

Exhibit 2906

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From Nomura to Toyoda
3 October 1941
No. 894

Although it seems as if the Japanese-American negotiations have reached a deadlock, we do not consider that the situation is absolutely hopeless. The United States memorandum still leaves room for solution of the situation. The President's foreign policy is gaining more and more support of the people and the war-time industrial mobilization in the country is showing efficient progress. An optimistic prospect is entertained for the European War. They are satisfied that the Soviet Union will fight far better than was expected, but fear the possibility of a separate peace. It is the prospect of the American people that by preventing a peace through the earnest support which America and Britain offer, the Soviet Union can hold over the winter and continue to fight next spring. As to the battle of the Atlantic, it is showing a favorable turn, with increasing losses of submarines and consequent great decrease in shipping losses. Invasion of the British Isles is becoming less and less probable owing to the strengthening of the Royal Air Force and fleet. It is believed that the spirit of Britons can stand a long war. The war on the eastern front is not so favorable for Germany as her propaganda asserts, as her hesitant attitude toward the Balkan countries proves. Disorder prevails in the occupied territories, and Italy is increasingly losing the will to fight, being restrained from making a separate peace only by German domination. As the war is prolonged the blockade will become more and more effective, as proved in the last war. The over-all prospect of the war in this country is thus very optimistic. If in such circumstances Germany and the Soviet Union come to a separate peace and Germany can shift her forces from the eastern front to the British and other fronts, Britain will be further endangered, and the United States will be concerned about it. If the United States thus participates further in the battle of the Atlantic she will lose more ships, and the danger of war will be invited. It might be possible that the United States would relax her attitude in the Pacific in such circumstances (according to this reasoning the more favorable the war situation turns the more effective it will be). From the viewpoint of Japan a separate peace between Germany and the Soviet Union and the full entry of the United States into the war in the Atlantic would be contributory to the improvement of Japanese-American relations.

The Kono e Message has somewhat eased the tense situation, temporarily. It has dissipated such hot-headedness as was manifested in the demand of the United States to "Fight Japan First!" For the moment, there is thus a lull in the situation. On the other hand, the message has also had the effect of causing the United States to take an increasingly greater part in the Atlantic. However, the United States has not in the least relaxed its economic pressure on Japan, but is going ahead with its avowed policy -- a fact worthy of the utmost attention. If the United States continues to carry on economic warfare against Japan, a measure just short of armed warfare, the United States will be able to attain the objectives of a war against Japan without firing a shot. This United States policy toward Japan, I believe, will not be changed except in the event of a great transformation in the world political situation or in the event of a reversal of policy on the part of Japan. However, of the three pending issues in the Japanese-American negotiations, two have already been nearly

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settled. (Mr. Hull abides by the principle of free trade and regards bloc-economy as a cause of war. He is now trying to make this principle prevail in regard to the United Kingdom also.) The problem that remains to be settled is that of the stationing of Japanese troops in China. Considering, in this connection, the present conditions of China, as set forth in your telegram No. 622, and also considering what may come in China's chaotic future, it seems to me that it will be impossible for some years to come to carry out the complete withdrawal of the troops.

This is a really grave problem. I think that Japanese-American understanding depends fundamentally upon that problem, and I hope that it will be given further study by you. I may add that I had a talk with Mr. [two words undecipherable]. He said that both the President and the Secretary of State sincerely desire Japanese-American understanding, and that the question of the stationing of troops was the only remaining issue.

Perceiving that the matter is of extreme importance, I have ventured to submit my views herein.