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TITLE "Foreign Relations of US"  
TRANSLATION BY SAGA, Koichi COMPLETED May 14th 1947  
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(1:55 PM)

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 and now the loan of 20 million 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.

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