

Defendants' Request.

PRESS RELEASE ISSUED BY THE JAPANESE EMBASSY
ON APRIL 15, 1940

On being questioned by newspapermen concerning Japan's position with regard to possible involvement of the Netherlands in the European war and its repercussions in the Netherlands East Indies, Foreign Minister Arita replied as follows:

"With the South Seas regions, especially the Netherlands East Indies, Japan is economically bound by an intimate relationship of mutuality in ministering to one another's needs. Similarly, other countries of East Asia maintain close economic relations with these regions. That is to say, Japan, these countries and these regions together are contributing to the prosperity of East Asia through mutual aid and interdependence.

"Should hostilities in Europe be extended to the Netherlands and produce repercussions, as you say, in the Netherlands East Indies, it would not only interfere with the maintenance and furtherance of the above-mentioned relations of economic interdependence and of co-existence and co-prosperity, but would also give rise to an undesirable situation from the standpoint of the peace and stability of East Asia. In view of these considerations, the Japanese Government can not but be deeply concerned over any development accompanying an aggravation of the war in Europe that may affect the status quo of the Netherlands East Indies."

Defendants' Excerpts.

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., 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. 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 report 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 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

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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

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of the Secretary of State to Mr. Hirota on March 3, 1934, and finally handed to him the statement prepared in the Embassy, of which I made mention in paragraph two of my telegram No. 289, April 27, 2 p. m., 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.

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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. 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.

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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 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)

(Foreign Relations II, pp. 67-71).

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Defendants' Excerpt.

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Mr. Matsuoka replied that Japan was not the only country where inflammatory utterances occurred and in this connection he mentioned the names of certain Americans. He denied the truth of the report that the airfield at Saigon had been occupied, merely murmuring something about Tongking, and he said that the Japanese troops in Indo-China were there in strict accordance with the terms of the official agreement with the Vichy Government. I said that according to our own information these troops were very much in excess of the number originally stipulated, but the Minister replied that this was merely a question of replacement.

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Foreign Relations II, p. 309.

Defendants' Excerpts.

THE JAPANESE MINISTER FOR FOREIGN AFFAIRS (TOYODA)
TO THE AMERICAN AMBASSADOR IN JAPAN (GREW)

(TOKYO,) July 25, 1941.

Between the Japanese Government and the Vichy Government there was amicably reached an agreement of views on the twenty-first of July, 1941, concerning the joint protection of French Indochina, and an announcement on the agreement is soon to be made.

I asked for an appointment with Your Excellency this evening in order to take this opportunity, on behalf of the Japanese Government, of informing Your Excellency in advance of the measure just referred to, and of making the situation clear so that there may be no unnecessary misunderstanding which may arise from this question, in view of the foreign press reporting unfounded rumors such as that the Japanese Government had sent the Vichy Government an ultimatum.

The relations between Japan and French Indochina have recently become more friendly by the so-called Matsuoka-Henri Pact of August, last year, and several other Franco-Japanese agreements; and in view of the fact that it is to the common interest of both Japan and France to insure the safety of French Indochina and to prevent the disturbance of peace in the same area under the existing complicated international situation, the Japanese and French Governments have, at this time, as already stated, arrived at an understanding as regards joint protection of French Indochina.

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As a matter of fact, we are receiving numerous reports that America should adopt more stringent anti-Japanese economic measures such as the freezing of Japanese capital in America and a complete embargo of petroleum oil as retaliatory steps against the measure just mentioned; and if the above should ever be realized, I deeply apprehend that it will be difficult to prevent the unexpected agitation of antagonism among the Japanese people against aid to the Chiang Kai-shek regime and the encirclement campaign against Japan, which antagonism the government has so carefully repressed until today.

It seems that in the United States there is an element which possesses an unpleasant feeling against the measure which I have just mentioned, but viewing it in a fair and composed attitude from an objective standpoint, such a measure is truly unavoidable from a broad viewpoint of maintaining peace in the Pacific by preventing a more serious aggravation of the feelings of the Japanese people.

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which are steadily being excited by such facts as the unsatisfactory result of the Netherlands East Indies-Japanese negotiations, and as is well known, the almost daily reports from abroad about the tightening of the encirclement campaign against Japan. I earnestly hope that Your Excellency will fully comprehend the disposal at issue as being necessitated by sincere hope for the maintenance of the peace in the Pacific and cooperate in keeping the door open for my hope and further efforts directed toward amicable solution of Japanese-American relations.

Foreign Relations II, pp. 318-319.

Br. Ex. 147-A
Ct. Ex. 58

Defendants' Excerpts.

The Acting Secretary of State, Mr. Sumner Welles, issued the following statement on August 2 in reply to inquiries from the press concerning the agreement entered into between the French and Japanese Governments regarding French Indochina:

"The French Government at Vichy has given repeated assurances to the Government of the United States that it would not cooperate with the Axis powers beyond the obligations imposed on it by the armistice, and that it would defend the territory under its control against any aggressive action on the part of third powers.

"This Government has now received information of the terms of the agreement between the French and Japanese Governments covering the so-called 'common defense' of French Indochina. In effect, this agreement virtually turns over to Japan an important part of the French Empire.

"Effort has been made to justify this agreement on the ground that Japanese 'assistance' is needed because of some menace to the territorial integrity of French Indochina by other powers. The Government of the United States is unable to accept this explanation. As I stated on July 24, there is no question of any threat to French Indochina, unless it lies in the expansionist aims of the Japanese Government.

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"The French Government at Vichy has repeatedly declared its determination to resist all encroachments upon the sovereignty of its territories. However, when German and Italian forces availed themselves of certain facilities in Syria to carry on operations directed against the British, the French Government, although this was a plain encroachment on territory under French control, did not resist. But when the British undertook defense operations in the territory of Syria, the French Government did resist.

"Under these circumstances, this Government is impelled to question whether the French Government at Vichy in fact preposes to maintain its declared policy to preserve for the French people the territories both at home and abroad which have long been under French sovereignty.

"This Government, mindful of its traditional friendship for France, has deeply sympathized with the desire of the French people

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to maintain their territories and to preserve them intact. In its relations with the French Government at Vichy and with the local French authorities in French territories, the United States will be governed by the manifest effectiveness with which those authorities endeavor to protect these territories from domination and control by those powers which are seeking to extend their rule by force and conquest, or by the threat thereof."

Foreign Relations II, pp. 320-321.

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Ot. Ex. 58

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Defendants' Excerpts.

The Japanese Government has taken note of the regulations governing the exportation of iron and steel scrap, dated September 30, 1940, amending the construction and definition of the term "iron and steel scrap" included in the regulations of July 26, 1940, and the announcement of September 26, 1940 to the effect that, under the new regulations, licenses will be issued to permit shipments to the countries of the Western Hemisphere and Great Britain only.

The above mentioned regulations refer to the Presidential authority derived from the provisions of section 6 of the Act of Congress approved July 2, 1940, entitled "An Act to expedite the strengthening of the national defense", thereby suggesting that it was determined to be necessary in the interest of national defense to curtail the exportation of iron and steel scrap.

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In the note of the Japanese Ambassador of August 3 the Japanese Government pointed out that the measure announced on July 26, 1940, in regard to the exportation of aviation gasoline, was tantamount to an export embargo as far as countries outside the Western Hemisphere were concerned. Compared to that announcement, the announcement under review may be said to have gone a step further toward discrimination by specifically excluding Great Britain from the virtual embargo.

In view of the fact that Japan has been for some years the principal buyer of American iron and steel scrap, the announcement of the administrative policy, as well as the regulations establishing license system in iron and steel scrap cannot fail to be regarded as directed against Japan, and, as such, to be an unfriendly act.

The Japanese Government hereby protests against the measures taken by the United States Government in connection with the exportation of iron and steel scrap.

(WASHINGTON,) October 7, 1940.

Foreign Relations II, pp. 223-224.

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Tr. Ex. 153-A

Ct. Ex. 58

Defendants' Excerpt.

I. PRELIMINARY PHASE

1. Late in January 1941, through the medium of private Americans and Japanese, there was informally brought to the attention of the President and the Secretary of State a suggestion that the Japanese Government would welcome an opportunity to alter its political alignments and modify its attitude toward China. It was represented that if an agreement could be achieved with the United States which would offer Japan security this would enable the moderate elements in Japan to gain control of the domestic political situation in Japan. It was further represented that there was adequate support in the Japanese Government for an agreement with the United States which would provide inter alia for practical nullification of Japan's alliance with the Axis and for a settlement of the conflict between China and Japan on terms which would give complete recognition by Japan of the "open door" in China provided that Japan received similar treatment elsewhere in the Far East. It was also represented that the Japanese people were weary of the hostilities with China and that most elements in Japan were prepared for a recasting of Japan's policies along liberal and peaceful lines.

2. Under any circumstances it would have been necessary before entertaining representations of such a character to proceed with caution and to examine with deliberate care the sponsorship and contents of a proposal advanced in this way. Such a procedure was at that time especially essential in view of Japan's record during the preceding ten years. In connection with this record, it will be recalled that on January 15, 1941, the Secretary of State, in a statement before the Foreign Affairs Committee of the House of Representatives, said:

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Foreign Relations II, pp. 328-329.

Br. Ex. 155-A

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Defendants' Excerpt.

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... that the press of Japan--and he said the press of our country might not be an exception--expresses views and circulates reports which are calculated to arouse feeling in this country of 130,000,000 population; that some of the Japanese statesmen talk along similar lines, and that altogether the American people are quite seriously concerned about the Japanese situation. . . .

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Foreign Relations II, p. 387.

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Defendants' Excerpts.

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The Ambassador expressed much interest in what I said about attempts to organize the world on a liberal commercial basis and indicated his whole-hearted approval. He said that his Government, like others at times, may have made some mistakes, and he added that all of the people in Japan with very few exceptions, which included extremists, were very much averse to getting into war with the United States; that he had talked with them generally and this included most of the military officials, but not all of them; that Prime Minister Konoye is not one of the latter type, and is not desirous of moving on such a course as I had mentioned and criticized, namely a course of military expansion; that Matsuoka is a politician and the Ambassador smiled and said that he sometimes uses big words. The Ambassador said that the talk of Matsuoka and other statesmen in Japan along the lines I complained of was really for home consumption. The Ambassador then said that his Government would be very glad to effect peace arrangements with China and hoped that at no distant date such terms might be developed as would give consideration to their puppet government, and would move Chiang Kai-shek to come into the picture and participate in general peaceful arrangements with China, which the Ambassador emphasized as his country's desire, and which should be on the basis of equality to all nations. In response to inquiries as to further details of the proposed Chinese-Japanese peace or the methods of bringing it about, the Ambassador was silent for the present, but indicated that his adviser, Colonel Iwakuro, is on his way here and that he had intimate details of the whole Chinese-Japanese situation.

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The Ambassador came back again to the desire of his country for peace with China based on equality to all and the hope that it might combine something of their puppet government with Chiang Kai-shek's government. I pressed the Ambassador to indicate some further definite ideas he might have in mind about the proper steps to take to approach the whole situation. He did not disagree with me when I spoke of the necessity for acts and utterances by Japan, making it clear that in good faith she was not pursuing or intending to pursue a course of expansion and conquest by force such as had been referred to.

I said that I came from the President who sent his regards and said that he would be only too glad at any time to talk further with the Ambassador just as two old friends would talk, and do so officially and unofficially, or individually at times, if desired by either. I

pointed out that such a meeting could be arranged unobtrusively and without publicity, and in a manner permitting the initiative to be shared on a 50-50 basis between him and the President. The Ambassador said he might call on the President the next time; that he would hope to continue these conversations. On two or three occasions I inquired of him whether it was still agreeable to pursue the President's suggestion of talking over and discussing the past relations between our two Governments and the questions that have arisen which call for settlement by mutual agreement. He indicated his favorable disposition in regard to the matter, but not in any specific way as to time or as to officials with whom he might talk.

I referred on one or two occasions to the statement reported to have been made to Mr. Churchill by the Japanese Ambassador in London some days ago to the effect that his Government would not attack Singapore or the Netherlands East Indies, and inquired point-blank what the ambassador's idea as to this was. In reply to the first inquiry, he was not exceedingly strong in his statement but he did make it fairly definite that he did not believe there would be an attack but added, as heretofore indicated, that if our American embargoes continued to press his Government and the military group in control, they may feel forced to proceed further in a naval or military way. I again said to him that this latter question would not with any consistency or reason arise, in my judgment, because, as already stated to him, the whole responsibility and initiative with respect to military conquest and the departure from laws and treaties and other basic rules of friendly relationship by the Japanese Government rests entirely on that Government.

I again inquired of the Ambassador if he had any further ideas or suggestions which would constitute any plans or purposes for peaceful readjustment additional to that which he had already mentioned in relation to China. The Ambassador did not offer any comment on this except to attempt to convey the impression that later he would give consideration to these further phases.

At an appropriate stage in the conversation I said that the conquest of the world by his country and Germany with the methods of government which were being applied to conquered peoples, all bankrupt, would mean to set not only the world but these very conquering countries back to impossible levels of existence; that the conquering countries themselves would be the losers to an unthinkable extent.

In the course of the conversation I had occasion to remind the Ambassador that few nations were ever on more mutually profitable and genuine friendly relations than our two countries for two generations lasting until about the time of the Coolidge and Hoover Administrations. I said that, speaking in great confidence, when I

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came to the State Department, one of my greatest ambitions was to work out a mutually satisfactory arrangement with respect to the Quota Limitation Act of 1924, enacted by our Congress, so as to place the whole matter of immigration on an equal or reciprocal basis, which, of course, would have meant that the number of immigrants both ways would be limited, but this basis of equality would settle the feeling that has existed since 1924. He expressed his gratification at this.

I then added that we would get nowhere if the military group should say that they were not expanding in a military way, as they have often said in China, and at the same time go forward with their expansion plans and activities.

The Ambassador also brought up the question about how the doors of trade had been closed against Japan by other countries, including Indochina, and hence the necessity for some steps looking to the comfortable existence of her people. To this I replied by reminding the Ambassador of what I had said at the outset to the effect that during the twenty years of the post-war period under the reign of extreme nationalism in every country alike, all nations had shut their doors to a large extent against each other, that most nations shut their doors against my country as a part of this universal movement of trade and commercial suicide; that, therefore, Japan is not an exception. I then added that it would be an amazing thing to abandon the whole program of economic rehabilitation on peaceful lines and under the principle of equality, to which I have been referring, and turn away to military force and conquest as a substitute.

I inquired whether Matsuoka was going to Berlin and the Ambassador said he did not believe he would go, that he had been invited there at the time of the signing of the Tripartite Pact.

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Defendants' Excerpt.

The Ambassador of Japan called at the White House at his request. The President and I were present at the meeting.

The Ambassador proceeded to say that none of his people, with few exceptions, desired war between our two countries; that Matsuoka talks loudly for home consumption because he is ambitious politically, but Japan herself cannot maintain such ambitious plans. He said that Japan desired especially three things in the Chinese situation: the first was good will; the second was economic cooperation; and the third was Comintern defense. He then said that Japan wants raw materials from neighboring countries, and that the "New Order" which contemplates equality of economic opportunity and cooperative prosperity should be given a flexible interpretation. He continued by saying something about the increasingly disastrous situation in Europe, and added that Japan and the United States should cooperate for peace.

The President then emphasized very strongly the deep-seated effect on public opinion in this country arising from the Tripartite Agreement, and he proceeded to emphasize vigorously the dangerous effects of this agreement and the utter lack of any sound reason for Japan to enter into it from every standpoint of her welfare. The Ambassador rather lamely remarked that this country was pressing Japan with embargoes and trade restrictions, and they were in a way forced into this Tripartite arrangement. The President controverted this and again said that from every viewpoint this action was contrary to the interest of Japan; that Hitler would rule over every country if once given the opportunity, just as he is today ruling over Italy and the other countries which had trusted him. The Ambassador did not discuss this phase further.

Then the question arose regarding the threatening nature of Matsuoka's acts and utterances, and the Ambassador said that Matsuoka's trip to Berlin was a mere compliment to the German Government, such as is customary in the existing circumstances for countries like Japan.

The President then proceeded to set forth the sound rules and policies of international trade based on the rule of equality of treatment and elaborated at length with illustrations of the situation facing different countries in various parts of the world. He said that the task would be left to a few important nations like this country and Great Britain, and also Japan if she should be so disposed to reorganize international trade on a sound liberal basis, to cooperate with countries that were weak, or at a disadvantage, to enable them to enjoy all the benefits of economic progress. He said that the United

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States, for example, desires to aid Brazil to develop her most important lines of production to fit it into the international economic trade situation, and that this country likewise desires to cooperate with Argentina for a like purpose, especially as it relates to Argentine beef and other surplus products.

The President then. . . stressed the close ties existing between Thailand and Japan, adding that the former was more closely related to Japan in many ways than the Argentine was related to the United States. The President said that the suggestion had been made now and then that the United States take over the West Indies, but that the attitude of this Government unreservedly has been to see each country preserve its sovereignty, its territorial integrity and equality of opportunity, and that all the nations of the world can on the same basis come and trade with the nations of this hemisphere. The Ambassador admitted that we had been treating Central and South America extremely well, and that we had developed greatly the good neighbor relationships.

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Foreign Relations II, pp. 396-397.

Defendants' Excerpts.

The Ambassador said that this was a matter concerning which he could not say precisely what the Japanese army had in mind but would be dealt with in direct negotiations between the Japanese and the Chinese Governments. The Ambassador said he was of the personal opinion that negotiations over this matter might be protracted--say, over a period of six months--and that after that a period of two years would be required before complete evacuation would be effected.

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. . . and that we had found from our experience in our relations with Latin American countries that a policy of sending troops to settle claims did not pay. The Secretary then outlined briefly the arrangements which have been set up for the adjustment through peaceful means of claims and disputes among the American countries to replace former practices. He said he thought that Japan would find that similar arrangements as between Japan and China would be a progressive step, as the sending to and stationing in China of Japanese troops would not be profitable in the long run to Japan or China. He asked whether the Japanese Government would not consider some other means of dealing with the problems under reference than by arrangements such as seemed to be under contemplation for the stationing of troops.

The Ambassador said that he personally agreed with the Secretary's view that the stationing of troops was productive of incidents and difficulties, but that he did not think that the Far East had progressed to a point where it would be feasible at present to carry out a program such as the Secretary suggested. He said that when Prince Kono came out with his statement of principles two years ago he was bitterly criticized in Japan for such moderation in the face of the sacrifices that Japan had made. Now, however, the Japanese public after four years of fighting had come to accept Prince Kono's plan, and a suggestion of further modification in the direction of moderation would present difficulties to the Japanese Government.

The Secretary said that in connection with the question of a possible approach by this Government to the Chinese Government he had it in mind, before entering into any negotiations, talking over in strict confidence with the Chinese Government the general subject matter involved in the proposals under discussion. In the meantime, our conversations would continue, as they had so far on a purely unofficial and informal basis. He explained that he was raising this question in regard to the question of Japanese troops only because our conversations were in this unofficial and informal ex-

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ploratory stage and that he would not have otherwise brought the question up.

The Ambassador said that he did not expect that the American Government would negotiate this question with the Chinese Government but would merely serve as a bridge to bring the Chinese and Japanese together into direct negotiations. He cited as examples of such action American good offices in connection with the Sino-Japanese peace negotiations of 1895 and the Russo-Japanese peace negotiations of 1905.

In reply to the Secretary's question as to how the Chinese Government would be likely to react to such a proposal as the one in regard to stationing of troops for cooperative defense against communistic activities, the Ambassador said that in his opinion the Chinese Government had become very much weakened as a result of the continued hostilities, that they had lost so much equipment that a Japanese force was a match for a Chinese force twenty times as numerous. He thought that Russian aid was now practically limited to that accorded the Chinese Communists; that British aid was negligible; that the only thing that was now sustaining Chiang Kai-shek was reliance upon American aid; and that, if the United States should discontinue its aid, China would be forced to come to terms with Japan on this matter. The Ambassador added further that Chiang Kai-shek was riding on two horses--the Chinese Communists and the Kuomintang; that the only factor which kept the two horses together was Japanese pressure; and that in this situation Chiang Kai-shek would find it very difficult to continue the conflict.

The Secretary repeated that these two points which he had brought out presented difficulties to us and he asked whether the Japanese Government could not give them further consideration. The Ambassador replied that, if he should ask his Government for further instructions in regard to the point about relations of Japan and the United States to the European war, the Japanese Government would probably be unwilling to give any further clarification. He made no definite statement as to further consideration by the Japanese Government of the other point in regard to the question of Japanese troops in China, but said that he would consult further with Colonel Iwakuro. The Secretary said that he also would give further thought to these matters.

As the Japanese Ambassador was leaving the Secretary reiterated the points mentioned by him above that before entering into any negotiations he had in mind to talk over the China matter with the Chinese Government and that in the meantime our conversations would continue on an entirely informal and unofficial basis. He repeated also that it was only because these conversations were of an informal and unofficial character that he had discussed in this way the question of Japanese troops in China.

(JOSEPH #.) BALLANTINE
Foreign Relations II, pp. 441-443.

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Defendants' Excerpts.

The Japanese Government has taken note of the regulations governing the exportation of iron and steel scrap, dated September 30, 1940, amending the construction and definition of the term "iron and steel scrap" included in the regulations of July 26, 1940, and the announcement of September 26, 1940 to the effect that, under the new regulations, licenses will be issued to permit shipments to the countries of the Western Hemisphere and Great Britain only.

The above mentioned regulations refer to the Presidential authority derived from the provisions of section 6 of the Act of Congress approved July 2, 1940, entitled "An Act to expedite the strengthening of the national defense", thereby suggesting that it was determined to be necessary in the interest of national defense to curtail the exportation of iron and steel scrap.

.....

In the note of the Japanese Ambassador of August 3 the Japanese Government pointed out that the measure announced on July 26, 1940, in regard to the exportation of aviation gasoline, was tantamount to an export embargo as far as countries outside the Western Hemisphere were concerned. Compared to that announcement, the announcement under review may be said to have gone a step further toward discrimination by specifically excluding Great Britain from the virtual embargo.

In view of the fact that Japan has been for some years the principal buyer of American iron and steel scrap, the announcement of the administrative policy, as well as the regulations establishing license system in iron and steel scrap cannot fail to be regarded as directed against Japan, and, as such, to be an unfriendly act.

The Japanese Government hereby protests against the measures taken by the United States Government in connection with the exportation of iron and steel scrap.

(WASHINGTON,) October 7, 1940.

Foreign Relations II, pp. 223-224.

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Br. Ex. 133-A
Ct. Ex. 58

Defendants' Request.

PRESS RELEASE ISSUED BY THE JAPANESE EMBASSY
ON APRIL 15, 1940

On being questioned by newspapermen concerning Japan's position with regard to possible involvement of the Netherlands in the European war and its repercussions in the Netherlands East Indies, Foreign Minister Arita replied as follows:

'With the South Seas regions, especially the Netherlands East Indies, Japan is economically bound by an intimate relationship of mutuality in ministering to one another's needs. Similarly, other countries of East Asia maintain close economic relations with these regions. That is to say, Japan, these countries and these regions together are contributing to the prosperity of East Asia through mutual aid and interdependence.

"Should hostilities in Europe be extended to the Netherlands and produce repercussions, as you say, in the Netherlands East Indies, it would not only interfere with the maintenance and furtherance of the above-mentioned relations of economic interdependence and of co-existence and co-prosperity, but would also give rise to an undesirable situation from the standpoint of the peace and stability of East Asia. In view of these considerations, the Japanese Government can not but be deeply concerned over any development accompanying an aggravation of the war in Europe that may affect the status quo of the Netherlands East Indies."

Foreign Relations II, p. 281

