⁴ to greater activities, and will also be a factor in immensely encouraging the Chungking Government. The second point is that of the efforts we have been making and the assurances we have given to ameliorate Japanese-American relations. Mr. Hull's statement, without waiting a reasonable length of time for those assurances to materialize, disregards them. The Hull statement charges Japan with setting up an economic bloc against the rest of the world. This is not a fact. Economic obstacles experienced by foreign powers are only a temporary phenomenon during the transitory period from hostilities to peace. We cannot nor can any other country be blind to the facts as they are. Our troops are occupying a smaller area of China and Chinese are fewer in number in that area than in the areas paying allegiance to Chungking. But substantially speaking, more than 90% of the total customs revenue of China is being collected in the areas under the new government. And more than half of the administrative organs of the country are under the new government. Mr. Hull's statement ignores new developments taking place in China and is inconsistent with the statement in the American Government's note of December 30, 1938,⁴⁵ to the Japanese Government that 'it is well aware of the changes that are taking place in the Far East.' [Apparent omission] the Japanese Government regards the attitude of foreign countries toward the new China regime with grave concern from the standpoint of peace and stability in the Far East. Japan can not cooperate with the powers who disregard this. We are doing our best to improve Japanese-American relations. Most of the issues have arisen out of the China affair. If that is the case, the United States should be a little more patient. If the United States desires peace and order in China, it should wait a little while longer and help us to establish peace and order there."

GREW

711.94/1552

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] April 26, 1940.

When Mr. Arita came to the Embassy this evening I asked whether he desired our conversation to be formal or informal. He replied, "En-

⁴⁴ Secretary of State during the Hoover administration.

⁴⁵ Vol. I, p. 820.

tirely informal." He then said he wished to apologize for having failed to carry out his intention expressed to me when he took office last January* to continue the conversations begun with me by his predecessor. After studying the situation he had come to the conclusion that because of the wide discrepancy in the views of our two countries in matters of principle a continuance of the conversations looking toward the negotiation of a new commercial treaty at this juncture would be futile. (The Foreign Minister had said the same thing to the British Ambassador a few days ago, but had used the expression "owing to the rigidity of the American position".)

I agreed with Mr. Arita that important discrepancies in questions of principle existed in the views of our two Governments, but I added that more acute phases of the difficulties between the United States and Japan centered in the continued and recently aggravated interference on the part of the Japanese armed forces with American rights and interests in China which I felt should be obviated before the problems involving questions of principle could successfully be solved. At this point I showed to the Minister and read the headings of a statement of more than twenty typewritten pages covering the instances of current interference with American business, trade, and commerce through monopolistic measures and exchange control, and import and export control restrictions in China. (As this was an informal conversation I did not hand this document to the Minister but shall consider the advisability of sending it to him subsequently in support of my oral statement.) I said that I had become greatly discouraged by this recrudescence of bombings and other acute cases of interference with American rights and by the absence of visible effort to implement the assurances continually given us with regard to the intention of the Japanese Government to ensure in practice the principle of equal opportunity and respect for American commercial and other interests in China. The Minister replied that Mr. Tani had informed him of my recent representations concerning the bombings and the difficulties at the barriers in Tientsin,⁴⁶ and that he was doing his best to ameliorate these conditions. He hoped that the barriers in Tientsin would soon be raised. At least some of our complaints regarding monopolistic measures and exchange control and import and export restrictions would be solved when the hostilities in China were terminated. The Minister referred to his efforts to settle claims for damages in China which, even though the results might not be entirely satisfactory to the claimants, nevertheless rep-

*Reference Embassy's telegram No. 28, January 18, 1940. [Footnote on original memorandum; telegram under reference not printed.]

⁴⁶ See *pro memoria* of April 23, 1940, vol. I, p. 678, and Japanese reply of May 10, 1940, *ibid.*, p. 680.

resented an effort made in good faith to meet these claims.⁴⁷ I acknowledged these efforts but added that thus far they had barely touched the fringe of the whole problem.

The Minister then spoke of the rumors of my return to the United States on leave of absence. I replied that the question of leave of absence arose annually and that my plans for this year were not yet settled but that frankly, after waiting in vain for the last several months for some evidence of implementation of the assurances given me with regard to an improvement in the situation of American rights and interests in China and seeing only a recrudescence and intensification of interference with those rights and interests, I was becoming doubtful of my ability to accomplish constructive work here and felt that personal contact with my Government at this time might be more helpful than remaining in Tokyo. I said that I had already made the position and attitude of my Government perfectly clear to the Japanese Government and that we were now waiting patiently but apparently futilely for results. The Minister said that he hoped that I would not leave Japan at this juncture because the Japanese public, which at present is very much disturbed at the worsening of Japanese-American relations, would interpret my departure as a partial rupture of relations and that the public reaction might be "very serious". I replied that I would consider the matter in the light of the Minister's views and would let him know of my decision shortly. If I should decide to abandon my leave of absence I hoped that the decision would prove to be justified through a positive improvement in the situation of American interests in China.

The Minister then spoke of the forthcoming visit to Japan of the High Commissioner to the Philippines, Mr. Sayre, who, with Mrs. Sayre, is to visit us at the Embassy on April 30 for several days. He alluded to the proposed immigration bill and referred to certain alleged difficulties between the High Commissioner and the Japanese Consul General in Manila. I said that these matters could be discussed when Mr. Sayre arrives and in the meantime I read to him the immigration figures given in a telegram from the Department dated April 22.⁴⁸

Mention was made of Admiral Taussig's ^{48a} recently reported remarks before a committee of the Senate and their effect on Japanese public opinion. I said that the one-sidedness of publicity in Japan was well illustrated by the importance attached by the Japanese press to the observations of an American officer, who had announced that he was speaking for himself alone and not on behalf of the Govern-

⁴⁷ See report of May 10, 1940, from the Consul at Shanghai, vol. I, p. 682.

⁴⁸ Not printed.

^{48a} Rear Admiral Joseph K. Taussig, Commandant of the 5th Naval District and Naval Operating Base at Norfolk, Va.

ment, while not one word appeared in the Japanese press about the bombings and other serious incidents in derogation of American rights and interests continually occurring in China. I referred in this connection to past public utterances of Japanese officials, notably a speech by General Araki, then Minister of War, quoted in the press several years ago (and not subsequently withdrawn or denied in spite of my official protest) which included the phrase: "The United States and Soviet Russia are like ravening wolves and castaway cats, baring their teeth and claws for attack." The Minister made no comment.

There ensued a desultory discussion of the war in Europe. In spite of the acrid nature of some of the comments advanced in the conversation, which lasted approximately one hour, it was conducted in friendly vein and tone. I ended on the note that statesmanship must look to the long future rather than to the immediate present and that the reasons for Japanese-American friendship are fundamental and must win out in the long run simply because, in the long run, Japan cannot get along without the friendship of the United States.

893.0146/768 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Substance]

WASHINGTON, May 16, 1940—6 p. m.

154. In connection with the matter of the retention in China of British, French and Italian armed forces, the Ambassador is instructed to approach the Japanese Government informally to the following effect:

According to information received from the Commander in Chief of the United States Asiatic Fleet, the commanders of all European forces in the neighborhood of Shanghai have orally and informally agreed that in case the European war should unfortunately spread they would maintain the peaceful *status quo* now existing at Shanghai. Information in regard to the agreement is understood to have been given to the Japanese authorities. Further information has been received from the American Embassy at Peiping to the effect that the officers in command of European armed detachments at Peiping evinced an altogether cooperative attitude in conformity with the agreement arrived at at Shanghai. The American Government takes for granted that the European forces at Tientsin are included in this attitude. As a party to various international agreements, including the Boxer Protocol, under the provisions of which the American Government and other governments keep bodies of naval and military forces in China, this Government expresses its gratification on account of this development, which, in its opinion, will further the interests of both neutral and belligerent nations.

The Ambassador is instructed to use his discretion in informing the British, Italian and French Ambassadors of the contemplated action before he approaches the Japanese Foreign Office.

HULL

794.00/176 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, June 4, 1940—8 p. m.

[Received June 5—5:30 a. m.]

413. The following is a summary of the press reports of [address by?] Minister for Foreign Affairs at Pacific Society last night:

Fundamental policy of Japanese Empire based upon mission as stabilizing force East Asia. Obviously Japan concerned not only with China continent but also with South Seas areas. Economic relations between Japan and other countries East Asia very close. These countries' territories mutually dependent for prosperity. Japan has deep concern not only for political *status quo* Netherlands East Indies but also for economic resources, trade, industry, and development those islands.^{48b} Can nations avoid conflict friction when there exist tariff walls, immigration restrictions, other barriers preventing smooth interchange of goods between nations which are complementary in economic sense? Construction new world order to come after present European war will require basic settlement of this issue.

Repeated by naval radio to Chungking and Peiping.

GREW

711.94/1525a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, June 10, 1940.

191. In the press conference on June 8 the Under Secretary, in reply to an inquiry as to whether there might be efforts under way to improve our relations with Japan, said that, as the correspondents knew, there had been continued conversations over a period of many months with regard to matters in which American nationals and this Government were interested, but that he had nothing particular in mind at the present moment. The correspondent mentioned a recent editorial in the *New York Daily News* and a column by Walter Lippmann declaring that this might be an opportune time for friendlier relations with Japan, and press reports of June 8 from Shanghai intimating that Japan was interested in the same question. The Under Secretary answered that he had seen a great many articles of this kind. He said that this Government was always anxious to maintain and create the most friendly relations with all countries, provided of

^{48b} See also pp. 277 ff.

course that conditions and the policies of the other countries made it possible. Asked whether he was more hopeful of this being possible with regard to Japan at the present time, the Under Secretary said that we were always hopeful.

HULL

711.94/1603

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] June 10, 1940.

In compliance with the Department's telegraphic instruction No. 180, June 4, 11 p. m.,⁴⁹ I met the Minister for Foreign Affairs today privately at the house of a mutual friend in order to reduce the risk of publicity. My conversation in general was based upon the tenor of paragraphs 7 and 8 of our telegram No. 400, June 3, noon; the Department's telegraphic instructions No. 172, May 30, 2 p. m.; and No. 180, June 4, 11 p. m.⁵⁰ During the course of my remarks I made a particular effort to obviate the possibility of the Minister's drawing any inference that either the American Government or I inclined toward any compromise or abandonment of policy or principle. The approach which I made was of a broad nature and not in specific terms.

I prefaced my remarks to the Foreign Minister by reading a press report⁵¹ quoting Mr. Welles as declaring on June 8, in part, that our Government is desirous of attaining friendlier relations with all other countries, including Japan, provided internal conditions in those countries make such improvement feasible—observing at the same time that, although I had received no confirmation of the accuracy of the text, I knew that its general tenor reflected my Government's attitude. Mr. Arita commented that he had read the report with much pleasure.

After this introductory remark I referred to the Minister's request at our last meeting, on April 26, that the conversation at that time be regarded as entirely informal, and suggested that the same characterization apply to our talk today. The Minister concurred in this. I said that I was acting today upon my own initiative and speaking my own thoughts, and that I had asked for this meeting because it seemed to me important and possibly helpful that the Minister and I should from time to time explore the relations between our two countries. I said that I would like to develop our talk in two main phases: on the one hand, the past and the present; and on the other, the future.

Referring to the Minister's remark to the British Ambassador on May 27, quoting me as saying that there could be no possibility of

⁴⁹ Not printed.

⁵⁰ None printed.

⁵¹ See telegram No. 191, June 10, to the Ambassador in Japan, *supra*.

an improvement of American-Japanese relations so long as the China conflict continued, I conveyed my impression, derived from our interview which took place on April 26, that the Minister himself shared that view. I said that although I did not remember ever having expressed my views to the Minister in exactly those terms, it must nevertheless be made clear with all the emphasis at my command that our relations cannot be expected to move into fundamentally happier channels so long as Japanese interference with American rights and interests in China continues and so long as Japan continues to endeavor to achieve various positive national objectives through measures of force. I elaborated on this theme at some length. On the other hand, I said that the American Government and people would welcome the fulfillment of their desire for an early return to mutually good and helpful relations with Japan; that the world situation now more than ever dictates the importance of our building up such relations; and that definite evidence of a reorientation of Japanese policy and efforts foregoing the use of force as an instrument of national policy would be viewed with sympathy by the United States. I declared that "I have every confidence that by proceeding along the course I have suggested, it may be possible in due course to open the way to a new era in American-Japanese relations."

Speaking further and "off the record," I alluded to the address which the Minister had made before the Pacific Association on June 3 (reported in our telegram No. 413, June 4, 8 p. m.), and said that I had been especially struck by the earnestness of Mr. Arita's plea for the removal of barriers to trade as a prerequisite to the creating, after the present war in Europe, of a new world order, and that I could not restrain the feeling that if the Japanese Government could associate itself with the American Government in bringing about a free flow of commodities between nations, substantial progress might be made toward removing the causes of unrest, reflected in the conflicts both in Europe and in the Far East. I spoke at length of the unsoundness of economic blocs and of the creation of barriers to trade, devices which can never constitute a permanent basis for a progressive world economy. I repeated the remarks made to the Minister during our talk on April 26 to the effect that statesmanship must look to the long future rather than to the immediate present and that the reasons which dictate the maintenance of friendship between our two countries are fundamental and must prevail in the long run. I said that the confidence which I repose in that belief is stronger now than ever before. After then discussing the situation in Europe, the menace to civilization which has there arisen, and the unprecedented program of rearmament in the United States for defense and security after years of earnest effort to bring about world

disarmament, I ended my remarks on the following note: "The confident knowledge that Japan, a nation for which the American people have entertained for more than eighty years feelings of the friendliest character, is prepared to align its policy and attitude with those of the United States would, in my carefully studied opinion, contribute far more to the future security and well-being of Japan than the achievement of objectives in the Far East by means which the American people have renounced."

I then read to the Minister, as an indication of the historic attitude of the American Government and people toward Japan, the message of the Secretary of State to Mr. Hirota on March 3, 1934,⁵² and finally handed to him the statement prepared in the Embassy,⁵³ of which I made mention in paragraph two of my telegram No. 289, April 27, 2 p. m.,⁵³ comprising a partial list of infractions of American rights in China which had been revised and, in so far as possible from the information in the Embassy's possession, brought up to date.

After I had completed the presentation of my views Mr. Arita said, "I agree in spirit and in principle with everything you have said." He remarked "off the record" on the difficulties experienced by the Japanese Government in endeavoring to cope with various elements in this country which advocate a *rapprochement* with the totalitarian nations, and although he spoke in guarded language he conveyed beyond a doubt that the Government (mentioning especially the Prime Minister and himself) wished to see a different orientation developed. Judging by remarks which he made previously and subsequently, it was evident that this reference was to a desire on their part for closer relations between our two countries.

After his opening remark above referred to, the Minister had commented that the bulk of the United States fleet remains in Hawaiian waters. My reply was that Hawaii is American territory and that one of our most important naval ports is that of Pearl Harbor, and I went on to say that the fact that our fleet remains in Hawaiian waters represents no threat whatsoever to Japan. The Minister, however, replied that the continued stay of our fleet in those waters constitutes an implied suspicion of the intentions of Japan vis-à-vis the Netherlands East Indies and the South Seas, and he desired categorically to assert that Japan entertains no territorial ambitions. Quite to the contrary, he added, Japan is exerting her best efforts to promote good relations with her neighbors, and he cited as an example that a non-aggression pact is to be signed within a few days with Thailand. The emphasis which the Minister placed upon this

⁵² Vol. I, p. 127.

⁵³ Not printed.

matter is an indication of the important effect on Japanese consciousness of the stay of our naval forces in Hawaii.

Replying to my own observations, the Minister inquired what suggestions of a concrete nature the United States Government could propose looking to an improvement in the relations between our two countries. I stated that the whole tenor of my remarks had given plain indication as to the nature of the reply which my Government would make to such an inquiry. He, however, requested me to transmit his inquiry to the Department and said that he hoped for an answer. (It may be that the Minister wishes for some specific reason to obtain a formal statement from me "as under instructions".)

Mr. Arita next said that he assumed that I was informed of the subject of the talks which he had had with Mr. Sayre. He said that the High Commissioner had suggested the possibility of a meeting taking place either in Manila or in Hong Kong between representatives of the Japanese Government and of Generalissimo Chiang Kai-shek, but that as Mr. Sayre feared publicity, the matter had subsequently not been pursued. The Minister stated that his Government was prepared to deal with Chiang Kai-shek on the basis of the terms contained in Prince Konoye's statement.⁵⁴ I was left in no doubt that the Minister was exploring the possibility of an extension of good offices by the United States, although he made no request therefor. My only comment was that it was my assumption that should the Japanese Government desire to get in touch with Chiang Kai-shek it should be very easy to do so without intermediation and privately. In reply the Minister merely mumbled something in a low tone to the effect that the Japanese military were difficult. The subject was not pursued.

During the course of our conversation Mr. Arita inquired in a casual manner as to the possibility of concluding a *modus vivendi* between our two Governments but did not broach the subject in the form either of a proposal or of a request. I limited my observations to the remark that most of the elements of such a *modus vivendi* are now operative in fact if not in name, and he did not pursue the subject. Should the moment arrive when the consideration of a *modus vivendi* would appear opportune, we can properly refer to the Minister's having raised this question in the course of this informal conversation.

The conversation closed with a few remarks regarding the war in Europe and the Minister's expectation of hearing at any moment that Italy had entered the war.

I must here record my impression that the Minister, who is ordinarily rather reserved and reticent, was unusually friendly and that as I was departing after more than an hour of conversation he shook

⁵⁴ Apparently refers to statement of December 22, 1938, vol. I, p. 482.

my hand with marked cordiality. I felt indeed that I could sense a new and unusual attitude on his part. He requested that I leave with him the notes of an informal nature on which I had based my remarks since he said that he might desire to make further comment on my presentation. Summing up the net results of our meeting, my view is that, although our attitude toward the present course of Japanese policy, which involves the continued employment of force, has once more been made clear in emphatic terms, leaving no possible doubt regarding our policy and our intention unequivocally to abide by that policy without compromising or abandoning any of our fundamental principles, a note has been struck nonetheless regarding the "long haul" which probably will receive careful consideration by the Japanese Government.

J[OSEPH] C. G[REW]

711.94/1603

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita), June 10, 1940

1. I have asked for a talk with Your Excellency because it seems to me important, and possibly helpful, that we should from time to time explore the relations between our two countries.

2. Today I am acting on my own initiative and speaking my own thoughts.

3. I think it important that in today's talk we should avoid all publicity, and it was for that reason that I suggested a meeting which would not be reported in the press.

4. For some time I have had the impression that Your Excellency has not been especially hopeful that rapid and substantial progress can be made toward improving the relations between our two countries.

5. The impression gained from the statements which you made during our conversation at the Embassy on April 26 was that although efforts were being made by the Japanese Government to put a stop to the bombings by the Japanese forces of American properties in China, and to settle certain claims of American citizens, there was nevertheless a fundamental cleavage between the policies and views of our respective countries which precludes the expectation that constructive action can be taken toward improving our relations before the conflict in China is ended.

6. Indeed, indications have appeared in the Japanese press and in talks that I have had with prominent Japanese that good relations between our two countries are generally regarded in Japan as impossible under present circumstances.

7. Sir Robert Craigie tells me that during a conversation which he had with you after the luncheon of the Pan-Pacific Club on May

27, Your Excellency quoted me as saying that there could be no possibility, so long as the conflict in China continued, of an improvement in the relations between the United States and Japan.

8. So far as I know I have never presented the situation to you in precisely those words or in precisely that form, but I am prepared to admit that the logical implications of the observations which I have made on various occasions to you and to your predecessors are substantially along the lines of the statement which Sir Robert attributes to you.

9. I do remember very clearly saying on innumerable occasions that cessation of bombings of American property in China, of depredation against American property, of the inflicting of indignities on American citizens and of interference with American commercial activities in China, must precede any positive steps looking toward the restoring of friendly relations between the United States and Japan.

10. On the other hand, I can perceive that to you our requiring the cessation of interference with the normal activities of American merchants in China by means of the establishment of monopolies, control of foreign exchange, etc., is equivalent to asking that Japan abandon those objectives in China of which monopolies, exchange and trade control and so on are the instruments of achievement.

11. I wish at this time again to emphasize that relations between our two countries cannot improve so long as there is continuance of interference in the various forms which I have just indicated with American rights and interests in China.

12. I would not have you believe, however, that the cessation of interference with American rights and interests in China is alone capable of opening the way to the improvement of relations: I must make it clear with all the emphasis at my command that we cannot expect the fundamentally friendly relations which Your Excellency and I equally desire so long as Japan continues to endeavor to achieve national objectives by the use of force.

13. The American Government and people have been in the forefront in striving for the bringing about of naval and military disarmament, the relinquishment of force as an instrument of national policy, and the general conduct of relations among nations by orderly and peaceful processes.

14. We regard as a catastrophe the fact that there should exist both in Europe and in Asia conflicts which affect practically all the nations of the world.

15. Having striven so earnestly, ever since the conclusion of the first war in Europe, to avert the recurrence of similar catastrophes, it is not within the power of any Government of the United States

to deal on terms of confidence and good relations, even if it desired to do so, with a nation which, by resorting to force as an instrument of national policy, is indifferent to principles to which the American people are firmly and unequivocally committed.

16. On the other hand the American Government and the American people would welcome the fulfillment of their desire for an early return to mutually good and helpful relations with Japan.

17. The importance to both countries of the building up of such relations is dictated now more than ever before by the state of affairs existing in various parts of the world today.

18. It is my confident belief that as soon as definite evidence is forthcoming that it is the genuine desire and intention of Japan to forego the use of force as an instrument of national policy and to direct its efforts and policy toward achieving its objectives by peaceful and orderly means, the United States, for its part, will be disposed to view such reorientation of policy and efforts with sympathy.

19. I have every confidence that by proceeding along the course I have suggested it may be possible in due course to open the way to a new era in American-Japanese relations.

711.94/1603

Oral Statement Off the Record by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita), June 10, 1940

1. I read the accounts of Your Excellency's address before the Pacific Association⁵⁵ with a great deal of interest. I was especially struck by the earnestness of your plea for the removal of barriers to trade as a prerequisite to the creating after the present war in Europe of a new world order, and I could not restrain the feeling that, if the Japanese Government could associate itself with the American Government in bringing about a free flow of commodities between nations, substantial progress might be made toward removing the causes for unrest which are reflected in the conflicts both in the Far East and in Europe.

2. I am, of course, well aware of the view of the Japanese Government that, so long as the trend was toward exclusive economies, thus making it impossible for other nations to buy freely the raw materials which they need and to sell freely the commodities which they manufacture, it would be necessary for Japan to safeguard sources of raw materials in China and to assure herself of markets in that country.

3. So long as the trend was toward the formation of economic blocs and the creation in increasing numbers of barriers of trade, perhaps

⁵⁵ See telegram No. 413, June 4, 1940, 8 p. m., from the Ambassador in Japan, p. 66.

a case might be made out for the need of Japan for securing sources of supply of raw materials and markets for her finished products by orderly processes.

4. I can hardly believe, however, that it would be contended by anyone that the world could continue to develop as it has in the past under conditions of closed economies throughout the world.

5. Such a device as that of economic blocs is at best only effective as an expedient in extraordinary times such as those through which we have passed during the last ten years, but we believe that it can never constitute a permanent basis for any kind of progressive world economy.

6. I consider it the supreme tragedy that the nations of the world were unable to perceive after the first World War that they could not continue cut-throat competition and other manifestations of closed nationalism.

7. They retained resources which unfortunately tempted them to think that each nation could afford to develop its own industrial and economic resources at the expense of other nations, but I feel confident that the present war will leave the nations of Europe so impoverished that the alternative to cooperation will be chaos.

8. If the civilization which we have built up so laboriously over a period of centuries is not to collapse, a new world order such as Your Excellency suggested in your speech before the civic association is essential, especially between those nations whose trade is complementary.

9. You will remember that during the course of our conversation on April 26 I emphasized that statesmanship must look to the long future rather than to the immediate present and that the reasons which dictate the maintenance of friendship between our two countries are fundamental and must prevail in the long run. The confidence which I impose in that belief is stronger now than ever before.

10. For a long time the American people have looked forward to the firm and permanent establishment of peace and the American Government has made efforts in every way possible toward bringing about disarmament.

11. However, the American people are now convinced that certain European governments have made their countries a menace to civilization and to the security of the United States. The United States is now engaged in a program of rearmament on an unprecedented scale, for defense and security.

12. The confident knowledge that Japan, a nation for whom the American people have entertained for more than eighty years feelings of the friendliest character, is prepared to align its policies and attitude with those of the United States would, in my carefully studied opin-

ion, contribute far more to the security and the well-being of Japan than the achievement of objectives in the Far East by means which the American people have renounced.

711.94/1603

*The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita)*⁵⁶

GENERAL RELATIONS

The American Government is awaiting concrete evidence of the steps, and the results thereof, which the Japanese Government is taking towards giving practical effect to its continual assurances that it intends to respect American rights and interests in China, long established in legality and justice.

The American Government has in no way modified its position with regard to various aspects of American relations with Japan. The American Government continues to adhere to the full import of its position as set forth on numerous occasions in communications to the Japanese Government, notably in my conversation with the then Minister for Foreign Affairs, General Ugaki, on July 4, 1938, at which time I left with the Minister a full typewritten statement of my representations,⁵⁷ and also in our notes of October 6 and December 30, 1938.⁵⁸

While there has been a diminution, but not a complete cessation, of the bombing of American properties in China by Japanese military planes and of instances of insults and affronts to American citizens, we feel that this diminution has been a purely negative development. Complete cessation of such occurrences is of course essential to improvement in Japanese-American relations.

The former Minister for Foreign Affairs, Admiral Nomura, was good enough to indicate to me in the course of our several conversations that limitations upon commercial activities of Americans in China have been the result of military operations and that these limitations are exceptional and temporary and that American rights will be restored when peace comes. My Government queries whether this indication implies that the North China Development Company and the Central China Promotion Company, official companies controlled by the Japanese Government, and the extensive and growing monopolistic control of these companies over various phases of the economic life of China, are merely incidental to military operations and will,

⁵⁶ Handed to the Japanese Minister for Foreign Affairs by the American Ambassador on June 10, 1940.

⁵⁷ Vol. I, p. 605.

⁵⁸ *Ibid.*, pp. 785 and 820.

with their subsidiaries in China, disappear when military operations cease.

My Government has further inquired, after referring to the attempts of the Japanese authorities over regimes functioning under their guidance and with their support, to establish in China currencies linked with the Japanese yen in such a way and with such trade controls of a discriminatory character, that while commodities and funds move with comparative freedom between Japan and Japanese occupied areas in China the normal flow of commerce between Japan and the United States is seriously disrupted—my Government inquires whether the Japanese Government suggests that these developments are also of a temporary nature.

While the American Government fully appreciates the efforts which the Japanese Government is now making toward amelioration of the material damage being done to American interests in China, it is constrained to observe that it feels that thus far these efforts have little more than touched the fringe of the problem.

From all available evidence the framework has been laid for the eventual expulsion of all non-Japanese trade, industry and investment in the occupied areas in China. Japanese relations with the United States have steadily deteriorated due to continued interference with American interests.

The Foreign Minister is reported on March 23 as having replied to an interpellation in regard to Japanese-American relations in the Budget Committee of the Lower House of the Diet in which the following statement occurred:

"The fundamental cause of Japanese-American relations reaching their present state, the focal point of which is the China incident, lies in the failure of the American Government and people fully to understand Japanese thought and action relating to the incident. The Government has exerted every effort in this connection but has not succeeded in having the United States recognize our real intentions of [or] the new situation."

I can only point out in this connection that the American Government's conception of Japanese thought and actions must necessarily depend upon concrete evidence and according to that evidence it has been found by experience that the definite assurances repeatedly given by the Japanese Government in good faith have not been and are not being carried out in practice. Until implementation is given to these assurances it is not seen how Japanese-American relations can materially improve.

It is such implementation that the American Government is constantly and patiently awaiting.

893.0146/786: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, June 11, 1940—6 p.m.

[Received 11:20 p. m.⁵⁹]

437. 1. The Vice Minister for Foreign Affairs today handed to the Italian Chargé d'Affaires a communication offering friendly advice to withdraw Italian troops and warships from those parts of China under Japanese control. Similar communications were also handed to the British and French Ambassadors today repeating the Japanese advices of last September.⁶⁰ A copy of the communication to the Italian Chargé which was furnished to us at 5 p.m. today and to the German Embassy by the Foreign Office follows:

“(a) On September 5, 1940 [1939], following the outbreak of war in Europe, the Japanese Government, as you are aware of from the communication transmitted to Ambassador Auriti for his information, offered an advice to Great Britain, France, Germany, and Poland concerning voluntary withdrawal of the troops and warships of the belligerent powers in China.

(b) In that advice the Japanese Government stated their view that the presence of the troops and warships of the belligerent powers in those regions in China under the control of Japanese forces was liable to ‘give rise to untoward incidents and to a situation not in keeping with Japan’s policy of non-involvement.’ This view the Japanese Government have continued to maintain ever since.

(c) Now, as the result of Italian participation in the European war on the side of Germany and against Great Britain and France there has arisen a situation in China which greatly intensifies the apprehension of the Japanese Government by reason of the presence in close proximity of the troops and warships of the opposing powers that are stationed in Shanghai, Peiping, and Tientsin.

(d) Accordingly, the Japanese Government find it necessary to offer a friendly advice that Italian troops and warships be voluntarily withdrawn from the above-mentioned regions.

(e) After the withdrawal of Italian troops and warships Japanese authorities, it should be added, will exercise their best efforts toward the protection of the lives and property of Italian nationals in China.

(f) I should add that the present advice is to be tendered simultaneously to Great Britain and France and the matter is to be communicated to the Governments of the United States and Germany for their information.

June 11, 1940.”

2. In the communications to the British and French Ambassadors the following slight changes in wording occur:

(a) Reads as follows: “Upon the outbreak of war in Europe September last the Japanese Government, as Your Excellency is aware

⁵⁹ Telegram in two sections.

⁶⁰ See telegram No. 453, September 5, 1939, 7 p.m., from the Chargé in Japan, p. 9.

of, offered a friendly advice to the four powers—namely Great Britain, France, Germany, and Poland—etc.”

Paragraphs (b), (c), and (f) are unchanged.

Paragraph (d) reads as follows: “Accordingly, the Japanese Government feel keenly the need of urging in a friendly manner that British and French troops and warships should be withdrawn voluntarily, and they desire to repeat their advice of last year.”

Paragraph (e) is omitted.

Repeated to Shanghai.

GREW

893.0146/787 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, June 11, 1940—10 p. m.

[Received June 11—1:32 p. m.]

438. Department's 154, May 16, 6 p. m.; our 355, May 20, 5 p. m.⁶¹

1. The Foreign Office today made informal reply on an undated sheet of paper to our informal representations of May 20. The following is our translation:

“A. Although the Imperial Government understands the intentions of the American Government, the position taken in the representations made by the Imperial Government in September of last year to the countries concerned with regard to doing away with armaments and the withdrawal of Far East boats and troops stationed in China by belligerent powers must be strictly maintained at the present time as it was then. From this point of view the Imperial Government reserves the right to take indicated action.

B. It is stated in the American communication that Italy also expressed agreement. According to the verified information of this Government, however, the above, at least insofar as Shanghai is concerned, is contrary to the facts.”

2. The Foreign Office made to us the following further observations orally:

“That the Japanese Government was displeased at the action of the American Admiral in taking action to obtain the agreement of the commanders of the European forces in the vicinity of Shanghai without first consulting with the commander of the Japanese forces; that the Japanese Government were surprised that Admiral Hart^{61a} should have acted contrary to precedent in not first consulting with the senior naval officer, who is the Japanese Admiral.”

3. The Foreign Office, when asked, stated that it would prefer not to put these oral observations into writing.

Repeated to Shanghai.

GREW

⁶¹ Latter not printed.

^{61a} Rear Admiral Thomas C. Hart, Commander-in-Chief of the U. S. Asiatic Fleet.

711.94/1532: Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, June 12, 1940—11 p. m.
[Received June 12—6:12 p. m.]

448. Our 429, June 10, 6 p. m.⁶² Strictly confidential oral statement (off the record):

1. In digesting the remarks which Your Excellency made during our conversation on June 10 I am filled with a spirit to endeavor to improve at this time Japanese-American relations and am also prepared to respond with a similarly friendly spirit.

2. I gain the impression from Your Excellency's remarks, however, that the use of military force by Japan in China is the cause of injury to Japanese-American relations. That the United States is not similarly using military force as an instrument of national policy requires no explanation and it is abundantly clear that in view of the causes of the China incident and actual conditions at present Japan is unavoidably using military force. Accordingly, as has been frequently announced, Japan, should reasonable terms be available, is prepared to bring this incident to a close at any time.

3. Therefore, if some way to improve Japanese-American relations is to be found it is essential on the one hand, realizing the necessity of quickly bringing to a close the China incident, to endeavor at every opportunity to effect its termination, and on the other hand, at the same time it is necessary to devote great effort to the solution of other problems. To accomplish this end problems of common interest to Japan and the United States should be studied dispassionately and open-heartedly and I believe the time to be opportune to reach proper settlement of those questions.

4. From the above point of view the following problems are worthy of particular study:

(a) Is Japan's economic policy to be to adopt an entirely closed economy? If conditions give the appearance of a closed economy wherein do the causes lie?

(b) Once the hostilities in China have been terminated, actually to what extent will there remain measures of an exclusive nature in the economic field?

(c) Solution of the Tientsin question. Is Japan's peaceful policy adequately attested to by such measures as our policy toward the Netherlands Indies and the neutrality treaty with Thailand?

Further, upon study of the above questions and in view of general Japanese-American relations, the following points should be borne in mind:

(a) May it not be necessary in order to rectify the treatyless condition which is the greatest cause of uneasiness in the relations between our two countries at least to conclude as a temporary measure a commercial *modus vivendi*.

⁶² Not printed; it reported the conversation of June 10 between the American Ambassador in Japan and the Japanese Minister for Foreign Affairs.

(b) May it not be within the realm of possibility to cease material and financial assistance to Chiang Kai-shek and to cooperate in the reconstruction of China.

(c) May it not be possible to recognize new conditions in East Asia and may not Japan and the United States, each preserving its sphere of influence on the Pacific Ocean and acting in concert, contribute to the peace of the world."

GREW

893.0146/798 : Telegram

The Consul at Tsingtao (Meyer) to the Secretary of State

TSINGTAO, June 18, 1940—2 p. m.

[Received June 18—12:31 p. m.]

82. Shanghai's June 16, 4 p. m.⁸³ In reply to Department's 258, March [June] 13, 6 p. m., concerning Tokyo's 438, June 11, 10 p. m., and Shanghai's 527, June 15, 3 p. m.,⁸⁴ Admiral Hart comments as follows:

"All European commanders belligerent forces Shanghai, Tientsin, Peiping, including Italians, are loyally carrying out their agreements maintain peaceful *status quo* and working arrangements are complete. American Admiral was in fact the Senior Officer but acted primarily in behalf of naval, military representative of a power entirely unengaged in hostilities. Japanese Admiral was so informed immediately on completion informal conversations which resulted in the agreements."

Repeated to Shanghai, Tokyo, Peiping, and Chungking.

MEYER

893.1028/2140

*Oral and Informal Statement by the Counselor of Embassy in Japan (Dooman), June 19, 1940*⁸⁵

Of late, and no doubt due to some extent to the intensification and spread of hostilities in Europe, there has been a deluge of rumors in regard to the International Settlement and French Concession at Shanghai. Amongst these was a baseless report released by Domei on June 5 that negotiations were in progress looking towards the transfer from the French to the American authorities of administrative and police duties in the French Concession. Other rumors have been to the effect that the Japanese military forces at Shanghai might attempt to take over the International Settlement and the French Concession. Needless to say, the Government of the United States does not credit these rumors. In view, however, of the persistence of the rumors and of the consequent uneasiness amongst American citizens and others

⁸³ Not printed.

⁸⁴ Telegrams No. 258 and No. 527 not printed.

⁸⁵ Handed to the Director of the American Bureau of the Japanese Foreign Office. The American Ambassador in Japan on June 20 personally took up the same matter with the Japanese Minister for Foreign Affairs.

at Shanghai, the Government of the United States offers for consideration by the Japanese Government the suggestion that the alarm caused by those rumors would be dispelled, and reassurance to the foreign communities at Shanghai would be afforded if the Japanese authorities were to make a public statement, in whatever manner they might deem appropriate, in reference to the foreign-administered areas at Shanghai along the general lines of the clear and categorical assurances given by the Japanese Minister for Foreign Affairs to the American Ambassador at Tokyo on May 13, 1939.⁶⁶

711.94/1599

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] June 19, 1940.

Because of the satisfactory nature of the observations of the Foreign Minister regarding the communication made to the British Military Attaché by the Japanese Director of Military Intelligence, referred to in our telegram No. 470, June 19, 5 p. m., and No. 473, June 19, 7 p. m.,⁶⁷ I deemed it desirable to carry out the Department's instructions and accordingly met the Minister for Foreign Affairs again privately this afternoon at the home of a mutual friend.

In line with the suggestion contained in paragraph 8 of my telegram No. 400 of June 3, noon,⁶⁸ to the effect that without making any commitments whatsoever it might be useful at this crucial period in world affairs to convey to the Foreign Minister and to others with whom I might have occasion to talk certain general thoughts with regard to the possible opening in future of a new and mutually helpful era in the relations between the United States and Japan, and in line also with the Department's desire, as expressed in paragraph 3 of its telegram No. 203 of June 15, 2 p. m.,⁶⁸ that the door be kept open for exploring constructive possibilities, I prefaced my remarks to the Minister today by reading to him two excerpts from my instructions which seemed to me to strike the note which underlay my entire presentation, and I felt that these points should be emphasized before proceeding to deal with the bases upon which any such future program could be developed with profit. These two points were as follows:

As soon as reasonably clear indications emerge that the aims and intentions of Japan are of a character consistent with the underlying policies and principles believed in by the United States and to which the United States hopes that Japan will decide to adhere, my Government believes that many practical avenues will develop which can be explored to mutual advantage.

⁶⁶ Memorandum not printed.

⁶⁷ Neither printed.

⁶⁸ Not printed.

As developments take place conformably to the principles indicated, we might anticipate a multiplication of means of cooperation along many avenues in the general direction of the economic development in countries in need of and requesting such development.

I then read to the Minister an "oral statement"⁶⁹ drafted in close conformity both with the substance and with the spirit of the Department's telegraphic instruction No. 203, June 15, 2 p. m., and a separate informal list of certain points meriting special consideration,⁷⁰ and afterward discussed them at length with the Minister in the light of the instructions referred to, taking care to omit no important point or consideration. Later the Minister slowly and carefully read the papers to himself with a view to obtaining a thorough and correct impression of their contents. He requested me, as had been the case at previous interviews, to leave the papers with him in order that he might give them careful study, and I complied, as I had previously done, on the understanding that the papers were to be considered merely informal records of a presentation made orally.

I also took occasion to bring to the Minister's attention the substance of portions of the letter of January 8, 1938, from the Secretary of State to the Vice President with regard to the Far Eastern situation,⁷¹ particularly the following portion:

The letter dated January 8, 1938, from the Secretary to the Vice President asserts that the interest and concern of the United States in the Far Eastern situation and in other similar situations are not measured by the number of American citizens residing in a particular country at a particular moment, nor by the amount of American investments therein, nor by the volume of trade. There is a broader and more fundamental American interest—that relating to the maintenance of orderly processes in international relationships. The United States is deeply interested in supporting by peaceful means influences contributory to the preservation and encouragement of such processes in the Far East—an area containing half the population of the world. This interest far transcends in importance the value of American trade with China or American investments in China. It transcends even the question of safeguarding the immediate welfare of American citizens in China.

I added, however, that the welfare of American citizens and the protection of American just and legal rights in China are also of important concern to the American Government and that I could not visualize any marked improvement in American-Japanese relations until Japanese interference with our citizens and interests in China should cease.

The only response made by the Minister, other than to express his appreciation at the opening of these conversations, was that in view

⁶⁹ *Infra*.

⁷⁰ *Post*, p. 85.

⁷¹ Vol. I, p. 429.

of "the great importance" of the communication which I had just made, he considered it best to refrain from comment until he had had a chance to give it further study, and stated that he would reply in due time.

J[OSEPH] C. G[REW]

711.94/1599

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita)

I have transmitted to my Government a report of my conversation with Your Excellency on June 10 and have been authorized to say that my Government is giving careful study to it and that it has been impressed by the serious interest which you have displayed in the general subject matter which was under discussion. I have also transmitted to my Government a copy of the text of your strictly confidential statement made to me orally on June 12, which is also being studied by my Government.⁷²

My Government is of the opinion that before the specific details of any feasible program can be developed with profit, bases therefor should be established by considering carefully the underlying policies and principles which flow from the point of view of each Government, as well as the objectives and hopes of each Government. Superficially it might seem that by laying emphasis upon principles of an abstract nature we are losing from sight the practical aspects. It is our feeling, nevertheless, that if we can first define and take into consideration general objectives and principles, the tendency of this will be to make easier progress in the future looking to a development of measures of a specific nature. For this reason we believe that it might be best for the present to defer specific comment regarding the contents of your statement, and that it would be helpful at this time for my Government to restate broadly its general position.

As has been declared before, the hope of my Government has been and continues to be that the unfortunate results of the European war may be reduced to a minimum, not only vis-à-vis the American continent but also as regards Asia, by means of an intensive endeavor on the part of the Governments and peoples of both areas to make secure and to foster their national interests along peaceful lines and by peaceful means, as well as by greater application of those principles and policies which have as their purpose and call for a lowering or the abolition of excessive and artificial obstacles to the movement of trade. We believe it of importance in giving shape to a future trend to look further than considerations of minor and transitory advantage

⁷² See telegram No. 448, June 12, 1940, 11 p. m., from the Ambassador in Japan, p. 79.

and to keep our attention fixed upon long-range and broad policies based upon the interest which is common to all forward-looking nations. According to our belief, certain fundamentals would unavoidably result from that sort of an approach, some of which are the following:

A. A supreme need exists for order, peace, and stability. Our strong conviction is that the worsening of the general situation occasioned by the present armed conflicts and those which are spreading can be halted only by means of an enlightened and tenacious resistance to such deterioration on the part of those peoples which hope and have the intention that principles of national sovereignty, of justice, and of law and order shall endure; and that principles providing for economic freedom shall be effective. Provided that Governments and peoples perceive the essential nature of these principles, and provided that Governments and peoples desire and are determined to give them effect, situations of a specific nature in various regions, at variance with those principles, should, it goes without saying, be duly rectified and brought into proper adjustment therewith.

B. Also of importance is the matter of what economic principles and methods of procedure may be deemed best calculated to cause conditions of general order and safety to prevail and endure. My Government is committed to a commercial policy which has as its fundamental basis the principle of non-discriminatory treatment, and we hold that restrictions upon the exchange of commodities in international trade should be removed or lowered. Forward-looking nations might adopt a policy wherein each country would forego endeavoring to obtain for itself or its nationals trade rights, commerce or economic exploitation of third countries of a preferential type, as well as from employing such influence as it might possess vis-à-vis a third country to effect the adoption by that country of measures which might act to withdraw from other countries equality of commercial opportunity or which might preclude the satisfaction of legitimate needs of an economic nature.

In order to make progress, it goes without saying, each country concerned must be penetrated with the proper spirit, not excepting a readiness to make sacrifices for the purpose of attaining broad and permanent objectives, and there must accordingly exist, in so far as each country is concerned, the requisite willingness and intention to render possible a realization of basic principles.

Every nation without exception is beyond doubt entirely justified in taking all legitimate and reasonable safeguards to enhance and conserve its own security and safety. The fact of taking measures of this sort nevertheless cannot reasonably be made a ground to interfere in other countries or to set up therein systems of special privilege and preferences of an economic nature. My Government has an interest in the commerce and economic development of Far Eastern countries just as has Japan. My Government, accordingly—just as Japan—would not view favorably the infiltration into or the growth in those

countries of subversive influences. A general adaptation of the above set forth line of thinking and viewpoint would, we believe, make unnecessary interference in the internal affairs of other nations by any nation, as well as acts by any country in the territory of another looking to the establishment therein of monopolies and other types of special rights. As developments took place conformably to the principles indicated, we might anticipate a multiplication of means of co-operation along many avenues in the general direction of the economic development of countries in need of and requesting such development. The policies and point of view of my Government are so well known and have become so firmly established in the traditional thought and ideals of our people that the intentions and purposes of my country are not difficult to evaluate correctly, nor is the course of action which my Government is likely to pursue under any given set of circumstances. That attitude and the policies mentioned are grounded upon fundamental principles and we are of the belief that a general adherence to those principles which are of universal application would redound to the best interests of my country, of Japan, and of other nations.

[Tokyo,] June 19, 1940.

711.94/1599

*The American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita)*⁷³

[LIST OF POINTS MERITING SPECIAL CONSIDERATION]

1. The United States is committed to the general proposition that its own well-being is dependent on the well-being of all the nations of the world; and to persuade other nations to associate themselves with that proposition is one of the major functions of American diplomacy.

2. That form of international cooperation which we seek is predicated on an identity of foreign policies, objectives and methods. We would welcome the cooperation by Japan, not only with the United [States] but with all other nations, on the basis of policies and methods to which we are committed. Can Japan's policy, objectives and methods be formulated in terms which will make possible that form of cooperation which the United States desires?

3. If the various statements which I have made to Your Excellency and to your predecessors during the last three years will be reviewed, it will be seen that there has been no modification whatever of the basic

⁷³ Handed to the Japanese Minister for Foreign Affairs by the American Ambassador in Japan during conversation of June 19, 1940.

attitude of the American Government with regard to problems in the Far East, along with problems which exist in other parts of the world.

4. In line with American traditions which have been followed for more than 150 years, we seek no concerting with Japan of measures which would be prejudicial to the legitimate rights of third countries. In view of the situation now existing in Europe today, I cannot sufficiently emphasize the importance of these facts.

5. The wise man does not enter into business and other close relations with those whose principles and objectives are radically different from his own. No nation, especially in times like these, can afford to assume that economic interest, without identity of principles and objectives, affords a stable basis of friendship.

6. The United States has never deceived Japan, it has never threatened Japan, it has always fulfilled its promises to Japan, and it has never held out promises of benefit to Japan beyond its power or right to confer. The only benefits which we can promise are those which would naturally flow from cooperation on the basis of friendship and of mutual respect for the rights of each other and for the rights of others.

711.94/1539a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Paraphrase]

WASHINGTON, June 22, 1940—noon.

215. 1. Unless you perceive any objection, it is my desire that at an early moment you call upon the Foreign Minister and in strictest confidence explore with him in continuation of your conversations of June 10 and June 19, the question of possibly arriving at an understanding between the American Government and the Japanese Government through an exchange of notes along the following lines:

The interest of both countries in keeping to a minimum the adverse effects of the war in Europe is the basis upon which the understanding would be premised. The understanding would refer to this interest. In the proposed notes there would be expressed the agreement between the Government of the United States and the Japanese Government that they have a common desire that the *status quo*, except as it may be modified by peaceful means, be maintained with regard to the possessions and territories of belligerent European powers in the Pacific area. There might also be in the proposed notes a provision for consultation between the Governments of the two countries should any question arise involving the *status quo* in respect to the Pacific possessions and territories of belligerent European powers which renders consultation desirable in the opinion of either the Japanese Government or the Government of the United States.

2. In the proposed exchange of notes this Government envisages and would understand the phrase relating to possessions and territories in the Pacific area of belligerent European powers to cover and include their possessions and territories in all parts of the Pacific Ocean.

3. This suggestion relates to a particular and definite problem, that of averting an introduction of new complications and new possibilities of difficulty and friction into the general situation in the Pacific. As you will realize and will keep constantly in mind, it does not involve and should not be inferred to imply any withdrawal from positions heretofore taken regarding any specific problems in the relationships between the two countries. It is intended as a preventive rather than a curative measure. At the same time, it is our belief, and we hope it will be that of the Japanese, that the possibility of contributing substantially toward making situations better is within procedures which tend to prevent situations from becoming worse. If adopted, we believe this procedure would tend to turn public thought toward consideration of peaceful and constructive processes. It would tend to dissipate various suspicions which apparently prevail among the public and to curtail various types of inflammatory discussion and agitation. It would take care of the particular present and future problem to which it would expressly relate, and, although it would in no way dispose of the many and various specific questions which have been and are the subject matter of current and past discussion between our two Governments, it might facilitate solution of some of them.

HULL

893.0146/798 : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, June 22, 1940—6 p. m.

217. Reference your 438, June 11, 10 p. m., Shanghai's 527, June 15, 3 p. m.,⁷⁴ and Tsingtao's 82, June 18, 2 p. m. Unless you perceive objection the Department suggests that you make informal comment to the Japanese Foreign Office, stating that the Japanese Government is now doubtless aware that the commanders of the British, Italian, and American forces at Shanghai are acting under a signed agreement in regard to liberty areas which was drawn up at the request of the Italian Commander in Chief. The Japanese Government is no doubt also aware of the arrangements made at Peiping and Tientsin in regard to liberty parties which are operating to prevent any disturbance between the Italian forces on the one hand and the British and French forces on the other in those places. Please say also that the American Commander in Chief, in reference to the agreement of the

⁷⁴ Telegram No. 527 not printed.

commanders of the British, French, and Italian forces in the vicinity of Shanghai, was acting primarily, in the interests of all concerned, as the representative of a power unengaged in hostilities although he also considered himself to be the senior officer present.

You might add that the Government of the United States is confident that the Government of Japan will share its satisfaction that these amicable and beneficial arrangements have been made.

Sent to Tokyo via Peiping. Repeated to Chungking and Shanghai.

HULL

711.94/1626

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] June 24, 1940.

When I called on the Foreign Minister at 11 o'clock this morning at the private house of a common friend, we discussed in strictest confidence the suggestion proposed in the Department's telegram No. 215, June 22, noon, with reference to an exchange of notes regarding upholding the *status quo* with regard to the Pacific territories and possessions of belligerent European countries.

The Minister gave his close attention to the diverse points in my oral argument and all the questions he put to me were covered in the Department's instructions. When asked whether the Pacific mandated islands were included in our proposal, I answered that if he desired I would submit the point to my Government, but he did not pursue the subject.

The Minister said finally that the suggestion would be given his close study and that he would reply soon. He stated further that, unless a number of the many outstanding differences between the United States and Japan were first solved, he, offhand and in his own opinion, thought that the suggestion might be difficult to accept. When asked to which difficulties he referred in particular, the Minister replied that the absence of a commercial treaty was the outstanding difficulty.

In view of some of his comments I made clear at the conclusion of our talk that our present proposal must not be misunderstood to imply any retreat from positions previously held regarding any particular problems between Japan and the United States, but I added that I found it significant in my own opinion that our exploration today was regarded by my Government as the continuance of the conversations of June 10 and 19, which were entered into with the express intent of discovering means to ameliorate American-Japanese relations.

Mr. Arita said that the Japanese press must have called my attention to the trend of public opinion in Japan, which was strongly for

closer relations with Germany and Italy and was continually growing in strength. He claimed that he was personally, as I well knew, in favor of a *rapprochement* with the United States, but that the situation today opened him to severe criticism, and that the problem was extremely difficult.

J[OSEPH] C. G[REW]

711.94/1628

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] June 28, 1940.

At the request of the Foreign Minister I called on him at nine o'clock this evening at the official residence of the Vice Minister (in order to elude the newspaper correspondents who were then at the official residence of the Minister), and in the ensuing conversation the Minister replied both to my oral statement to him of June 19 and also to the suggestion advanced to him on June 24 concerning an exchange of notes for the purpose of recording the intentions of the two Governments with regard to maintenance of the *status quo* with respect to the possessions in the Pacific area of the belligerent European powers.

As to the conversation of June 19, Mr. Arita said that he had given our oral statement the most careful study and in reply he desired to say that while at first sight it might be held that there were differences between our two Governments, he felt nevertheless that there were "no differences in opinion practically" when one considered the existence of the hostilities now going on in China. The Minister had before him the record of my oral statement of June 19 in which he had underlined certain passages.

With regard to the Department's paragraph marked "A" the Minister emphasized his agreement with the views as expressed down to the phrase "shall survive". (In the paraphrased text presented to the Minister on June 19 and sent to the Department by mail this phrase reads "shall endure"). With regard to the Department's paragraph marked "B" the Minister expressed agreement with the first two sentences. He said that Japan also has the same policy of non-discrimination.

At that point I observed that Japan is not following such a policy toward the United States. The Minister replied that apart from China there is no discrimination against us and that as soon as the hostilities in China cease most but not necessarily all of our grounds for complaint will be removed.

Mr. Arita then handed me his own "oral statement" in reply to my oral statement of June 19 and he said that the Japanese Government entirely agrees with the views of the American Government as therein

presented except in so far as those views might be considered as modified by the statement which he was now handing me. This statement was cabled to the Department in our 510, June 28, 11 p. m.⁷⁵

The Minister then turned to our conversation of June 24 and said that in consideration of the fact that neither Japan nor the United States is a belligerent, the carrying out of the suggestion for an exchange of notes concerning the maintenance of the *status quo* in reference to the possessions and territories in the Pacific area of belligerent European powers would in his opinion be a somewhat delicate matter. Mr. Arita then handed to me a statement in the Japanese language a translation of which we cabled to the Department in our 512, June 29, 1 a. m.⁷⁶

J[OSEPH] C. G[REW]

711.94/1628

*Oral Statement by the Japanese Minister for Foreign Affairs (Arita)
to the American Ambassador in Japan (Grew)*

On the occasion of Your Excellency's departure for America last year our then Prime Minister, Baron Hiranuma, asked you to carry a message to your Secretary of State,⁷⁷ in which he stated that to save Europe from a disastrous war that would result in indescribable suffering of hundreds of millions of people as well as the complete destruction of civilization was the duty, he believed, of Japan and the United States situated outside the scope of European conflict. Unfortunately the cooperation of our two countries regarding the prevention of war was not realized. However, I am in full agreement with you in the view that we should now exert the greatest efforts toward minimizing the unfortunate results of the European war vis-à-vis America and Asia. In fact, it is because of this conviction on the part of our Government, that they declared their policy of non-involvement immediately following the outbreak of war in Europe last September, and they have strictly adhered to that policy ever since.

Japan desires to see all nations enjoy their proper places, and peace established and maintained throughout the world. That is the underlying policies and principles of our foreign relations, and all our efforts are concentrated upon the attainment of these objectives. And in order to preserve peace, it is necessary of course that the principles of national sovereignty, justice, law and order, should be respected, but also, I believe, that all countries should appreciate one another's

⁷⁵ Telegram No. 510 not printed. The statement of the Japanese Minister for Foreign Affairs is printed *infra*.

⁷⁶ Telegram No. 512 not printed. The statement is printed on p. 91.

⁷⁷ See telegram No. 234, May 18, 1939, 5 p. m., from the Ambassador in Japan, p. 1.

position in the light of the world's changes and actual conditions. The message of Baron Hiranuma to Mr. Cordell Hull contained the following passage regarding the causes of the pre-war antagonism in Europe: "There may be contentions on both sides, but on cool scrutiny of the European situation since the World War we come to the conclusion that although Germany and Italy may be advised to be more patient, Great Britain and France also have a great deal to reconsider." To repeat these words, though they refer to the past beyond remedy, may not be altogether unprofitable.

Japan has always advocated free movement of both men and commodities. This principle, I regret to say, has been frequently violated and Japan has been obliged to undergo bitter experiences. Immigration is restricted, and markets are opened or closed to suit the convenience of the importing countries, while the importation of the necessities into Japan is prohibited or limited at will by the exporting countries. Though these countries may have taken such steps only as temporary measures dictated by their respective needs, the fact remains that Japan which must seek overseas markets because of her limited domestic trade, and which being deficient in various goods and raw materials must depend upon imports from abroad, finds the situation intolerable. In such circumstance, and especially in the abnormal situation brought on by the gigantic hostilities in China now nearly three years old, it is imperative that Japan should endeavour to preserve certain special trade relationships with neighbouring countries and regions, although she upholds as a fundamental basis for trade the principle of non-discrimination.

[Tokyo,] June 28, 1940.

711.94/1628

*Oral Statement by the Japanese Minister for Foreign Affairs (Arita)
to the American Ambassador in Japan (Grew)*

[Translation]

[Tokyo,] June 28, 1940.

1. The views of the Japanese Government concerning the basic policy of the American Government as stated by Your Excellency at the time of our interview on June 19 are as set forth on a separate document.⁷⁸ I wish to refer you, as well, to my oral statements of May 18, 1939,⁷⁹ and June 12, 1940.⁸⁰ While in comparing the two positions, there appear to be differences of opinion between our Gov-

⁷⁸ *Supra.*

⁷⁹ See telegram No. 235, May 18, 1939, 7 p. m., from the Ambassador in Japan, p. 1.

⁸⁰ See telegram No. 448, June 12, 1940, 11 p. m., from the Ambassador in Japan, p. 79.

ernments, when consideration is given to the unavoidable conditions accompanying military activities on a large scale, I do not believe that the viewpoints indicated by our two countries are irreconcilable.

2. I have given the most careful study to the proposal which Your Excellency set forth at our meeting on June 24. In view of present international conditions, however, I doubt whether consideration should be given to an exchange of formal notes between our two countries on the basis of a policy of giving effect directly to this proposal. In Europe at the present time hostilities are progressing. Japan is greatly concerned with the effect which the development of the hostilities will have on the status of the possessions and territories in the Pacific area of European belligerent nations. Under this situation, during a transitionary period, for the United States and Japan, which countries are not belligerents, to conclude any sort of an agreement concerning these possessions and territories would, it must be feared, give rise to very delicate relationships for Japan which has taken a position of non-involvement. I am, therefore, endeavoring at this time to offset and to prevent the spread of the European disturbance to the Pacific Ocean and with that purpose in mind and from that point of view, I believe it to be timely and appropriate to consider whether or not there is no room for discussions of problems concerning only the United States and Japan.

3. As I stated on the 24th, however, we cannot consider the American proposal dissociated from conversations which have been held hitherto, and in order to make further progress in our conversations concerning your proposal I believe it to be necessary in the first place to be informed of your Government's views with regard to the statements set forth in my oral statement dated June 12th.

794.00/177 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, June 29, 1940—5 p. m.
[Received June 29—2:40 p. m.]

518. Our 507, June 28, 5 p. m.⁸¹

1. It is of interest to note that this morning's papers state that an emergency meeting of the Four Ministers' Conference was called yesterday afternoon to discuss the proposed declaration of Japan's policy, that opposition developed among the Ministers to the issuance of such a declaration at this time, and that it was decided that instead of issuing an official declaration of policy the Minister for Foreign Affairs should deliver a radio address this afternoon on the general subject of "Japan's foreign policy in the present situation."

⁸¹ Not printed.

2. The text of the radio address as given out today by the Foreign Office is as follows:

"International situation and Japan's position. Japan's ideal since foundation of the Empire has been that all nations should be enabled to find their proper places in world. Our foreign policy has also been based upon this ideal, for which we have not hesitated at times even to fight by staking our national existence. What entire mankind longs for is firm establishment of world peace. But it goes without saying that peace can never endure unless it is a peace in which all nations enjoy their proper places. Unfortunately, however, establishment of world peace in this sense is difficult of speedy realization at present stage of human progress. In order to realize such a great deal, therefore, it seems to be a most natural step that peoples who are closely related with each other geographically, racially, culturally, and economically should first form a sphere of their own for co-existence and co-prosperity and establish peace and order within that sphere, and at same time secure a relationship of common existence and prosperity with other spheres. The cause of strife which mankind has hitherto experienced lies generally in the failure to give due consideration to the necessity of some such natural and constructive world order and to remedy old irrationalities and injustices. The war in Europe brings home the truth of this with special emphasis. Therefore, in order to establish international peace on a permanent foundation every effort must be exerted for rectification of blunders that have been committed in this regard. It is in this spirit that Japan is now engaged in the task of establishing a new order in East Asia. It is extremely regrettable, therefore, that there should be those who not only fail to understand Japan's great undertaking based upon this fundamental principle, but on the contrary, obstruct establishment of peace in East Asia by supporting regime of Chiang Kai-shek. We have urged them to reconsider such an attitude in past, and now we intend further to urge their serious reflection. We are determined to leave no stone unturned in order to eradicate all activities for assisting Chiang Kai-shek. Sometimes there are those who would disapprove a change in the *status quo* by force of arms regardless of the reasons therefor. It is for the purpose of bringing about a just and permanent peace that Japan has been fighting in China for the past 3 years. Her employment of armed force is an act looking beyond the immediate present. The sword she has drawn is intended to be nothing other than a life-giving sword that destroys evil and makes justice manifest. Countries of East Asia and regions of the South Seas are geographically, historically, racially, and economically very closely related to each other. They are destined to help each other and minister to one another's needs for their common well-being and prosperity, and to promote peace and progress in their regions. Unit-ing of all these regions under a single sphere on the basis of common existence and insuring thereby the stability of that sphere is, I think, a natural conclusion. The idea to establish first a righteous peace in each of the various regions and then establish collectively a just peace for the whole world has long existed also in Europe and America. This system presupposes the existence of a stabilizing force in each region, with which as a center the peoples within that region are to

secure their co-existence and co-prosperity and as well the stability of their sphere. It also presupposes that these groups will respect another's individual characteristics, political, cultural, and economic, and they will cooperate and fulfill one another's needs for their common good. When the present European war broke out, the Japanese Government at once declared their policy [of] non-involvement and made it clear that this country did not intend to intervene in Europe and at the same time did not want to see the war spread into East Asia. Quite naturally Japan expects that Eastern [Western]⁸² powers will do nothing that will exert any undesirable influence upon the stability of East Asia. Japan, while carrying on vigorously her task of constructing a new order in East Asia, is paying serious attention to developments in the European war and to its repercussions in the various quarters of East Asia, including the South Seas region. I desire to declare that the destiny of these regions in any development therein, and any disposal thereof, is a matter for grave concern to Japan in view of her mission and responsibility as the stabilizing force in East Asia."

GREW

711.94/1633

Memorandum by the Ambassador in Japan

[Tokyo,] July 11, 1940.

At a private meeting today I acquainted the Minister for Foreign Affairs, Mr. Arita, fully with the Department's views regarding the oral statements of the Minister on June 12⁸³ and June 28. My remarks were prefaced by the observation that it was my opinion that this communication was one of the most important that I had made to the Japanese Government since I had been Ambassador in Tokyo. The conversation lasted for about an hour.

After he had read attentively a second time the record of my oral exposition,⁸⁴ Mr. Arita picked out that portion which referred to General Chiang Kai-shek and asked whether our comment signified that no change had taken place in our policy of giving support to the Chinese Government at Chungking. My reply was that the passage referred to had exactly the meaning which it said, viz., that my Government recognizes as the Government of China the Government which is at present at Chungking, and that we wish with entire frankness to express the view that there appears to be no probability of solidarity of a united Government for China other than by recognizing a leadership which has the real support of the large majority of the people of China. Mr. Arita remarked that aid to Chungking

⁸² Correction in accordance with an undated, unnumbered telegram from the Ambassador in Japan, received July 1, 1940, 9:50 p. m.

⁸³ See telegram No. 448, June 12, 1940, 11 p.m., from the Ambassador in Japan, p. 79.

⁸⁴ *Infra*.

from France has now been stopped and that the probability exists that British aid will likewise be stopped, which will leave to Chiang Kai-shek assistance only from the United States and the Soviet Union. I brought to the Minister's attention the obligations of neutrality and stated that the assistance reaching Chungking from my country is a very small proportion of the aid so reaching Japan. The Minister did not pursue the topic further but the fact that he brought it up may be significant of a possible future move in that direction by the Japanese Government.

Mr. Arita said that I might inform my Government that its communication would receive the most careful study both by himself and by the Prime Minister and that he would send us his reply soon. During our conversation I observed that Japan at the present time appeared to be seething with unrest. Mr. Arita acknowledged that that was so and asserted that great pressure is being exerted on the Government to cause it to alter its policy. I replied that I had furnished the Minister today in my communication several basic and comprehensive reasons why it lies in Japan's best interests to follow a course of good relations with my Government.

J[OSEPH] C. G[REW]

711.94/1633

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita), July 11, 1940

My Government has been giving careful thought to the views concerning Japanese-American relations conveyed informally to me by Your Excellency on June 12⁸⁵ and June 28, respectively, and is gratified at the genuinely careful consideration which you have given to my Government's views expressed by me orally on June 19 last.

As I have observed in the course of our recent informal conversations, my Government deems that the situation offered by the present war in Europe, whatever its outcome may be, is a subject for serious concern. Particularly is this so with regard to those countries the prosperity of which depends to a great extent upon foreign commerce. From what you have said to me during our informal conversations, it has become clear that the views of your Government as well as of my own Government are that our foreign trade is of great importance. An examination of the official trade statistics of Japan discloses that during the year 1939, 64.9 percent by value of the total exports of Japan were sent to Asiatic countries, and that 21.5 percent went to countries on the American continent, which leaves for the

⁸⁵ See telegram No. 448, June 12, 1940, 11 p. m., from the Ambassador in Japan, p. 79.

remainder of the world a balance of 13.6 percent. Of the total imports taken by Japan, 40.5 percent by value were derived from countries in Asia, 42.8 percent from countries on the American continent, there remaining from the rest of the world a balance of 16.7 percent. From these figures it is plainly evident that it is in Japan's interest that there should be averted, in so far as is possible, any extension of developments occasioned by the European hostilities which would bring disturbed conditions from Europe to Asiatic and American countries and diminish the movement of trade between the countries on the continents mentioned and Japan.

During the year 1939, of the total exports sent abroad by the United States, Asiatic countries took 17.6 percent by value, and countries on the American continent 35.8 percent. 30.2 percent by value of the total imports into the United States came from Asiatic countries, and 38.7 percent from countries on the American continent. It is clear from the foregoing figures that the United States also has a deep interest in the free flow of commerce between it and the nations in both America and Asia. The similarity of Japanese and American interests in commerce may be enlarged still further. A considerable amount of the commerce between countries in Asia and American countries is constituted by the trade between the United States and Japan. To a large extent this commerce is of a complementary nature. Such a healthy and advantageous commercial relationship as the one which has been in effect between Japan and the United States could not thrive under an autarchical system of economy. Moreover, it is a matter of significance that respect for the rights of private property constitutes both in Japan and in the United States the basis of their social and economic pattern.

A condition having additional bearing upon the commercial and economic relationships between my country, on the one hand, and, on the other hand, nations on the American continent and Asiatic nations, is the fact that certain of the countries referred to are in need of capital funds for their progressive development, and that in the United States there are funds available for investment in foreign countries. It need hardly be mentioned, nevertheless, that capital is by its nature not readily disposed to take risks and seeks its outlet solely in those areas where circumstances of stability, order, progress, and security prevail.

Your Excellency observed in your oral statement of June 28 that, because of Japan's need for markets and sources of supply overseas, it is essential that it should endeavor "to preserve certain special trade relationships with neighboring countries and regions, although she upholds as a fundamental basis for trade the principle of non-discrimination". It would appear to my Government that it would best serve

the interests of a country in Japan's position, whose economy has its foundation in foreign commerce, to apply as broadly as possible the principle of equality of trade opportunity and the fullest liberalization of the principle of non-discrimination with relation to trade. An endeavor by one nation to remove particular regions from the applicability of the principles mentioned would unavoidably induce other countries in turn to claim exemption for other areas, resulting in the creation of a number of regional economic blocs having at their foundation discriminations and preferences which could not help being harmful to the interests of the major trading nations. On the contrary, under a system of mutual non-discrimination Japan would not find its commerce restricted to one regional bloc, but would obtain both the profitable results of furnishing to a wide range of markets the wares which Japan is able most efficiently to produce and the corresponding advantage of deriving materials needed by it from the cheapest sources. Under a system of non-discrimination Japan would be better able than under any other international commercial plan to obtain the benefit, in areas in which it has expressed a special interest, arising from the competitive advantage which redounds to it by reason of its geographic propinquity to those areas.

In connection with the matter of Japanese policy toward the Netherlands East Indies referred to in paragraph 4, caption (c), of your oral statement of June 12, my Government has noted from a statement issued by the Japanese Ministry of Foreign Affairs that the Government of Japan is negotiating with the Netherlands and the Netherlands East Indies Government on the question of commerce, enterprise, and the entry into the Netherlands East Indies of Japanese subjects. My Government has noted particularly that, despite the reported declaration of the Netherlands and the Netherlands East Indies Government that it would take no steps which would result in preventing the exportation to Japan of commodities considered essential by Japan, the Government of Japan has requested that the Netherlands and the Netherlands East Indies Government take suitable measures in order to "definitely assure the export of the desired quantities of required goods".^{85a} As the Japanese Government knows, Netherlands East Indies products are important in the economy of many countries. The United States carries on important trade relations with the Netherlands East Indies and a substantial American enterprise exists there. As revealed by the statistics of my Government for the year 1937, which was the most recent year for which complete statistics are available, 15.8 percent by value of the total foreign trade of the Netherlands East Indies was with the United States, compared with

^{85a} See telegram No. 516, June 29, 1940, noon, from the Ambassador in Japan, p. 289.

11.6 percent with Japan. Accordingly my Government has an important interest in the continuance in the Netherlands East Indies, as well as in other countries, of the principle and the observance of equality of trade opportunity, as well as of that of enterprise. My Government would consequently be appreciative if the Japanese Government would keep it informed as to the manner in which these principles are being applied in the negotiations of the Japanese Government with the authorities of the Netherlands East Indies.

Referring to your oral statement of June 28 in which you mentioned the proposal of my Government that an exchange of notes be concluded regarding the continuance of the *status quo* in the possessions and territories of the belligerent European powers lying in the Pacific region, you indicated your belief that for our two countries, which are not belligerents, to enter into any kind of an agreement on this subject would give rise to very delicate relationships for Japan which has taken a position of non-involvement. It would appear, nevertheless, to my Government that the suggested exchange of notes would contribute substantially to rendering secure Japan's attitude of non-involvement toward the war in Europe, and moreover my Government's proposal was occasioned by a wish to minimize in the Pacific area the harmful effects of the hostilities in progress in Europe. Indeed, it is my Government's conviction that in periods of disturbed international relationships reassertion by Governments of such fundamental principles and policies as was intended in the suggested exchange of notes would operate in favor of stability. The fact of the importance of Japan's commercial relations with the Pacific area, which is indicated by statistics of trade, would appear to my Government to be a cogent reason for the Japanese Government to give favorable consideration to my Government's suggestion. You have stated that you cannot consider our proposal separately from the conversations which have taken place up to now, and have suggested that, with a view to making further progress in these conversations with respect to this proposal, you be acquainted with my Government's views concerning the observations contained in your oral statement of June 12. Three problems are enumerated therein as deserving especial study in connection with bringing about an improvement in relations between our two countries. These problems have to do with the economic policy of Japan, present and future, as well as with recent manifestations of aspects of Japanese policy toward China, the Netherlands East Indies, and Thailand.

My Government also regards these problems as important and believes that a clarification of the questions posed concerning them is requisite to a consideration of the suggestion contained in caption (a) of the last paragraph of your oral statement referred to, viz., the mat-

ter of the conclusion, as a temporary measure, of a *modus vivendi* between our two Governments. It would therefore be of assistance to have indications as concrete as is possible, concerning the aims and intentions of the Government of Japan regarding points (a) and (b), that is, "Is Japan's economic policy to be to adopt an entirely closed economy?" et cetera, and "Once the hostilities in China have been terminated, actually to what extent will there remain measures of an exclusive nature in the economic field?" It goes without saying that the earlier there develop manifestations of an implementation by the Japanese Government of its declarations that restrictions at present in existence are of a temporary nature, the more gratified my Government will be.

Referring to caption (b) of the last paragraph of the oral statement of June 12 which brings up the question of assistance to Chiang Kai-shek, my Government quite apart from the fact that the National Government now at Chungking is by it recognized as the Government of China, wishes with the utmost candor to express its opinion that there appears to be no prospect of solidarity of a united government for China other than through recognition of a leadership enjoying the real support of the vast majority of the people of China.

My Government has noted the expressed desire contained in your oral statement of June 12, caption (c), that our two Governments act together in order to contribute to world peace. It has also noted the ideal expressed by you in the course of your radio address on June 29 last⁸⁶ that Japan constitute a stabilizing force in Eastern Asia. My Government, it goes without saying, would view with sympathy policies and methods which give order, justice, and stability in any area of the world, by peaceful means and having due regard for the interests and rights of all countries and peoples involved. Policies and methods of this nature leave every state in any region completely independent and free to seek normal trade and other healthy relations with other nations in any part of the world. Methods and policies of this nature are in antithesis to those aimed at obtaining by force economic or political domination for one country in any region.

711.94/1633

Oral Statement by the American Ambassador in Japan (Grew) to the Japanese Minister for Foreign Affairs (Arita), July 11, 1940

I. The United States Government believes that at this point a clarification by the Japanese Government of its attitude with respect to future commercial policy would, if disclosing a compatibility with our

⁸⁶ See telegram No. 518, June 29, 1940, 5 p. m., from the Ambassador in Japan, p. 92.

own views, contribute to accelerating these conversations. Having settled outstanding difficulties with regard to fundamental and broad questions, the details would have a tendency either to fall into place or possibly to be eliminated.

II. It is desired, in connection with the proposed exchange of notes regarding maintenance of the *status quo* of Pacific possessions and territories of belligerent European powers, that there be borne in mind especially the intention to avert new difficulties and friction in the general Pacific situation, and it is hoped that the Japanese Government will share our belief that procedures which tend to prevent situations from deteriorating have within them the germ of contributing materially toward improving situations; that this procedure, if adopted, would tend to dissipate suspicion and curtail inflammatory discussion, thereby turning public thought toward peaceful and constructive processes. It would not only solve the specific problem for which designed, but in addition it might facilitate a solution of some of the other problems between the two Governments.

III. The United States Government believes that Japan must soon come to a decision regarding two fundamental questions:

(1) Will Japan follow a policy and a course of action based upon an attempt to exploit and secure for her own utilization the commerce and resources of territories now impoverished, where living standards are low and capacity for production limited, or will she choose to pursue a course based upon a policy of cooperation with other countries of a similar mind, in order to utilize all available resources of technical skill, capital, and progressive economic leadership with the aim of building up her own economy and that of the more primitive and undeveloped areas?

Viewed in historical perspective, the narrower course can bring no assistance or permanent benefit to any country—whatever benefits might accrue being merely of a temporary character. The broader course would increase many times the purchasing power of peoples, would elevate their standard of living, and would bring lasting advantages.

(2) The second fundamental choice in the opinion of the United States Government, related to the first, is whether Japan will decide to associate herself with countries committed to a policy of acquiring territory by force. Such a policy might of course denude occupied areas of natural and other forms of wealth, but once gathered, no substantial basis would exist on which to build for economic well-being in the future. It would, moreover, tend to preclude co-operation with other nations in a broad program of social and economic development of a progressive nature in which the capital resources and the technical skill of the various countries concerned would be enlisted.

Press Release Issued by the Department of State on July 16, 1940^{86a}

The Secretary of State, in reply to inquiries by press correspondents for comment in regard to reports that, at the instance of the Japanese Government, the British Government would prohibit temporarily the movement of certain commodities through Burma into China over what is known as the Burma Route, said that this Government has a legitimate interest in the keeping open of arteries of commerce in every part of the world and considers that action such as this, if taken, and such as was taken recently in relation to the Indochina railway would constitute unwarranted interpositions of obstacles to world trade.

793.94/16069 : Telegram

The Consul at Shanghai (Butrick) to the Secretary of State

SHANGHAI, July 22, 1940—1 p.m.

[Received 4:01 p.m.⁸⁷]

671. Incident of July 7. Reference my 653, July 18, 4 [6] p.m., and previous.⁸⁸ Following is text of an official letter dated July 22, delivered today to Major General Miura from Colonel D. Peck:

"Further reference is made to your letter of 8 July. On the morning of 7 July, 1940, General Nishio, accompanied by a large number of Japanese officers, made an official tour of the American defense sector; and the Japanese military held an official reception at the Pelee Hotel, within the American defense sector.

The Commanding Officer, Fourth Marines, although he had received no official notification from the Japanese authorities that the above tour and reception were to take place within the American defense area, personally met General Nishio and welcomed him to the American sector, and provided him with an official military escort.

It must be noted that 12 [7] July being the anniversary of the Loukouchiaio incident, the Shanghai Municipal Police had requested the Fourth Marines to operate in active support of the police and take special precautions against acts of terrorism or anti-Japanese demonstrations. The unexpected appearance of the Japanese Commander in Chief, accompanied by a large Japanese escort, within the sector on this date created an additional hazard.

While General Nishio was attending the reception at the Pelee Hotel, the Shanghai Municipal Police at about 10:00 notified Marine Headquarters that a number of strange Japanese in civilian clothes, thought to be gendarmes, and apparently carrying concealed weapons, were on Bubbling Well Road, along the route over which the Japanese General Nishio was expected to pass soon. The marines felt a high

^{86a} Reprinted from Department of State, *Bulletin*, July 20, 1940 (vol. III, No. 56), p. 36.

⁸⁷ Telegram in seven sections.

⁸⁸ None printed.

degree of responsibility for General Nishio's safety as long as he remained in the American sector, and as these men might be terrorists it was necessary to remove them and remove them fast. No time was available to communicate with Japanese authorities to verify these men's identity and orders were issued for their arrest.

An officer on patrol accompanied by an interpreter and by an officer of the Shanghai Municipal Police, who pointed out the suspicious characters, effected the arrests. Some resisted arrest. All refused to surrender their guns. Identification cards were produced purporting that the men were members of the Japanese gendarmerie. However, doubt was cast on this because the Marine authorities had not been informed that separate gendarmes would operate in the Marine sector.

The suspicious characters were stationed singly at intervals along Bubbling Well Road, staggered on opposite sides of the road. In all, 16 arrests were made. As stated above, some resisted arrest. All refused to surrender their guns. No force was used other than necessary to arrest these men, and to effect prompt disarmament of the men in order to prevent their causing death or injury by the use of their firearms. The marines effecting the arrests were armed but carried their rifles slung over their shoulders. The Japanese were transported from the places of arrest in trucks of the type used to transport personnel. In many cases the Japanese refused to get into the truck and had to be bodily lifted therein.

General Nishio passed up Bubbling Well Road and left the American defense sector at about 10:45, without incident. Prior to that time all of the above arrests had been effected.

The Japanese were first detained near regimental headquarters in a small building used daily by the marines as a lecture room, gymnasium, and an indoor .22 calibre range. The leader sergeant major was at once permitted to telephone his superiors. He was then questioned by the regimental commander. The men, while detained in this building, were guarded by two sentries within the building and two outside the building, and a corporal stationed in the doorway. Rifles were carried loaded and locked. Bayonets not fixed. No other persons entered this building except an interpreter and the officer of the day. The interpreter entered because it was reported by the guard that the prisoners wanted to say something. It developed that this something was that one wished to go to the lavatory. He was conducted to the lavatory.

At 11:30, after the names of the men had been secured and their pistols listed, and as the indoor range did not have proper facilities, the men were conducted to detention quarters where they were accorded exactly the same facilities and treatment given to marines who are detained. They were offered their noon meal. Some started to eat but were stopped by their leader.

Japanese officers called at Marine headquarters and identified the men as gendarmes. It was explained that the men would be released whenever a responsible officer signed a release for them. A major of gendarmes called in the afternoon and talked to the men and left after praising the fine detention quarters. He refused to sign a receipt for the release, stating that he did not have authority.

Finally at 15:00, Major General Miura, commanding officer of gendarmes, called at Marine headquarters. He expressed his regret over the incident and stated that it was by accident that the marines had not been notified, and gave assurances that the incident would not recur. The men and their arms were released to Japanese authority. It was agreed between Major General Miura and the commanding officer, Fourth Marines, that incident was closed.

While the men were detained in detention quarters they were given the usual routine medical examination. Three had superficial cuts—iodine cases. One complained of a headache—aspirin treatment. The memorandum report reads: "All others were examined carefully, and thoroughly, and there were no other signs of tissue, bone, or large injuries that could be elicited."

On the morning of July 8th, Major General Miura addressed a very courteous letter to the commanding officer, Fourth Marines, expressing his gratitude that the trip of General Nishio through the American sector had been completed without delay or obstruction.

On the afternoon of July 8th the Japanese official spokesman at a press conference made a violent attack against the marines, accusing them among other things of brutality during and after the arrests. This was the first intimation the marines received that there was any thought of undue force having been used.

Later, a letter was received from Major General Miura, written on July 8th, containing practically the same denunciations made by the press spokesman noted above.

An exhaustive investigation was initiated by the Fourth Marines in an attempt to determine whether or not these denunciations had any foundation.

Major General Miura and Colonel Peck had various conferences in an endeavor to settle this incident. Finally it was decided that the settling of the incident would await the termination of the investigation being conducted by the Fourth Marines.

This investigation has now been completed. During the investigation Japanese authorities were freely consulted. We wish to thank you for the cooperation given.

The investigation does not sustain the charges of undue force and maltreatment. The statement that the gendarmes offered absolutely no resistance is not sustained. Most resisted arrest. All refused to surrender their guns, and struggled, some violently—striking, butting and kicking at marines. Some marines received minor injuries such as scratches and bruises. One marine reports that a gendarme attempted to bite his hand.

It is claimed that the gendarmes were forced to squat on the floor of the rifle range. This claim is not substantiated. It is true that they were detained in a small building used daily by the marines as a lecture hall, gymnasium and an indoor .22 calibre rifle range. This building is not provided with chairs, hence the gendarmes were under the necessity of either standing or sitting on the floor. This was unfortunate, but the inconvenience was certainly not great as the men were detained therein not over an hour.

It is claimed that the gendarmes, after being unarmed, were menaced with loaded rifles. It is true that the guards' rifles were loaded and

locked. But the guards were under competent command and we can find no verification of the allegation of menacing gestures.

The claim has been advanced that one gendarme had his ear pulled. We can find no verification.

It is claimed that the Japanese gendarmes received unfriendly treatment in the presence of the public in broad daylight. It is true that the gendarmes were unavoidably forcibly arrested in the presence of the public in broad daylight, but the public could not have been generally aware that they were gendarmes inasmuch as they were in plain clothes.

It is claimed that the number of gendarmes injured was 11, in place of the 3 stated by Marine authorities. In this the Gendarme and Marine authorities are at variance. Both authorities are agreed, however, that no serious injuries were inflicted.

Inasmuch as you were kind enough to express to me your regrets that Japanese gendarmes were operating in the American sector without proper authorization on July 7, 1940, and to assure me that the incident would not recur, I have no hesitancy in expressing to you my regrets that, pursuant to measures we were taking to safeguard the Japanese Commander in Chief on that occasion, and under the unusual circumstances then obtaining, the incident occurred, and that some members of the gendarmerie as well as some members of the marines were unavoidably slightly injured.

Assuring you of my high personal esteem, I am, etc."

Sent to the Department. Repeated to Chungking, Peiping, and Tsingtao. Tsingtao repeat to Commander in Chief. Code text together with code text of my 653 and 650 being air mailed to Tokyo.⁸⁹

BUTRICK

711.94/1863

Memorandum by the Ambassador in Japan (Grew)

[Tokyo,] July 26, 1940.

The new Minister for Foreign Affairs, Mr. Matsuoka, today received the diplomatic chiefs of mission individually in the usual purely formal reception. Instead of the customary five minutes he detained me in conversation for the better part of half an hour.

The Minister said at the outset that he had not yet had sufficient opportunity to formulate policy but he wished to say that when the press asked him what his policy was going to be as compared with the Hirota policy and the Arita policy and that of other ministers, he replied that they need look for no so-called Matsuoka policy but only for the policy of Japan.

The Minister then asked me to convey to Secretary Hull, for whom he expresses the greatest respect and admiration, the assurance that he has always attached the greatest importance to Japanese-American

⁸⁹ Neither printed.

relations. The Minister said that he had always been a very frank talker and that in our contacts he might frequently say things which could be regarded as undiplomatic but he believed that much was to be gained by frank and direct speaking. He thereupon referred to an article which he had written some time ago stating that if the United States and Japan ever have to fight each other they should know precisely the causes and reasons for which they were fighting and that war should not develop, as in so many other cases in history, through misunderstanding. I said for my part that I also had no use for old school diplomacy, that I also believed in straight-forward talk, and I believed that the Minister and I would both profit by basing our relations on such an understanding. I thought that we might rule out the word "war".

The Minister then said that history is based largely on the operation of blind forces which in a rapidly moving world cannot always be controlled. I admitted that blind forces have played their part in history but I added that one of the primary duties of diplomacy and statesmanship is to direct those forces into healthy channels and that I hope before long to explore with him the present state of American-Japanese relations in the confident belief that he and I approaching the subject in the right spirit would accomplish a great deal in giving helpful directive to the blind forces which he had in mind.

I then asked the Minister if he would care to read the informal record of my last talk with his predecessor, Mr. Arita, in which I had presented various points of view of the American Government, and I hoped that this record might afford a useful basis for our next conversation. The Minister said that he would be very glad to read the record which he accepted and put in his pocket.

711.94/1609 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, July 26, 1940—6 p.m.

[Received July 26—9:06 a.m.]

620. My 619, July 26, 5 p.m.⁹⁰ In my first formal meeting today with the new Minister for Foreign Affairs, Mr. Matsuoka requested me to convey a private message from him to the President in the following sense:

On passing over the United States after having left Geneva several years ago, Mr. Matsuoka, although he at that time held no position except that of a member of Parliament, had called on the President

⁹⁰ Not printed; see memorandum of July 26, 1940, *supra*.

in Washington in order to pay his respects and to express his friendship arising out of previous association. Mr. Matsuoka wished now to say to the President privately that his lifelong desire and interest had been the maintenance of world peace just as it has been the President's desire and interest. He said he had come to realize, however, that since the world is constantly changing and developing in vivid growth peace cannot be assured by conforming to the world's *status quo*. The League of Nations failed because its members lacked the courage to implement article 19 of the Covenant providing for new adjustments to meet such growth and changed conditions. A new order must come about in the world and world peace must be based on adapting ourselves to the growth and change which must inevitably lead to a new order in world affairs.

GREW

793.94/16085 : Telegram

The Consul at Shanghai (Butrick) to the Secretary of State

SHANGHAI, July 30, 1940—11 a. m.

[Received July 30—10:40 a. m.⁹¹]

712. Incident of July 7. Reference my 659 [671?], July 22, 1 p. m. In a letter dated July 25 which has now been translated, Major General Miura states that Colonel Peck's reply was entirely contrary to his expectations and "absolutely unacceptable for the purpose of settling this incident amicably." General Miura's letter which is lengthy and bombastic practically accuses Colonel Peck of bad faith. For example, reviewing some of Colonel Peck's statements, he says "by these facts, I regret that I have to doubt your sincerity toward the investigation of the facts." While Colonel Peck's reply to General Miura was in course of preparation yesterday Rear Admiral Glassford received a letter dated July 28 from Lieutenant Commander [General] Fujita, senior military commander in the Shanghai area. A summary of that letter follows:

"The outrageous and impolite conduct which the members of the United States Fourth Marine Regiment committed in Shanghai against the Japanese gendarmes on July the 7th of this year injured the prestige of the Japanese Army and, in spite of parleys at which the commander of the Japanese gendarmes did his utmost, we cannot recognize any sincerity or good faith in the measures taken by your authorities.

We are exceedingly regretful that a settlement of this affair has not yet been reached. Does not the attitude of the United States Marine Corps side of [besides?] deceiving themselves and others by glossing over and quibbling over very evident facts which are apparent in this incident conflict with the spirit of justice and righteousness which is the traditional character of the American military forces? We believe that the above is extremely deplorable on the part of your

⁹¹ Telegram in four sections.

forces. In view of the previous friendly relations we believe that such an attitude may have a great influence on our future relations. For the sake of a settlement of this affair by those responsible, I again call your attention to the fact that it should be settled as speedily as possible."

Admiral Glassford yesterday prepared a reply which after consultation with Colonel Peck and myself was despatched to General Fujita last night. It reads as follows:

"I have the honor to acknowledge the receipt of your letter of the 28th instant in regard to what you describe as the outrageous and impolite conduct which the members of the United States Fourth Marine Regiment committed in Shanghai against the Japanese gendarmes on the 7th instant. You inform me that the prestige of the Japanese Army has been injured thereby and that in spite of [conferences] at which the commander of the Japanese gendarmes did his utmost, you cannot recognize any sincerity or good faith in the measures taken by the American authorities concerned, to whom you impute deceit and quibbling. You call my attention to the fact that this incident should be settled as speedily as possible.

It appears that on the 7th instant Colonel de Witt Peck, United States Marine Corps, commanding the Fourth Regiment of Marines at Shanghai, a contingent of the Shanghai Defense Forces, had occasion personally to order the arrest and temporary detention of 16 members of the Imperial Japanese Gendarmerie who were within the American defense sector under circumstances which in the opinion of Colonel Peck warranted the action he took.

It develops that as a result of detailed investigations by the Japanese authorities that the gendarmes are confidently believed by the Japanese authorities to have been subjected to the use of unnecessary force and to maltreatment at the time of arrest and subsequent to arrest. Furthermore, it is represented that the gendarmes suffered humiliation by their public arrest and thereby, as well as by the above alleged maltreatment, the Japanese Army has suffered loss of prestige at the hands of the United States naval service of which the United States Marine Corps is a unit.

The above allegations of the use of unnecessary force and maltreatment of the 16 gendarmes are not substantiated, as no doubt you are aware, by the investigations of this incident directed by Colonel Peck, who informs me that the investigation has been exhausted [*exhaustive?*] and that accordingly he is satisfied with its findings.

Your imputation of insincerity and lack of good faith in the measures taken by the American authorities concerned, and your imputations of deceit by glossing and quibbling over details of this incident would be intolerable did I not prefer in the interest of preservation our good relations to consider them as unexpressed to a flag officer of the United States Navy by an officer of your high rank, position, and prestige.

As senior United States naval officer on the spot I ask that you permit me to point out that an apology for alleged particular wrongs under these circumstances cannot be expected. Permit me to say further that if the Japanese military authorities feel under all the circumstances of this incident that the Japanese Army has suffered insult

or loss of prestige at the hands of the United States naval service, then I wish to express unhesitatingly my wholehearted regret that such should be the case. In these expressions of regret Colonel Peck, United States Marine Corps, joins me, of course.

With these expressions tendered in good faith and all sincerity I trust you may see your way clear to take steps to close the incident.

I am giving no publicity to your letter, hence expect that no publicity will be given to my reply.

I am, Sir, with respect⁹³

Sent to the Department, repeated to Chungking, Peiping, and Tsingtao for the information of Commander-in-Chief. Code text by air mail to Tokyo.

BUTRICK

711.94/1609 : Telegram

The Acting Secretary of State to the Ambassador in Japan (Grew)

WASHINGTON, July 31, 1940—noon.

286. Your 620, July 26, 6 p. m.

1. The President appreciated receiving Mr. Matsuoka's private message and commented thereon informally in the following sense:

Mr. Matsuoka's assurance of his desire and interest in maintaining world peace and the candor with which he expressed his view on the need of adaptation to world growth and change as a means of realizing world peace are gratifying. Answering Mr. Matsuoka in the same spirit of candor, real and lasting world peace cannot in our opinion be brought about except by orderly processes and by just and fair dealing, which involve respect for the rights of all concerned and which permit nations to realize their legitimate aspirations. All peoples, including the American people and the Japanese people, naturally and rightly have aspirations for security and progress. Changes brought about for these purposes and by these means are beneficial and are regarded with satisfaction by the United States. The existence among leaders of Japan and the United States of zeal for maintenance of world peace offers opportunity, given mutual sincerity and good will, for constructive exploration toward advancing relations between the Governments and peoples of Japan and the United States.

2. Unless you perceive objection, please communicate the sense of the above informally to Mr. Matsuoka.

WELLES

894.002/422

Statement by the Japanese Government, August 1, 1940⁹⁴

The world stands at a great historic turning point, and it is about to witness the creation of new forms of government, economy, and

⁹³ Local negotiations failed to bring about any settlement of this incident and the issue was dropped.

⁹⁴ Issued by the cabinet of Prime Minister Prince Konoye. This is an unofficial translation by the Japanese Foreign Office.

culture, based upon the growth and development of sundry groups of states. Japan, too, is confronted by a great trial such as she has never experienced in history. In order to carry out fully at this juncture our national policy in accordance with the lofty spirit in which the country was founded, it is an important task of urgent necessity to us that we should grasp the inevitable trends in the developments of world history, effect speedily fundamental renovations along all lines of government, and strive for the perfection of a state structure for national defense. Accordingly, the general lines of the country's fundamental national policies have been formulated as follows:

SUMMARY OF FUNDAMENTAL NATIONAL POLICIES

1. *Basic Policy.*

The basic aim of Japan's national policy lies in the firm establishment of world peace in accordance with the lofty spirit of *Hakko Ichiu*, in which the country was founded, and in the construction, as the first step, of a new order in Greater East Asia, having for its foundation the solidarity of Japan, Manchoukuo and China.

Japan will, therefore, devote the total strength of the nation to the fulfilment of the above policy by setting up swiftly an unshakable national structure of her own adapted to meet the requirements of new developments both at home and abroad.

2. *National Defense and Foreign Policy.*

The Government will strive for the repletion of armaments adequate for the execution of the national policies, by taking into consideration the new developments both at home and abroad, and constructing a state structure for national defense, capable of bringing into full play the total strength of the nation.

Japan's foreign policy, which aims ultimately at the construction of a new order in Greater East Asia, will be directed, first of all, toward a complete settlement of the China Affair, and the advancement of the national fortune by taking a far-sighted view of the drastic changes in the international situation and formulating both constructive and flexible measures.

3. *Renovation of Internal Structure.*

What is urgently required in internal administration is the laying of the foundation for a state structure for national defense through a complete renovation of the domestic administration in general, for which purpose the Government expects the realization of the following points:

A. Renovation of education thoroughly in harmony with the fundamental principles of the national polity, and also the establishment of ethical principles of the nation stressing, above all, service to the state and eradicating all selfish and materialistic thoughts.

B. Establishment of a powerful new political structure and a unified control of government affairs.

a. Establishment of a new national structure, of which the keynote lies in the service to the state through the co-operation between government and people, every man according to his sphere of profession or business.

b. Renovation of the Diet as an organ for assisting the Throne, so as to adapt it to the new national structure.

c. Fundamental renovation in the operation of administrative organs, and the reformation of the bureaucracy, aimed at the unity and efficiency of those organs.

C. Laying the foundation of national defense economy, of which the keynote is to lie in the autonomous development of the economy of Japan, Manchoukuo and China with Japan as the center.

a. Establishment of a sphere of co-operative economies, with the Japan-Manchoukuo-China group as one of the units.

b. Inauguration of a planned economy through the co-operation between government and people, and especially the perfection of a unitary control system covering the production, distribution and consumption of important commodities.

c. Establishment of a financial scheme and reinforcement of banking control, directed toward the development of the nation's total economic power.

d. Renovation of the foreign trade policy so as to adapt it to the new world situation.

e. Establishment of the measures for self-sufficiency in the people's daily necessities especially in the principal foodstuffs.

f. An epoch-making expansion of the vital industries—especially heavy, chemical and machine industries.

g. An epoch-making promotion of science, and rationalization of production.

h. Perfection and extension of the communication and transportation facilities so as to adapt them to the new developments at home and abroad.

i. Establishment of land development plans aiming at the enhancement of the total national strength.

j. Inauguration of permanent measures concerning the promotion of the stamina and physical strength of the nation, and especially the fundamental measures concerning the security and development of agriculture and agricultural communities.

k. Rectification of the inequality in individual sacrifices incident to the execution of national policies; full operation of various welfare measures, and renovation of the living mode of the nation, and the maintenance of such standard of living as will enable the nation to lead a plain, solid and vigorous life and to surmount the national crisis by persevering truly through years of hardship.

894.002/422

*Statement by the Japanese Minister for Foreign Affairs (Matsuoka),
August 1, 1940*⁹⁵

I have always said that the mission of Japan is to proclaim and demonstrate the *kodo* (Imperial way) throughout the world. Viewed from the standpoint of international relations, this amounts, I think, to enabling all nations and races to find each its proper place in the world. Accordingly the immediate aim of our foreign policy at present is to establish, in accordance with the lofty spirit of the *kodo*, a great East Asian chain of common prosperity with the Japan-Manchoukuo-China group as one of the links. We shall thus be able to demonstrate the *kodo* in the most effective manner, and pave the way toward the establishment of an equitable world peace. We should be resolved to surmount all obstacles, both material and spiritual, lying in our path. Furthermore, in concert with those friendly Powers which are prepared to co-operate with us, we should strive with courage and determination for the fulfilment of the ideal and the heaven-ordained mission of our country.

*Statement by the Secretary of State, September 4, 1940*⁹⁶

In response to inquiries by press correspondents, the Secretary of State made the following statement:

"On August 15, at a meeting made necessary by notification that the British defense forces at Shanghai would be withdrawn, the Shanghai Defense Committee voted to assign Sector D in the International Settlement Defense Plan to the Japanese defense forces and Sector B to the American defense forces. This decision was reached by a majority vote, the commanding officer of the Japanese forces voting 'No'. The majority vote was subsequently approved by the Shanghai Municipal Council. As the American Consulate General

⁹⁵ Informal translation by the Japanese Foreign Office.

⁹⁶ Reprinted from Department of State, *Bulletin*, September 7, 1940 (vol. III, No. 63), p. 197.

and a considerable number of other important American interests are located in Sector B, which sector lies between the present American sector and the waterfront at which American naval vessels are customarily anchored, the Government of the United States gave its approval and informed the Japanese Government that this plan was agreeable to it.

"In view of the Japanese dissent, neither Sector D nor Sector B has been taken over by the defense forces. Special protection in Sector B is temporarily being provided by the Shanghai Volunteer Corps, pending arrival at an agreement. As this matter is of substantial importance to all concerned, discussions are in progress between this Government and the Japanese Government^{96a} with regard especially to Sector B, and it is the hope of this Government that a reasonable settlement, considerate of all interests involved, for assumption of responsibility in Sector D by the Japanese defense forces and in Sector B by the American defense forces will soon be arrived at."^{96b}

*Extract From Address by the Under Secretary of State (Welles) on "Our Foreign Policy and National Defense" at Cleveland, September 28, 1940*⁹⁷

Unfortunately it is not possible for me to refer with any measure of satisfaction to the course of events in the Far East during these past seven years.

The policy of this Government in the Far East has differed in no way from the policies of this country in relation to other regions of the world. It is true, of course, that the problems which have arisen in our relations with the countries of the Far East have had certain peculiarities because of the earlier rights of extraterritorial jurisdiction accorded to the nationals of occidental powers, along with various other special procedures adopted with special reference to special situations, but as situations have changed, the United States has by processes of negotiation and agreement voluntarily assented to the alteration and removal of these special features.

From time to time the nations directly interested in the Far East have entered into treaties and international agreements which have created a network of common interests, as well as common responsibilities and obligations.

^{96a} See par. (2) of telegram No. 334, September 3, 1940, 6 p. m., to the Ambassador in Japan, p. 291.

^{96b} For further discussion of this subject, see memorandum by the Under Secretary of State, September 20, 1940, vol. I, p. 877.

⁹⁷ Delivered before the Foreign Affairs Council; reprinted from Department of State, *Bulletin*, September 28, 1940 (vol. III, No. 66), p. 243.

In essence the primary requirements of the United States in the Far East may be thus simply set forth: Complete respect by all powers for the legitimate rights of the United States and of its nationals as stipulated by existing treaties or as provided by the generally accepted tenets of international law; equality of opportunity for the trade of all nations; and, finally, respect for those international agreements or treaties concerning the Far East to which the United States is a party, although with the expressed understanding that the United States is always willing to consider the peaceful negotiation of such modifications or changes in these agreements or treaties as may in the judgment of the signatories be considered necessary in the light of changed conditions.

The Government of Japan, however, has declared that it intends to create a "new order in Asia". In this endeavor it has relied upon the instrumentality of armed force, and it has made it very clear that it intends that it alone shall decide to what extent the historic interests of the United States and the treaty rights of American citizens in the Far East are to be observed.

As we here well know, many hundreds of incidents have occurred as a result of which the rights of this country and the rights of our nationals have been violated.

On April 15 of this year, as a result of developments in the European war, the Foreign Minister of Japan, in a public statement, asserted that Japan desired the maintenance of the *status quo* of the Netherlands East Indies.^{97a} On April 17 the Secretary of State made a statement on behalf of the United States expressing the belief of this Government that the best interests of all nations called for maintenance of the *status quo* in the entire Pacific area.^{97a} On repeated occasions since then official spokesmen for the Japanese Government have reiterated their desire for the maintenance of the present status of the Netherlands East Indies, and have further specifically declared that this policy applied not only to the Netherlands East Indies, but to French Indochina as well. Nevertheless, and notwithstanding these official declarations, we are all familiar with the events of the past week which have culminated in measures undertaken by the Japanese military forces which threaten the integrity of the French colony.^{97b}

From the standpoint of reason, of common sense, and of the best practical interests of all of the powers possessing interests in the Far East, there is no problem presented which could not be peacefully solved through negotiation, provided there existed a sincere desire

^{97a} *Post*, p. 281.

^{97b} See pp. 294 ff.

on the part of all concerned to find an equitable and a fair solution which would give just recognition to the rights and to the real needs of all concerned.

Extract From Radio Bulletin No. 239 Issued by the Department of State on October 8, 1940

State Department Press Conference. . . . In reply to inquiries, correspondents had earlier in the morning been informed that in view of the abnormal situation continuing in the Far East, the Department, as it had done heretofore in the Far East and in different parts of Europe, was taking precautionary steps for the safety of American citizens by suggesting that especially women and children, and men who are not detained by essential or urgent considerations, consider coming out of various disturbed areas. It was explained that American consular officials were pointing out to American citizens the advisability of utilizing transportation facilities which are now available, and that the Consuls had been asked to inform the Department of the numbers of Americans who were coming out or considering coming out. It was pointed out that this was a continuation of the policy inaugurated in regard to the Far East in 1937 and in regard to Europe last year. It was explained that it applied to Japan, China, Hong Kong, Indochina, Manchuria, the Kwantung Leased Territory, Korea and Formosa. . . .

711.94/1746 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

Tokyo, October 9, 1940—7 p. m.

[Received October 9—12:35 p. m.⁹⁸]

962. For the first time in several weeks I went to the country on October 9, but the Vice Minister for Foreign Affairs (Ohashi) urgently requested me to return to Tokyo so that he might see me, without delay, on behalf of the Minister for Foreign Affairs. We talked for about an hour and it was evident that the Foreign Minister is worried on two points: (a) reports received by him through Suma^{98a} that a total embargo against Japan has been decided upon by the Government of the United States; and (b) reports from Washington that the evacuation of American citizens from the Far East has been

⁹⁸ Telegram in two sections.

^{98a} Of the Japanese Foreign Office; formerly Counselor of the Japanese Embassy in the United States.

"ordered" by the American Government. I stated that I had no information concerning the first point, and that with regard to the second, advice had been given to Americans in the Far East as a precautionary measure but no "order" had been issued. The "embargo" on iron and steel scrap was referred to by the Vice Minister and I informed him of the substance of paragraphs (a) and (b) of the Department's telegram No. 383 dated October 8, 1940, 6 p. m.⁹⁹ I had received this telegram a few minutes before the conversation.

That Japan desires peace with the United States and has no intention of attacking us, was a thesis dwelt upon at length by Mr. Ohashi. I said that the United States feels likewise toward Japan and that, as the Vice Minister knows, the American people are strongly peace-minded, but that both the American Government and people have been made less certain of Japan's real intentions by inflammatory utterances made recently by Japanese statesmen. I added that the American reaction to those utterances is exactly what should have been expected before the statements were made public, and I mentioned our preparedness program and the inevitable effect on it of the Japanese utterances.

Confidentially, I received the clear impression from the nature of the conversation and the marked urgency with which I was called, that the Minister for Foreign Affairs is seriously disturbed by the course of developments in the United States resulting from the Japanese Government's recent actions and statements.

The conversation was called "private and off the record" by Mr. Ohashi.

GREW

711.94/1855

Memorandum by the Assistant Secretary of State (Berle)

[WASHINGTON,] October 17, 1940.

The Japanese Ambassador came in today to say good-bye. He thanked me for my personal courtesies, adding that he regretted the difficult relations now prevailing between this country and Japan, and hoped that they would improve.

I said I hoped so, too. I said that I had nothing of course to add to the statement of our position made by Secretary Hull and Mr. Welles, but I did wish to add a personal word, on my own account.

There appeared to be a feeling in Japan, and also in other countries, that this country could accept regional divisions based on purely Machiavellian considerations. It was not realized, generally, that this country endeavored to govern by principles to which it held quite as

⁹⁹Not printed; but see memorandum by the Secretary of State, October 8, 1940, p. 225.

tenaciously as any totalitarian government. We did not believe in regional or other arrangements based purely on force politics. We had challenged the domination attempted by Napoleon; and had maintained throughout all our history the hope of a free world in which relations were carried on under law on a basis of common sense, courtesy and kindness. We were totally unable to accept anything else.

The Ambassador said that he knew I was perfectly familiar with the Japanese point of view, namely, that they were not seeking domination but merely seeking cooperation, but that once the struggle had begun, it was difficult for statesmen to find a solution.

I said that without commenting on that I ventured to express my personal regret that Japan had allowed itself to become tied to the exigencies of a European struggle.¹ We had seen the German-Italian alliance, and now saw the Italians in the position almost of prisoner. We had seen the Russo-German agreement, and now Russia was threatened, north, east and west. We saw an apparent domination by force on the continent, and were persuaded that this was the most transitory of arrangements: Europe has seen many such temporary dominations before, and they have never lasted.

The Ambassador alluded to some of the economic difficulties of Japan.

I said that probably the Ambassador was aware that the United States had stood ready at all times, once granted that force politics and conquest were abandoned, to endeavor to assist its neighbor countries so far as possible in all economic ways. We had endeavored to make this clear before the European conflict broke out. I personally hoped that the day might come when once more, dreams of conquest and military power being laid aside, we could begin to discuss possible solutions of economic problems which might ameliorate the life of the individuals for whom governments were, at long last, responsible. I said that I still felt that if that day were ever reached, this country would again stand ready to be of such help as it could.

The Ambassador said, somewhat sadly, that these were difficult times. He hoped relations would improve; meanwhile, he could only hope that those who could look ahead might give wise counsel. Were the war to become a true world war, he felt that it would be not only a tragedy for both countries, but for humanity in general.

A. A. BERLE, Jr.

¹ For text of the tripartite alliance, see p. 165.

793.94119/718

*Treaty and Agreements Between Japan and the Wang Ching-wei Regime in Japanese-occupied China, Signed at Nanking, November 30, 1940*²

TREATY CONCERNING THE BASIC RELATIONS BETWEEN JAPAN AND CHINA

The Imperial Government of Japan and

The National Government of the Republic of China:

Being desirous that these two countries should respect their inherent characteristics and closely cooperate with each other as good neighbours under their common ideal of establishing a new order in East Asia on an ethical basis, establishing thereby a permanent peace in East Asia, and with this as a nucleus contributing toward the peace of the world in general, and

Desiring for this purpose to establish fundamental principles to regulate the relations between the two countries, have agreed as follows:

Article 1

The Governments of the two countries shall, in order to maintain permanently good neighbourly and amicable relations between the two countries, mutually respect their sovereignty and territories and at the same time take mutually helpful and friendly measures, political, economic, and cultural and otherwise.

The Governments of the two countries agree to eliminate, and to prohibit in the future, such measures and causes as are destructive of the amity between the two countries in politics, diplomacy, education, propaganda and trade and commerce, and other spheres.

Article 2

The Governments of the two countries shall closely cooperate for cultural harmony, creation and development.

Article 3

The Governments of the two countries agree to engage in joint defense against all destructive operations of communistic nature that jeopardize the peace and welfare of their countries.

The Governments of the two countries shall, in order to accomplish the purpose mentioned in the preceding paragraph, eliminate communistic elements and organizations in their respective territories, and at the same time cooperate closely concerning information and

²Translations by the Japanese Foreign Office. Signatories were General Nobuyuki Abe (Japan) and Wang Ching-wei (Nanking).

propaganda with reference to the defense against communistic activities.

Japan shall, in order to carry out the defense against communistic activities through collaboration of the two countries, station required forces in specified areas of Mengchiang² and of North China for the necessary duration, in accordance with the terms to be agreed upon separately.

Article 4

The Governments of the two countries undertake to cooperate closely for the maintenance of common peace and order until the Japanese forces sent to China complete their evacuation in accordance with the terms as provided for separately.

The areas for stationing Japanese forces for the period requiring the maintenance of common peace and order and other matters pertaining thereto shall be determined as agreed separately between the two countries.

Article 5

The Government of the Republic of China shall recognize that Japan may, in accordance with previous practices or in order to preserve the common interests of the two countries, station for a required duration its naval units and vessels in specified areas within the territory of the Republic of China, in accordance with the terms to be agreed upon separately between the two countries.

Article 6

The Governments of the two countries shall effect close economic cooperation between the two countries in conformance with the spirit of complementing each other and ministering to each other's needs, as well as in accordance with the principles of equality and reciprocity.

With reference to specific resources in North China and Mengchiang, especially mineral resources required for national defense, the Government of the Republic of China undertake that they shall be developed through close cooperation of the two countries. With reference to the development of specific resources in other areas which are required for national defense, the Government of the Republic of China shall afford necessary facilities to Japan and Japanese subjects.

With regard to the utilization of the resources referred to in the preceding paragraph, while considering the requirements of China, the Government of the Republic of China shall afford positive and full facilities to Japan and Japanese subjects.

The Governments of the two countries shall take all the necessary measures to promote trade in general and to facilitate and rationalize

² Inner Mongolian provinces of Chahar, Suiyuan, and Ninghsia.

the demand and supply of goods between the two countries. The Governments of the two countries shall extend specially close cooperation with respect to the promotion of trade and commerce in the lower basin of the Yangtze River and the rationalization of the demand and supply of goods between Japan on the one hand and North China and Mengchiang on the other.

The Government of Japan shall, with respect to the rehabilitation and development of industries, finance, transportation and communication in China, extend necessary assistance and cooperation to China through consultation between the two countries.

Article 7

According to the development of the new relations between Japan and China under the present Treaty, the Government of Japan shall abolish extraterritorial rights possessed by Japan in China and render to the latter its concessions; and the Government of China shall open its territory for domicile and business of Japanese subjects.

Article 8

The Governments of the two countries shall conclude separate agreements regarding specific items which are necessary to accomplish the object of the present treaty.

Article 9

The present Treaty shall come into effect from the date of its signature.

In witness whereof the undersigned, duly authorized by their respective Governments, have signed the present Treaty and have affixed thereto their seals.

Done in duplicate, in the Japanese and Chinese languages, at Nanking the 30th day of the 11th month of the 15th year of Syowa, corresponding to the 30th day of the 11th month of the 29th year of the Republic of China.

ANNEXED PROTOCOL

In proceeding this day to the signature of the Treaty concerning the Basic Relations between Japan and China, the Plenipotentiaries of the two countries have agreed as follows:

Article 1

The Government of the Republic of China, understanding that, during the period in which Japan continues the warlike operations

it is at present carrying on in the territory of China, there exists a special state of affairs attendant upon such warlike operations, and that Japan must take such measures as are required for the attainment of the object of such operations, shall accordingly take the necessary measures.

Even during the continuation of the said warlike operations, the special state of affairs referred to in the preceding paragraph shall, in so far as there is no obstacle to the attainment of the object of the operations, be adjusted in accordance with the changing circumstances and in conformity with the Treaty and its annexed documents.

Article 2

While the affairs previously administered by the Provisional Government of the Republic of China, the Reformed Government of the Republic of China and others have been taken over and temporarily maintained as they are by the Government of the Republic of China, those which require adjustment but are not yet adjusted shall be adjusted in conformity with the purpose of the Treaty and its annexed documents through consultation between the two countries, as promptly as circumstances may permit.

Article 3

When general peace is restored between the two countries and the state of war ceases to exist, the Japanese forces shall commence evacuation with the exception of those which are stationed in accordance with the Treaty concerning the Basic relations between Japan and China signed today and the existing agreements between the two countries, and shall complete it within two years with the firm establishment of peace and order; and the Government of the Republic of China shall guarantee the firm establishment of peace and order during this period.

Article 4

The Government of the Republic of China shall compensate the damages to rights and interests suffered by Japanese subjects in China on account of the China Affair since its outbreak.

The Government of Japan shall, with respect to the relief of the Chinese rendered destitute by the China Affair, cooperate with the Government of the Republic of China.

Article 5

The present Protocol shall come into effect simultaneously with the Treaty.

In witness whereof the Plenipotentiaries of the two countries have signed this Protocol and have affixed thereto their seals.

Done in duplicate, in the Japanese and Chinese languages, at Nanking the 30th day of the 11th month of the 15th year of Syowa, corresponding to the 30th day of the 11th month of the 29th year of the Republic of China.

AGREED TERMS OF UNDERSTANDING BETWEEN THE PLENIPOTENTIARIES
OF JAPAN AND CHINA CONCERNING THE ANNEXED PROTOCOL

In proceeding this day to the signature of the Treaty concerning the Basic Relations between Japan and China, the following understanding has been reached between the Plenipotentiaries of the two countries in connection with the stipulations of Articles 1 and 2 of the Annexed Protocol of the Treaty.

1. With regard to those various organs for collecting taxes in China which are at present in a special condition owing to military necessity, an adjustment shall be made promptly in accordance with the spirit of respecting the financial independence of China.

2. With regard to those industrial, mining and commercial establishments under governmental or private management which are at present controlled by Japanese forces, the necessary measures shall be taken for their prompt transfer to Chinese management in a rational manner, with the exception of those which are of enemy character or under special circumstances of unavoidable character including military necessity.

3. In case any Sino-Japanese joint enterprise requires modification in the evaluation of original assets, the proportion of capital investments and other matters, measures for their rectification shall be taken in accordance with the terms to be agreed upon separately through consultation between the two countries.

4. The Government of the Republic of China shall, in case they find it necessary to institute control on foreign trade, effect such control autonomously. They may not, however, infringe upon the principle of Sino-Japanese economic cooperation mentioned in Article 6 of the Treaty; and they shall consult with Japan with regard to such control during the continuation of the China Affair.

5. With regard to matters pertaining to transportation and communication in China which require adjustment, they shall be adjusted, as promptly as circumstance may permit, in accordance with the terms to be agreed upon separately through consultation between the two countries.

Done in duplicate, in the Japanese and Chinese languages at Nanking the 30th day of the 11th month of the 15th year of Syowa, corresponding to the 30th day of the 11th month of the 29th year of the Republic of China.

793.94119/718

Joint Declaration by the Governments of Japan, "Manchukuo", and the Wang Ching-wei Regime in Japanese-occupied China, Signed at Nanking, November 30, 1940⁴

The Imperial Government of Japan;

The Imperial Government of Manchoukuo; and

The National Government of the Republic of China:

Being desirous that the three countries should respect one another's inherent characteristics and closely cooperate with one another as good neighbours under their common ideal of establishing a new order in East Asia on an ethical basis, constituting thereby the mainstay of a permanent peace in East Asia, and with this as a nucleus contributing toward the peace of the world in general, declare as follows:

1. Japan, Manchoukuo and China will respect mutually their sovereignty and territories.

2. Japan, Manchoukuo and China will bring about general co-operation on a reciprocal basis among the three countries, especially a good neighbourly friendship, common defense against communistic activities and economic cooperation, and for that purpose will take all the necessary measures in every direction.

3. Japan, Manchoukuo and China will promptly conclude agreements in accordance with the present Declaration.

Done at Nanking on this the 30th day of the 11th month of the 15th year of Syowa, corresponding to the 30th day of the 11th month of the 7th year of Kangte, and to the 30th day of the 11th month of the 29th year of the Republic of China.

793.94119/703 : Telegram

The Ambassador in China (Johnson) to the Secretary of State

CHUNGKING, December 1, 1940—10 a. m.

[Received December 1—10 a. m.]

595. Following is English text furnished the Embassy by the Foreign Office of statement issued by the Chinese Minister for Foreign Affairs on November 30:

"The conclusion by Japan with the puppet organization at Nanking of what purports to be a treaty is but the culmination of series of aggression acts on her part designed to overthrow law and order not only in China, but in the whole Pacific. Having set up a regime to suit their own purposes, the Japanese have now signed with it

⁴Translation by the Japanese Foreign Office. Signatories were General Nobuyuki Abe (Japan), Wang Ching-wei (Nanking), and Tsang Shih-yl ("Manchukuo").

the so-called treaty to facilitate the execution of their policy of domination and expansion in the Far East. Such a regime is in reality a part of the Government at Tokyo planted on Chinese soil, to be used by the Japanese militarists as an instrument for the realization of their scheme.

The National Government of the Republic of China has repeatedly declared, and desires to reiterate most emphatically, that Wang Ching-wei is the arch-traitor of the Republic and that the puppet regime at Nanking is an illegal organization whose acts of whatever character are null and void in respect of all Chinese citizens and all foreign countries. The so-called treaty just signed at Nanking is totally devoid of legality and has no binding force whatever.

Should any foreign country choose to accord recognition to the puppet organization, the Government and people of China would consider it a most unfriendly act and would be constrained to discontinue their normal relations with such a country.

Whatever Japan may attempt or conspire to do in China or in the Pacific, China is determined to fight on till victory is won, and she is confident of victory because to freedom and right and justice victory inevitably belongs."

Sent to the Department, repeated to Shanghai, Peiping, Nanking. Peiping mail to Tokyo.

JOHNSON

711.94/1939

*Address Delivered by the Japanese Minister for Foreign Affairs (Matsuoka) at the America-Japan Society Luncheon at Tokyo on December 19, 1940*⁵

MR. CHAIRMAN, EXCELLENCIES, LADIES AND GENTLEMEN.

It is an honor as well as a pleasure for me to be invited to this distinguished and delightful gathering. I am very happy to take part in this reunion of good old friends who are all devoted to the cause of promoting better understanding between Japan and America. In fact, I feel so comfortably at home among you, that I am tempted to confide you a bit of private information as to how I came to be accorded the treatment, thanks to Admiral Nomura, of a free luncheon in this time of stress and strictly managed economy, and that at the expense of the good members of the America-Japan Society.

When I approached Admiral Nomura for the post of Ambassador to the United States, the Admiral, showing not the slightest consideration for our old friendship, was adamant in his refusal. At first it looked hopeless. The obstinate, I might even say obdurate, Admiral stuck to his guns. But I refused to be scared away. I went back at him again and again, and many a friend of both his and mine levelled guns at him. In truth, I pitted my stubbornness against his

⁵ Reprinted from the *Japan Times and Advertiser* (Tokyo) of December 19, 1940.

stubbornness, and as days sped on I became even curious to see which will rub away, his or mine. Finally, at the end of three months' siege and attack, this stubborn Admiral capitulated. Certainly I was proud of my victory. However, I came very soon to realize that I fought the battle on my own ground, i. e. *terra firma*, and not in the sailor's element. That was not fair for the Admiral, but it was a thing on which Japan is to be congratulated and may be for America, too. In any case, I wouldn't see myself compelled to meet him on the high seas!

Admiral Nomura needs no introduction. He is referred to in our press as a "Big Gun." You know he is in every sense a "Big Gun," physically and mentally, and feel sure that it is powerful and big enough a gun to shatter any and all possibility or potentiality, if there is any, of clash in the Pacific.

Admiral Nomura is not a professional diplomat, and yet he is a highly gifted diplomat. That has been abundantly demonstrated at Washington, D. C. and other posts abroad as well as during the tenure of his office as Foreign Minister in the Abe Cabinet.^{5a} He is, moreover, a distinguished sailor, as you all know. Each sail that skims the horizon braves the dangers of the sea and the skipper is responsible for the safety of the entire crew. The very quality that distinguishes a successful sailor, it appears to me, is also the quality needed for a successful diplomat. The vast and deep ocean upon which stately ships move is eminently suited to cultivate a largeness of mind and foster self-confidence and common sense. It builds up, in short, a character that inspires confidence. In the person of our new Ambassador, the American people will find a true Japanese, every inch of that six footer, but at the same time a vehicle of international trust and confidence. We must recover confidence among nations, that is what the world so badly needs at this moment!

I am confident that Admiral Nomura will prove a worthy successor to Mr. Horinouchi who, ably assisted by his charming wife, has won the heart of the Americans. Might I be permitted to take advantage of this occasion publicly to tender Mr. and Mrs. Horinouchi my deepest appreciation and thanks for their untiring efforts for the cause of American-Japanese friendship?

I think the days of small things are now definitely over. We must think big and act big. It is no time to deal in small change. We must trade in larger currency—or rather, ingots of gold. Namely, we must see eye to eye regarding each other's position and policy. In this connection, it may not be irrelevant to recall a witty French saying: "an equivalent of Napoleon does not make a Napoleon." I admit that it is not quite proper to compare Admiral Nomura to Napoleon

^{5a} August 30, 1939-January 14, 1940.

but, for obvious reasons, the French never had a coin named after Nelson.

The appointment of Admiral Nomura, I may say, is an eloquent indication of what my Government have in mind in regard to Japan's relations with the United States of America. I owe it to candor to admit that the relations between our two countries are severely strained at this moment. Now, the causes that have brought about the present unfortunate deterioration are, of course, many and manifold, but the fundamental cause, let me be frank, is American misapprehension of Japan's aims and aspirations. I shall forego to explain at length our viewpoint, lest I should spoil your appetite. Only let me observe a few words.

Contrary to impressions current in America and elsewhere, Japan is not waging an imperialist war of greed and aggression in China. It is not a war of conquest or covetous ambitions. We are engaged in a moral crusade. You may, if you like, ladies and gentlemen, laugh or shrug your shoulders at it, but I am sure time will prove it; fifty years hence, or in less a time, history will testify to it. We are fighting not for destruction but for construction. We are endeavouring to initiate an era of enduring peace and unlimited prosperity, based on justice, equity and mutuality, in Greater East Asia where we firmly believe we have a great mission as the civilizing and stabilizing force.

We stand for peace and order. We shut the door nowhere and to none. Any nation that desires to take a hand in this great task is welcome. But mind you, there shall be, "no conquest, no oppression, no exploitation under the New Order which we conceive." We are as much against Japan herself committing these iniquities in the future. We will not be induced to deflect from our settled course, whatever the pressure or whoever the detractor. This, in short, is the basic attitude of my Government. When I say we must trade in larger currency, I mean to imply that rather than quarrel about minor grievances, we should try to look in a big way at the fundamentals of the situation now confronting us.

Japan's ideal, the ideal bequeathed from time immemorial, from the time of the very foundation of the Empire, is to enable all nations to take their proper places in the world. It is my humble opinion that the world should be reorganized and reformed in a more rational way as, for instance, crystals are formed according to the law of nature. Minerals of different nature agree between themselves as to which of them shall give way to the other at their junction, and take their permitted shapes and allotted shares of space, yielding or being yielded to, as they build up a perfect crystal. When the international society is crystalized in a similar manner in accordance

with the spirit of justice and equity, then and then only will a genuine and lasting peace prevail throughout the world. The new order we envisage is a realization of such an international society, which we intend to begin by setting up in this part of the world under our leadership. The Pact of Alliance recently concluded by Japan, Germany and Italy points to the same goal.

It seems to me that this world of ours is too wide politically and too narrow economically. While economic activities should be world wide and should suffer no limitation, our political efforts had better be restricted to only those spheres in which we are vitally interested, and not be extended to other people's domains. If regional peace is effectively secured through regional understanding, the world will, by its aggregation, be able to enjoy a universal peace. This has been my idea all through since the adoption of the Covenant of the League of Nations at the Versailles Conference. The recent Havana Conference is a case in point, being an attempt to ensure peace and order in the Western Hemisphere through a regional cooperation.

Speaking of the Three Power Pact, a section of the American people have, wilfully or otherwise,* misunderstood our purpose and are accusing Japan of harboring hostile intentions toward America. Nothing can be more absurd and untrue. Japan has no desire whatsoever to antagonize America, or for that matter, any nation. We want to maintain and even enhance our friendly relations with all nations.

We only desire, on one hand, to be left alone, so that we may carry on our constructive work unhindered, and on the other hand, to see the trouble in China and the war in Europe brought speedily to an end, without adding more participants, particularly such a powerful one as America. Imagine just for a moment that America joined the European war or came to a clash with Japan in the Pacific. What then? If any bit of human feeling or an atom of instinct for self-preservation is left in you, ladies and gentlemen, wouldn't you shudder at the very thought? Would not a kind of ice-water shoot down your spine?

There would loom up every chance of facing at last the Armageddon that would end in a total destruction of our culture and civilization. I do beseech my American friends to think twice, thrice, nay, ten, hundred or thousand times before they take a leap that may prove fatal to all Humanity. In this connection, I wish to leave no doubt whatever in the mind of any American citizen the fact that Japan is, and will remain, loyal to her Allies; that Japan's foreign policy will revolve in the future around the Three Power Pact as its pivot, as it

* In Japanese as "maliciously." [Footnote on file copy evidently inserted by the American Embassy in Japan.]

did around the pivot of the Anglo-Japanese Alliance in the past when that Alliance was in force. This, of course, implies no threat. It is a simple statement of truism made in order to prevent possible misapprehension. For, an illusion on an issue like this will bring no good to anyone.

At this point, permit me to refer only cursorily to the China problem. After all, the fate of China is largely a question of sentiment to the Americans, but to us it constitutes a truly vital issue affecting, as it does, the very existence of our Empire. We are confident regarding the future and are not without hope as to an early restoration of peace in China which by the way, will automatically liquidate the difficult situation which has engendered the present tension between Japan and America. In this sense, the new Chinese Central Government at Nanking may be regarded as the harbinger of better times, "Daffodils that come before the swallow dares." It is my firm conviction that once the basic and broader aspect of the situation is rightly taken in by the Americans, they will not only not oppose our endeavors but will even join efforts with us in furthering our high aims. My proposition is that we, both of us, shall not blink at realities, however unpalatable they happen to be, but shall try earnestly and honestly to understand each other's position with sympathy and in a spirit of mutual accommodation. For this, we must clear our mind of cant and avoid the folly of "rubbing the sore when one should bring the plaster" which sometimes thoughtless, not to say malevolent, people are apt to do.

The public is often the dupe of public opinion. Giddy minds and foreign affairs make an undesirable company. Some people simply cannot think of international relations but in terms of clash and conflict. Somehow they cannot think in terms of concord and co-operation. There are pessimists, not to say alarmists, in both countries who believe in the inevitability of a major conflict in the Pacific. That would surely spell the downfall of mankind. Do we not owe it to Humanity, both Japan and America, to unite our efforts and do our best to avert such an awful calamity?

In wishing God speed to Admiral Nomura, I pray most fervently, that he may successfully fulfill his mission which is to usher in a happier period of mutual trust and better understanding between our two great nations. Waves may rise high in the Pacific Ocean but we trust in the courage and resourcefulness of Admiral Nomura as a skillful and tried seaman safely to take us to the port. Neither shall we forget the fact that although we only see the white sail tossing on the rough sea, the ship does not lose its balance because of the ballast which remains invisible to our eyes. That ballast is the common sense of our two peoples.

And so I close this address with an earnest appeal to the common sense of our two peoples to maintain calm judgment and quiet self-restraint, in the face of the appalling and unprecedented world situation. Let us keep our heads clear and cool. Let us go slow and take time. Let us try to learn and make sure. There is ample time for us to think and make up our mind. Eternity before us, why over-hurry? Half a century is but a passing moment and will fill merely one brief paragraph in a history book.

Is it too much for Japan to ask for so much of a minute, just half a century or even less, in which to prove herself to the world? Time is the great curer of human travail. Let us all have a bit of patience. This is my appeal.

711.94/1939

Address Delivered by the Japanese Ambassador to the United States (Nomura) at the America-Japan Society Luncheon at Tokyo on December 19, 1940

MR. CHAIRMAN, EXCELLENCIES, LADIES AND GENTLEMEN,

I am a plain sailor. I was brought up amid tall masts and crowded sails, and am accustomed to rough seas. I am, however, a complete stranger to the elegant society, its speech and its manner. In spite of my brief experience as Foreign Minister, I am not meant to be an Ambassador. Indeed, a sailor is quite helpless on the land; he is reduced to perfect impotence, like a stranded boat. In the tangled wood of diplomacy, he would be just as good as lost. Being well aware of my ignorance how to shine in graceful society and how to walk upon the tight rope of diplomacy at this critical juncture, I first declined Mr. Matsuoka's kind offer although I greatly appreciated it as a mark of confidence which I know I hardly deserve. I held out as long as I could and then gave in. I could defeat an Invincible Armada but not Mr. Matsuoka—because he refuses to acknowledge his defeat.

However, both the Foreign Minister and I were agreed to one thing from the first: the necessity of improving drastically the relations between Japan and America which have deteriorated so much of late. I felt frankly disturbed by the ominous trend of affairs which, if left unchecked, may possibly bring about an acute tension between the two countries who have no reason to quarrel but every reason to remain friends. After much hesitation, therefore, I decided to accept the offer, rather in the heroic spirit of a common soldier who is called to the Colours. Swim or sink, survive or perish, I do not care. Only am I anxious to serve—serve the cause of better understanding between our two nations.

When the Four Power Pacific Treaty^{5b} was announced at the Washington Conference the late Senator Lodge quoted a well known poet to describe the Pacific islands:—

“Sprinkled Isles
Lily over lily that overlaces the sea.”

These islands are still there, same as old in spite of swift and surprising changes we have been witnessing in international situation. I believe that God has ordained these “sprinkled isles” to serve not as hostile bases but as stepping stones of goodwill between the two shores of the Pacific Ocean—Japan and America.

Ladies and Gentlemen, Light has gone out in Europe where nations have been thrown into a fearful vortex of a great war. Let us, Japan and America, guard the peace of the Pacific the only bright light of hope that is left to mankind.

711.94/1939

Remarks by the Ambassador in Japan (Grew) at the America-Japan Society Luncheon at Tokyo, December 19, 1940

[Extract]

In once more expressing to His Excellency the Foreign Minister the appreciation of the Society of his giving of his valuable time to join us today, I wish to thank the Minister on behalf of us all for his enlightening address. My own comments on his address will be restricted to a minimum.

His Excellency has brought out certain points with which we must all agree, especially with Mr. Matsuoka's expressed desire for peace, his appeal for calm judgment and his good wishes for the success of Admiral Nomura's mission. Other points brought out were of a controversial nature.

I cannot deal severally with those points today. Yet with all due respect I must relieve the Minister of his misapprehension that the interest of the American people in China is largely sentimental. I am particularly glad to take note of the Minister's statement that in the Japanese program the door is to be shut nowhere and to no one and that this program envisages no conquest, no oppression, no exploitation.

The Minister has lived long enough in the United States to know that the American people are fundamentally peace-minded and furthermore that they stand for justice and equity. He also knows that the American people are firmly determined on certain matters among which on the one hand are their obligations and on the

^{5b} Signed December 13, 1921; *Foreign Relations*, 1922, vol. I, p. 33.

other hand their rights. Their profoundest wish is to see peace, prosperity, security, stability and happiness assured to all nations.

In the present state of world affairs we must inevitably realize that what counts in international relationships today, and what we all have to face in formulating our several opinions, is the concrete evidence of facts and actions, regardless of the persuasive garb in which such facts and actions may be dressed.

Let us say of nations as of men: "By their fruits ye shall know them."

1941

Statement by the Secretary of State Before the Foreign Affairs Committee of the House of Representatives, January 15, 1941^{5a}

[Extract]

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS: We are here to consider a bill designed to promote the defense of the United States. I shall not discuss the technical details of the proposed measure, since that will be done by other departments of the Government more directly concerned with these matters. I shall place before you briefly the controlling facts relating to the manner in which the dangers that now confront this Hemisphere and, therefore, this nation have arisen, and the circumstances which render imperative all possible speed in our preparation for meeting these dangers.

During the past eight years, our Government has striven, by every peaceful means at its disposal, to secure the establishment in the world of conditions under which there would be a reasonable hope for enduring peace. We have proceeded in the firm belief that only if such conditions come to exist will there be a certainty that our country will be fully secure and safely at peace. The establishment of such conditions calls for acceptance and application by all nations of certain basic principles of peaceful and orderly international conduct and relations.

Accordingly, in the conduct of our foreign relations, this Government has directed its efforts to the following objectives: (1) Peace and security for the United States with advocacy of peace and limitation and reduction of armament as universal international objectives; (2) support for law, order, justice, and morality and the principle of non-intervention; (3) restoration and cultivation of sound economic methods and relations, based on equality of treatment; (4) development, in the promotion of these objectives, of the fullest practicable measure of international cooperation; (5) promotion of the security, solidarity, and general welfare of the Western Hemisphere.

Observance and advocacy of the basic principles underlying these policies, and efforts toward their acceptance and application, became increasingly important as three nations, one after another, made

^{5a} Reprinted from Department of State, *Bulletin*, January 18, 1941 (vol. IV, No. 82), p. 85.

abundantly clear, by word and by deed, their determination to repudiate and destroy the very foundations of a civilized world order under law and to enter upon the road of armed conquest, of subjugation of other nations, and of tyrannical rule over their victims.

The first step in this fatal direction occurred in the Far East in 1931 with forceful occupation of Manchuria in contravention of the provisions of the Nine Power Treaty and of the Kellogg-Briand Pact. The equilibrium in the Far East which had been established by the Washington Conference treaties of 1921-1922 became seriously disturbed by the setting up by forceful means in a part of China of a regime under Japanese control under the name of "Manchukuo". This control over Manchuria has been marked by the carrying out of a policy of discrimination which has resulted in forcing out American and other foreign interests.

During the years that followed, Japan went steadily forward in her preparations for expansion by force of arms. In December 1934, she gave notice of her intention to terminate the naval treaty of February 6, 1922. She then proceeded with intensified construction of military and naval armaments, at the same time undertaking, from time to time, limited actions directed toward an extension of her domination over China and involving disregard and destruction of the lawful rights and interests of other countries, including the United States.

In July 1937, the armed forces of Japan embarked upon large-scale military operations against China. Invading forces of more than a million men occupied large areas along the seaboard and in the central provinces. In these areas there were set up puppet regimes which instituted systems of controls and monopolies discriminatory in favor of the interests of the invading country.

It has been clear throughout that Japan has been actuated from the start by broad and ambitious plans for establishing herself in a dominant position in the entire region of the Western Pacific. Her leaders have openly declared their determination to achieve and maintain that position by force of arms and thus to make themselves masters of an area containing almost one half of the entire population of the world. As a consequence, they would have arbitrary control of the sea and trade routes in that region.

Previous experience and current developments indicate that the proposed "new order" in the Pacific area means, politically, domination by one country. It means, economically, employment of the resources of the area concerned for the benefit of that country and to the ultimate impoverishment of other parts of the area and exclusion of the interests of other countries. It means, socially, the destruction of personal liberties and the reduction of the conquered peoples to the role of inferiors.

It should be manifest to every person that such a program for the subjugation and ruthless exploitation by one country of nearly one half of the population of the world is a matter of immense significance, importance, and concern to every other nation wherever located.

Notwithstanding the course which Japan has followed during recent years, this Government has made repeated efforts to persuade the Japanese Government that her best interests lie in the development of friendly relations with the United States and with other countries which believe in orderly and peaceful processes among nations. We have at no time made any threats.

[The remainder of the statement deals with conditions resulting from the European War.]

711.94/1935 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Paraphrase]

TOKYO, January 27, 1941—6 p. m.

[Received January 27—6:38 a. m.]

125. A member of the Embassy was told by my . . . colleague that from many quarters, including a Japanese one, he had heard that a surprise mass attack on Pearl Harbor was planned by the Japanese military forces, in case of "trouble" between Japan and the United States; that the attack would involve the use of all the Japanese military facilities. My colleague said that he was prompted to pass this on because it had come to him from many sources, although the plan seemed fantastic.

GREW

711.94/1936 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, January 27, 1941—7 p. m.

[Received January 27—9:55 a. m.⁶]

126. Foreign Minister Matsuoka's remarks in the session of the House of Representatives Budget Committee yesterday, first published here this morning, are summarized as follows:

1. The time has passed for Japan and the United States to engage in arguments but since the interpellator has raised the question, certain points in Secretary Hull's statement require clarification. His statement is based on erroneous thinking and his language is violent. The assertion that the Manchurian incident was the first step toward destruction of civilization is based on a superficial point of view.

⁶ Telegram in three sections.

Rather, the Anglo-Saxon support of the *status quo* in East Asia, except [*sic*] when such *status quo* was injurious to Japan, must be blamed. Chinese resistance must be in large part attributed to Anglo-Saxon encouragement. An extremely generous Japanese policy served only to make the Chinese think that Japan would suffer all insults. Traditional Japanese patience was finally exhausted and the Marco Polo Bridge attack carried out.

2. American statesmen do not want to understand Japan's policy. We are endeavoring unsuccessfully to urge the Americans to reflection. "Since the United States has no correct understanding of Japan's thoughts and actions we have no recourse but to proceed toward our goal. We cannot change our convictions to accommodate the American viewpoint. There is nothing left but to face America, though we shall continue without disappointment or despair to try to correct the fundamental misconceptions held by that nation."

3. During the tenure of the two previous Cabinets there seemed to be some effort on the part of the American Government to reach an understanding with Japan. Mr. Hull is pardoned on this point. However, it has become evident that American conditions are the withdrawal of Japanese troops from China and abandonment of [*or?*] 50% curtailment of Japan's continental and southward advance policies. "Not one Japanese in the Empire would assent to the abandonment of these policies." This American demand is equivalent to Japan's offering friendship to America in return for abandonment of the Monroe Doctrine, admission that predominance in the Western Hemisphere is wrong and immediate granting of independence to the Philippines.

4. The United States seems to consider all of Asia and the South Seas as first line of defense. Japan's domination of the Western Pacific is absolutely necessary to accomplish her national ideals. "My use of the word 'dominate' may seem extreme and while we have no such designs, still in a sense we do wish to dominate and there is no need to hide the fact. Has America any right to object if Japan does dominate the Western Pacific?"

"As Minister of Foreign Affairs, I hate to make such an assertion, but I wish to declare that if America does not understand Japan's rightful claims and actions, then there is not the slightest hope for improvement of Japanese-American relations." Japan will still not give up the small hope remaining that a change in American attitude can be brought about.

5. America's stiffened attitude may be partially attributed to an illusion that Japan's military power is weakened, and to the rumors that certain influential quarters in Japan secretly oppose the tripartite pact⁸ and say that Japan will not follow its obligations even though the United States should enter the war. However, the provisions of article 3 of the treaty will come into effect in almost every case except that of an overt German attack upon the United States. If the treaty is invoked after consultation of the three powers it is not believed that Japan will without reason take the narrow viewpoint and for its own selfish advantage remain an onlooker in the war even though it means staking the fate of the nation on the outcome.

⁸ See pp. 165 ff.

6. Relations with Soviet Russia have considerably improved. An agreement has been reached to open negotiations for an important treaty. England and America are watching the progress of Japanese-Soviet relations with the greatest interest.

GREW

711.94/1953a : Telegram

The Secretary of State to the Ambassador in Japan (Grew)

[Substance]

WASHINGTON, February 4, 1941—11 p. m.

80. Reference is made to your No. 126 of January 27, 7 p. m., final sentence in paragraph No. 1. Assuming that you lack an official text, the Department would be interested in a close comparison by the Embassy of available press reports in order to determine whether Minister Matsuoka indicated that the attackers at Marco Polo Bridge were the Japanese.

HULL

711.94/1949 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, February 5, 1941—6 p. m.

[Received February 5—11:05 a. m.]

167. The Foreign Minister yesterday discussed Japanese-American relations in reply to interpellations in the Budget Committee of the House of Representatives. Since we are informed that the *New York Times* correspondent has cabled a full text of Mr. Matsuoka's remarks, the principal points made by the Foreign Minister as reported in today's vernacular press are summarized. During the course of the interpellation the Foreign Minister emphasized that his statements were not irresponsible remarks but were based on careful thought, that his bold manner of speech was particularly adapted to American consumption. He stated that Japan must clarify its true intentions and national power, that American illusions regarding Japan must be dissipated and that every effort to avoid a Japanese-American clash must be exerted.

1. Most wars are caused by misunderstandings. In the present case American doubts as to Japan's economic strength must be removed and on the other hand the national strength, intentions and resolution of the United States must be explained to the Japanese.

2. Japanese-American relations have greatly worsened since the conclusion of the tripartite pact which, however, aims to prevent an American-Japanese conflict and especially to prevent American entry into the European war.

3. Highly important objectives of the tripartite pact are conciliation between Japan and Soviet Russia and betterment of relations be-

tween the Soviet Union and the other Axis powers. The *Kokumin*, commenting on this phase of the Foreign Minister's remarks, calls it a hint that the Soviet Union may be included in the Axis.

4. The greatest cause of friction between Japan and the United States is Japan's southward advance. Every effort must be made to explain to the United States that the southward advance is not a policy antagonistic to America.

5. The *Kokumin* attributes certain remarks to the Foreign Minister published in no other vernacular to the effect that even if the United States were victorious in a war with Japan and occupied the country the Japanese nation would rise again even as Germany emerged from the harsh conditions imposed at the end of the first World War and the Foreign Minister reportedly reiterated that a clash between the two great Pacific powers must be avoided for the sake of world peace. Following this statement a blank space apparently indicates deletion by the censors of certain of the Minister's remarks.

GREW

711.94/1954 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Substance]

TOKYO, February 10, 1941—3 p. m.

[Received February 10—7:48 a. m.]

196. In connection with the last sentence in paragraph No. 1 of telegram No. 126 of January 27 from the Embassy, the Ambassador states that the Liutiaokow and Lukouchiao incidents were confused due to an unfortunate error in translation. The Japanese Foreign Minister's reference was not to the Marco Polo Bridge or Lukouchiao incident of July 7, 1937, but to the incident which occurred at Liutiaokow on September 18, 1931. The following is a translation of the statement: "The traditional patience of the Japanese finally was exhausted and the blow was dealt at Liutiaokow." The phraseology used by Mr. Matsuoka does not necessarily assert that the Japanese made the original attack. There is not available any official text of the statement and the reports appearing in the various newspapers differ slightly from the text sent to the Department.

GREW

711.94/1960 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, February 15, 1941—6 p. m.

[Received February 15—12:09 p. m.]

235. Tonight's vernacular press gives prominence to a statement issued at noon today by the Cabinet Information Bureau appealing to Japanese living in the Americas to remain calm in the face of

propaganda intended to worsen Japanese-American relations, under such headlines as "No Cause Anxiety Japan America; Government Statement Intended Allay Uneasiness"; "Third Country Plot Seen Behind Exaggerated Rumors Japanese-American Crisis." The press states that the Cabinet statement on the Far Eastern situation, the new American evacuation advice, and exaggerated rumors hinting at a Japanese-American crisis have unduly alarmed Japanese living on the American continent. This false propaganda is attributed to a "certain foreign country."

The Embassy's translation of the statement handed to us by the Cabinet Information Bureau follows:

"Reports indicate that sensational information has been circulated in all parts of the American continent to the effect that Japanese-American relations are becoming extremely critical and that anxiety and uneasiness apparently exist among Japanese living in those areas. Although Japanese-American relations are somewhat strained they have not reached a point where war or hostilities are inevitable. Under the circumstances the governments of both nations are of course acting judiciously that such a contingency does not develop. It is believed that the spreading of extremist propaganda to worsen relations between the two countries is an act (the press version states 'of certain countries') based on an ulterior motive. The Government strongly desires that Japanese living in the various parts of the American continent maintain to the utmost a calm attitude, following their occupations without the slightest anxiety or agitation."

GREW

711.94/1996

The Ambassador in Japan (Grew) to the Secretary of State

No. 5397

TOKYO, February 26, 1941.

[Received March 17.]

SIR: I have the honor to enclose a copy of a memorandum of conversation which the Counselor of the Embassy had on February 14 with the Vice Minister for Foreign Affairs, the substance of which was reported to the Department in the Embassy's 230, February 14, 8 p. m.*

The presentation by Mr. Dooman of his impressions of the position of the United States as gathered during his recent furlough appeared to cause Mr. Ohashi astonishment. Mr. Ohashi is, for a Japanese, extraordinarily direct and sparing of words. Upon listening attentively to what Mr. Dooman described as the philosophy of the American position, Mr. Ohashi remained perfectly quiet for an appreciable space of time and then burst forth with the question "Do you mean to say that if Japan were to attack Singapore there would be war with the United States?" Mr. Dooman replied, "The logic of the situ-

* Telegram No. 230 not printed.

ation would inevitably raise that question." Mr. Ohashi then left that subject and adverted to the character of the reports sent to London by the British Ambassador. Circumstantial evidence that Mr. Ohashi was affected by the interview was given by Sir John Latham, the Australian Minister, who called on Mr. Ohashi a few minutes after Mr. Dooman left. Sir John, without being aware that Mr. Dooman had just called on Mr. Ohashi, told me that he found Mr. Ohashi greatly agitated and distraight.

I propose to say to Mr. Matsuoka, with whom I have an appointment this morning, that the statements made by Mr. Dooman to Mr. Ohashi were made with my prior knowledge and have my full approval.

Respectfully yours,

JOSEPH C. GREW

[Enclosure]

Memorandum by the Counselor of Embassy in Japan (Dooman)

[Tokyo,] February 14, 1941.

I called this afternoon by appointment on Mr. Ohashi, the Vice Minister for Foreign Affairs. He greeted me quite politely, saying that although we had several mutual friends it was, so far as he knew, the first time we had met. I replied that I had on various occasions taken notice of statements which he had made in various capacities of the past, in Manchuria, and elsewhere, but I had, unfortunately, not been able to profit by opportunities which had presented themselves to make his acquaintance. Mr. Ohashi said he understood that I had just returned from leave in the United States and that he supposed I had received a number of interesting impressions in the United States. I replied that my furlough in the United States coincided with one of the most significant and important periods in the history of our country, and that if he had time I would be glad to tell him briefly of what I had seen and heard while at home. Mr. Ohashi said that fortunately he was not busy that day and that I could stay as long as I wished.

I gave Mr. Ohashi a fairly long account of the trends in opinion with regard to the war in Europe as they developed during the election campaign. I dwelt on the remarkably swift crystallization of opinion at home with regard to the question of American aid to England, which I attributed in large part first to the disclosure on the part of the British that they were rapidly approaching the end of the resources in dollar exchange, and second to the belief that the effects on Britain's capacity to produce aircraft and other munitions of German bombing raids had been more serious than the British communiques would lead one to suppose. I said that although the large majority of the American people abhorred the idea of Amer-

ican involvement in war, the fact was that an equally large majority of the American people believed that there was one consideration which transcends even that of avoiding involvement in the war, and that is helping England to the limit of our capacity.

I said that all this was not without direct bearing on relations between the United States and Japan. I had found that American opinion is pretty clearly opposed to the taking of action by the United States which would make war with Japan inevitable. Nevertheless Mr. Ohashi could readily understand that the American people, being an eminently practical people, are quite aware that an adequate supply of airplanes and other munitions is not the only prerequisite to a British victory: the supply to England of food-stuffs and raw materials by the British dominions and colonies and the maintenance of British commerce with the outside world are equally essential to a British victory. It would be absurd to suppose that the American people, while pouring munitions into Britain, would look with complacency upon the cutting of communications between Britain and British dominions and colonies overseas. If, therefore, Japan or any other nation were to prejudice the safety of those communications, either by direct action or by placing herself in a position to menace those communications, she would have to expect to come into conflict with the United States. There are many indications of the Japanese moving down slowly toward Singapore and the Netherlands East Indies. The United States cannot but be concerned by the various initiatives taken by the Japanese in Indo-China and elsewhere, for the reason that if Japan were to occupy these strategically important British and Dutch areas, it could easily debouch into the Indian Ocean and the South Pacific and create havoc with essential British lines of communication. The United States for its part was well aware that an alternative source of supply for Japanese purchase of petroleum and certain other products of the United States is the Netherlands East Indies, and for that reason it has been reluctant to impose embargoes on the sale to Japan of commodities of which it has a surplus; but the Japanese must clearly understand that the forbearance of the United States in this respect springs from a desire not to impel Japan to create a situation which could lead only to the most serious consequences. I recalled the axiom in geometry that two bodies cannot occupy the same space at the same time: However greatly Japan's security might be enhanced by occupying the Netherlands East Indies it must be realized by Japan that any such move would vitally concern the major preoccupation of the United States at this time, which is to assist England to stand against German assault.

Mr. Ohashi then took the floor and launched into an impassioned apologia of Japanese policies in recent years. He started by describing conditions in Japan during the middle 20's, the lack of employment in Japan at that time was driving young Japanese to despair; communism began to spread in amazing fashion, the estimates being that there were at one time more than 50,000 Japanese communists and there was fear of decay and disintegration of the Japanese political system. There developed at the same time a growing antagonism in China toward Japan. General Chiang Kai-shek initiated a series of military campaigns which finally resulted in the downfall of the northern group of Chinese generals, including Feng Yu-hsiang, Yen Hsi-shan, and others. General Chang Tso-lin^{9a} made his historic trip to Nanking to consolidate himself with General Chiang Kai-shek, and upon his return to Mukden he raised the flag of Chinese nationalism and proclaimed that his action manifested the complete unification of China and at about this time, Mr. C. T. Wang, then Minister for Foreign Affairs, publicly declared in a speech at Nanking that China was now prepared to "drive Japan off the Continent of Asia". There had occurred elsewhere other events which also gave grounds for complete pessimism in Japan. Pressure by the United States on England had led to the abrogation of the Anglo-Japanese alliance, which England discarded after it had served British purposes; the United States in 1924 excluded Japanese from emigrating to the United States, even though the granting of a small quota of 140 would have amply served to prevent Japanese pride and honor from being injured, and when Australia followed with its White Australia Policy and other parts of the British Empire had also taken action to exclude Japanese, the Japanese had found themselves effectively prevented from expanding into areas which could use their industry and initiative. At the same time the United States and Great Britain encouraged China in every possible way to implement the policy proclaimed by Dr. C. T. Wang to drive Japan off the Asiatic Continent. He recalled travelling with Admiral Kanji Kato in 1930 from Mukden to Japan. Admiral Kato expressed himself as being extremely despondent of the future if matters were allowed to proceed as they were then proceeding, and he disclosed to Mr. Ohashi the determination of certain elements in the Japanese Army and Navy to take action toward opening up a way for Japanese expansion. This determination manifested itself finally in the Mukden Incident of September 18, 1931. Mr. Ohashi said that the League of Nations had placed upon Japan the responsibility for seeking to alter by force the *status quo* in the Far East. However, it was clear that it was China and not Japan which had taken the initiative in seeking to alter the *status quo*, and the responsibility for the

^{9a} Reference is to Chang Hsueh-liang, son and successor of Chang Tso-lin.

deplorable conflict now taking place between China and Japan must largely be borne by those nations which encouraged China to pursue this disastrous policy. The United States and England must also be responsible in some measure for Japan's aligning itself with Germany and Italy, for the present Sino-Japanese conflict would never have occurred if the Anglo-Japanese alliance had not been abrogated. The United States and England had further driven Japan into a position of complete isolation, and it was accordingly necessary for Japan to find friends. Japan has no special friendly feelings towards Germany and Italy and certainly has no ideological association or identity with either of those two countries. Nevertheless Germany, Italy, and Japan have a close identity of interests in revolting against attempts to keep them permanently under subjection. It would be a great mistake to suppose that Japan would not honor its commitments under the alliance if the United States "were to attack Germany".

I observed that Mr. Ohashi's presentation of Japan's case had the eloquence of one suffering under a sense of grievance. We do not deny that Japan has grievances, but we object to the methods pursued by Japan to rectify those grievances. After the war in Europe is over, there is bound to be a more rational world, and in the creation of the more intelligent world economy which we must earnestly hope will be brought into being after the war, there would be ample room for entirely satisfying Japan's legitimate needs. I then quoted Mr. Churchill's¹⁰ remark "If we allow the past to quarrel with the present, we shall lose the future". As difficult and important as were the problems arising in China, they had not led to a war between the United States and Japan. It was certainly not the intention of the United States to seek a war with Japan, but at the same time I wished to make it clear that it would be idle and extravagant to believe that, so long as Japan remained a partner of Germany and Italy and so long as she was unable to resolve her troubles with China on a mutually satisfactory and equitable basis, a stabilization of relations between the United States and Japan could be hoped for. I believed that it was quite possible to pass over the present critical period without war, but that one essential condition to this more or less happy issue out of our difficulties must be the realization on the part of the Japanese that they cannot substantially alter the *status quo* in Southeast Asia, particularly, without incurring the risk of creating a very serious situation.

Mr. Ohashi asked whether he was correct in understanding me to say that war could be averted only by Japan standing still and allowing itself to be tied hand and feet by the United States and Great Britain. I replied that it was not my intention to give him specifica-

¹⁰ British Prime Minister.

tions as to what Japan should or should not do, but I wished to express my opinion that if Japan did not exercise the same degree of restraint and forbearance as that being exercised by the United States, it was very difficult to see how a war could be averted.

Mr. Ohashi then asked me whether we had been sending to Washington such extravagant and sensational reports as those being sent by Sir Robert Craigie to London. Without waiting for a reply he said that Mr. Eden¹¹ had recently called in the Japanese Ambassador at London and had talked to Mr. Shigemitsu very harshly about recent Japanese moves in Siam and Indo-China. Mr. Eden was apparently greatly excited by telegrams which he had received from Sir Robert Craigie. Mr. Ohashi said that he had just had a talk with Sir Robert Craigie and that he had reminded Sir Robert that he had repeatedly given the latter assurances that Japan had no intention whatever of moving toward Singapore and the Dutch East Indies unless Japan was "pressed" by other nations through the imposition of embargoes by the United States or by the sending of an American fleet to Singapore. I said to Mr. Ohashi that, in my opinion, the award by Japan to Siam of the provinces of Laos and Cambodia would undoubtedly lead to the most serious disorders in Indo-China, as the French are strongly opposed to any substantial cession of territory to the Siamese. I asked Mr. Ohashi what Japan would do in the event that the disorders were beyond the French to control. He replied "we shall have to suppress these disorders". I then went on to say "once having occupied Indo-China, Japan would be in a position to control Siam and to undertake operations toward Burma or the Malay States. You see how this intervention in Southeast Asia is capable of having the most widespread consequences". I asked whether he should not consider, in the light of Japanese intervention in the dispute between Indo-China and Siam, whether alarm over Japanese policies in this area is not justified. Mr. Ohashi protested that Japan's interests in Southeast Asia were predominantly economic. Was it our intention to prevent Japan from entering into more satisfactory and closer economic relations with Indo-China and the Netherlands East Indies? I replied that we were not concerned with arrangements calculated to be mutually profitable and which were entered into freely and not as a result of demands with menaces, open or implied. He would understand that proposals concerning trade arrangements presented under the guns of naval vessels could hardly be regarded as ordinary trade arrangements. Mr. Ohashi said that no Japanese warships were in the Indies and that the commercial negotiations now being carried on by Japan with the Netherlands Indies and Indo-China were of a normal character.^{11a}

¹¹ British Secretary of State for Foreign Affairs.

^{11a} For other correspondence, see pp. 277 ff.

Mr. Ohashi said that he was awaiting with great interest reports which Admiral Nomura would be sending in shortly of his forthcoming interviews with the President and the Secretary of State.^{11b} I had then been in Mr. Ohashi's office more than an hour. I rose to go. I said that upon my return to Tokyo I asked various colleagues what sort of a man Mr. Ohashi was and that they had all replied that he was extremely frank—that some had added that he was frank to the point of unpleasantness. I went on to say that I was very glad that he had been both frank and courteous with me, and that he could count on me to maintain equal frankness and courtesy with him in our future conversations. A faint smile came to Mr. Ohashi's face and he said that he would be glad to receive me at any time.

E[UGENE] H. D[OOMAN]

711.94/1972 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

[Substance]

TOKYO, February 27, 1941—midnight.
[Received February 27—12: 10 p. m.]

334. Yesterday I told Matsuoka that I entirely concurred in and approved of all that Dooman had said to Ohashi on February 14. As the latter had given only an oral report of the conversation to Matsuoka I read him the whole memorandum of it. I was somewhat surprised when the Minister stated his entire agreement with what Dooman had said. Today I am sending Matsuoka for his personal use a copy of the memorandum.

GREW

762.94/484 : Telegram

The Ambassador in the Soviet Union (Steinhardt) to the Secretary of State

[Paraphrase—Extracts]

Moscow, March 24, 1941—3 p. m.
[Received March 25—7: 30 a. m.¹²]

581. This morning I was given the opportunity, by invitation of the Japanese Ambassador, to talk with Matsuoka¹³ for an hour.

^{11b} See pp. 387 ff.

¹² Telegram in three sections.

¹³ Japanese Minister for Foreign Affairs, on special mission to the Soviet Union.

Matsuoka was emphatic in stating that under no circumstances would Japan attack Singapore or any of the American, British, or Dutch possessions, and he was insistent that Japan has no territorial ambitions. Japan, he said, was ready at any moment to join the United States in a guarantee of the territorial integrity or independence of the Philippine Islands. As an evidence of Japan's lack of territorial ambitions, Matsuoka referred to the outcome of his mediation of the dispute between Thailand and French Indochina. He said that Japan would not go to war with the United States, and added that from his reading of American history it appeared that it was the United States which went to war with other countries; if a conflict should take place, it would come about only as the result of affirmative action by the United States.

Matsuoka said that he desired ardently to liquidate the war in China at the earliest possible date. Chiang Kai-shek was relying upon American help, he said, and any time the President of the United States wanted to bring the Sino-Japanese conflict to an end on terms satisfactory to all concerned, he was in a position to do it by bringing his influence to bear in this direction upon Chiang Kai-shek.

I asked him whether he had in mind terms which he was sure Chiang Kai-shek would be entirely willing to accept and which would meet with the President's approval. He replied that instructions had recently been sent to Nomura¹⁴ to take the subject up with the President and to discuss with the latter the terms on which the Sino-Japanese war could be terminated. Matsuoka said that now was the time when statesmen should take decisive action and that it is the "big things, not the little things" that matter; in his opinion the President is afforded a splendid opportunity "to clear up the entire Far Eastern situation" by discussing with Nomura the terms on which the war in China could be brought to a close. He added that he wished the President and the Secretary of State would trust him; on his record over the past few years, he said, he did not blame them for not having confidence in him, but that if they would give him the opportunity he would prove to them that Japan had no territorial or economic ambition, and that if an understanding were reached regarded by us all as reasonable he would fight to put it through should any elements in Japan oppose it.

In reply to what he had first said, I merely suggested to Matsuoka that he instruct Nomura most explicitly as to exactly what was in his mind as a basis for ending the war with China, and that he leave nothing open either to chance or to misunderstanding. Again he was emphatic at this point in insisting on the acceptability of the terms which he had in mind.

¹⁴ Japanese Ambassador in the United States.

Matsuoka characterized as "ridiculous" any fears which were expressed in the United States over interference with supplies of rubber and tin, as these commodities were obviously for consumption in the only market that was large enough to absorb them; namely, the United States. It would be folly, he said, to interfere with the export of these commodities to the United States.

He expressed the opinion that it was to the Soviet Union's interest to encourage war between Japan and the United States, and he said that he was well aware of the harm to Japan which would follow from any such conflict.

STEINHARDT

740.0011 European War 1939/10905:Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, May 14, 1941—5 p. m.

[Received May 14—9:55 a. m.¹⁵]

673. 1. The Minister for Foreign Affairs, who has been suffering from bronchitis and still coughs badly, received me today for the first time since his return from Berlin and after completing the routine business I asked whether he had any particular thoughts with regard to the present general situation.

2. The Minister's subsequent remarks, which he said he was addressing to me as "an American friend and not as the American Ambassador" were bellicose both in tone and substance. He said that he was exceedingly worried lest the United States should proceed to convoy its ships to Great Britain, which would almost certainly lead to war with Germany. He said that to declare a neutral zone in the Atlantic or any other ocean was contrary to international law and that in the face of our supplying Great Britain with war materials he thought that Hitler had shown great "patience and generosity" in not declaring war on the United States. He said he knew that Hitler desired to avoid such a war but that it was doubtful whether his patience and restraint could continue indefinitely. He said by way of example that if the United States were to convoy its ships in bringing aid to Chiang Kai-shek they would be torpedoed by the Japanese Navy just as he would expect the American Navy to act similarly in a reverse situation. He said that if, in spite of previous forbearance, Hitler should not [*now?*] sink our ships in the Atlantic and if we Americans should then attack the German submarines he would regard this as an act of American aggression which would call for

¹⁵ Telegram in four sections.

deliberation as to the applicability of article III of the Triple Alliance Treaty of September 27, 1940,¹⁶ and he thought there was no doubt that such deliberation would lead to war between Japan and the United States.

This issue he said, therefore, lies exclusively in the hands of President Roosevelt. Mr. Matsuoka added that in view of the present American Government and actions he felt that the "manly, decent, and reasonable" thing for the United States to do was to declare war openly on Germany instead of engaging in acts of war under cover of neutrality. He developed the foregoing thoughts at considerable length but the main points brought forward were as stated above.

3. I rebutted each of Mr. Matsuoka's remarks in turn and said that whether he was speaking to me as the American Ambassador or not, I as an American citizen emphatically resented his charge that my country was guilty of unmanly, indecent, and unreasonable conduct. Mr. Matsuoka thereupon said that he would withdraw that remark. To my reference to Japan's actions in attacking China and in ruthlessly bombing undefended cities and populations without a declaration of war (in connection [with] the Minister's observation anent the failure of the United States to declare war on Germany) Mr. Matsuoka merely remarked that the situations were entirely different, and changed the subject. I pointed out the utter fallacy of Mr. Matsuoka's reasoning with regard to our alleged breach of international law, spoke of our consistent policy concerning the freedom of the seas and argued the full justification of such measures as we might put into force in the face of Hitler's continual breaches of international law with special reference to the illegal form of submarine warfare being waged by the Germans. I explained at length our policy of supporting Great Britain and the compelling reasons which had led us to adopt that policy. No point of course by Mr. Matsuoka was allowed to pass unchallenged but we finally agreed that such debate was profitless and that a meeting of minds was impossible.

4. The discussion then turned to Japan's policy in connection with the southward advance and I said that in spite of the Minister's constant assurances of peaceful intentions we realized that there were other schools of thought in Japan as exemplified by the writings and speeches of many highly placed Japanese who were openly advocating that the southward advance should be carried out by force.

The Minister replied that he deplored the sort of utterances which I had mentioned as much as he deplored all anti-foreign agitation in Japan which he was steadily working to put an end to. He said that he was dissatisfied with the lack of energy on the part of Mr. Ito, President of the Information Board, in failing to eliminate the publication of such utterances and he proposed to have a talk with him on

¹⁶ *Post*, p. 165.

this subject shortly. If necessary the Minister said that he was prepared to place a definite ban on the publication of material of this kind. Prince Konoye and he himself were determined that the southward advance should be carried out only by peaceful measures but he added significantly "unless circumstances render this impossible." I asked him what circumstances he had in mind. He replied that he had in mind especially the concentration of British troops in Malaya and other provocative British measures. When I pointed out that such measures were purely of a defensive nature and that Great Britain certainly had no intention of provocative or of aggressive action in the Far East but had been obliged to adopt these defensive measures as a result of concrete evidence indicating that Japan's intentions to the southward might not be peaceful at all, the Minister's reply was that these British measures were regarded as provocative by the Japanese public and if the public should become too much disturbed, pressure might be brought to bear on the government to act. So far as the attitude of the Government of the United States was concerned I pointed out to the Minister situation would be utter folly for us, having adopted a policy of supporting Great Britain, to supply Great Britain by the Atlantic while complacently watching the downfall of Britain through the severance of the British lifeline from the East. The potentialities of this situation were therefore of grave concern to the United States and this concern must be increased in the light of the Minister's remark that Japan's peaceful intentions were dependent upon "circumstances."

5. In the course of further conversation I said that it was a constant cause of regret to me that Japanese-American relations were for the moment negative and non-constructive; that I had steadily worked to build up something permanently constructive in our relations and had been very hopeful of attaining concrete results during the period of the Yonai Cabinet ^{16a} and it had been a profound disappointment to me that Japan's complete change of policy had made these efforts abortive. I said I still look forward to the day when only [*once*] again our two countries could begin to reconstruct their relations on a firm basis. The Minister replied that he also was constantly hopeful but he added that the whole future of the world and of civilization now lies in the hands of one single man, President Roosevelt. My last remark before the termination of the interview was that the United States could only be guided by deeds and that our future relations must depend not upon what Japan might say but upon what Japan might do.

6. Just as I was about to despatch this telegram I received a letter from Mr. Matsuoka written in his own hand. The letter (except for

^{16a} January 16-July 16, 1940.

one paragraph referring to a protection case which I took up with him) reads as follows:

"Dear Mr. Ambassador . . . I was wondering, to be frank, why you appeared so disturbed when I referred to the American attitude and actions. After Your Excellency's departure, it all suddenly dawned on me that I misused a word (of course I was not speaking in my own language and you must make some allowance for my occasionally making mistake in choosing words, particularly when I speak off hand). Of course, I didn't mean to say 'indecent.' No! I wanted to say 'indiscretion.' What I wished to say (and that not as Foreign Minister but as a man who regarded himself a quasi-American and felt could talk almost as if he were an Ambassador) was that I should have liked to see the American Government exercise more discretion and be careful to give an appearance of 'reasonableness;' in a word, to be more cautious and careful.

I write you the above in order to remove any misapprehension; I'd feel very sorry if I caused any.

Very sincerely yours, Y. Matsuoka."

GREW

793.94/17041 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 1, 1941—3 p. m.

[Received December 5—5:03 a. m.]

1869. Extract from Premier Tojo's message to rally held yesterday under sponsorship Imperial Rule Assistance Association and Dai Nippon East Asia League in commemoration first anniversary joint Japan-China-"Manchukuo" declaration¹⁷ follows (from Domei report in *Advertiser*):

"It is certainly the most fortunate lot of the three powers to have the privilege of collaborating together under this banner for cutting open the thorny way, and 1 year has already gone by since we started this honorable work together, and if it is not the greatest task of the present century what else can it be.

However if we look around we find that there are still many countries who are indulging in actions hostile to us. In fact they are trying to throw obstacles in the way of the construction of the East Asia co-prosperity sphere and are trying to enjoy the dream of exploitation of East Asia at the cost of the 1,000 million populace of the East Asiatic peoples to satisfy their greed of possession.

The fact that Chiang Kai-shek is dancing to the tune of Britain, America, and communism at the expense of able-bodied and promising young men in his futile resistance against Japan is only due to the desire of Britain and the United States to fish in the troubled waters of East Asia by putting [*pitting?*] the East Asiatic peoples against each other and to grasp the hegemony of East Asia. This is a stock in trade of Britain and the United States.

¹⁷ *Ante*, p. 122.

For the honor and pride of mankind we must purge this sort of practice from East Asia with a vengeance."¹⁸

Sent Department via Shanghai.

GREW

793.94/17042 : Telegram

The Ambassador in Japan (Grew) to the Secretary of State

TOKYO, December 1, 1941—4 p. m.

[Received December 5—5:14 a. m.]

1870. Excerpt from *Asahi* report Foreign Minister's address at dinner given by him yesterday in celebration first anniversary Japan-"Manchukuo"-China alliance follows:

"The world at present is confronted with unprecedented disturbances. In greater East Asia, however, the close relations among Japan, Manchukuo, and China must be strengthened to the utmost on the basis of the principles of the Japan-China basic treaty and the Japan-Manchukuo-China joint declaration. Needless to say, we must proceed towards the establishment of a new order in East Asia which has the co-existence and co-prosperity of East Asia peoples as its basic principle.

In its negotiations with the United States, the Japanese Government consistently has upheld this principle. The United States, however, is inclined not to recognize the real situation in East Asia. Not only that, but also it most regrettably has shown a disposition to apply coercively to the East Asiatic countries fanciful principles not adapted to the actual world situation and thus to obstruct the construction of the new order.

In undertaking the great mission of firmly establishing a new order in East Asia and thus contributing to the cause of permanent world peace, we must be fully prepared to face difficulties and obstacles greater than ever before.

I firmly believe however that if the three countries, Japan, Manchukuo, and China with iron will strengthen their ties and strive for realization of this great object in perfect cooperation, they will surmount these various obstacles, and that the East Asia peoples have a great future."

Sent Department via Shanghai.

GREW

¹⁸ For Japanese explanation of this speech, see statement of December 2, 1941, p. 778.

