

Exhibit 2959

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From Nomura to Tōgō
24 October 1941
No. 995

Reference to your telegram No. 698.

Wakasugi talked with Welles for an hour from 3:30 P.M. on the 24th.

In accordance with your telegram, Wakasugi said that the new Japanese Cabinet had as earnest a desire as the last Cabinet to arrive at a fair and equitable adjustment of Japanese-American relations, that Japan's position had already been made clear, and that, although no detailed instructions had yet been received from the home government, Wakasugi might say that, according to what he himself observed during his recent visit to Japan, the circumstances did not permit of any further indefinite protraction of the present conversations, it being desirable to arrive at a conclusion as soon as possible and without even a day's unnecessary delay. Wakasugi then asked for the presentation of the United States counter-proposal in response to the Japanese proposal of 25 September.

Welles asked about the intentions of the new Cabinet in regard to the continuance of the present negotiations. Simultaneously, he pointed out that lately persons in responsible positions in Japan had been making bellicose statements; for example, the Navy spokesman had said in a statement that the Japanese Navy was "itching for action"; and that the newspapers, etc., were vehemently attacking the United States. This fact, he pointed out, seriously irritated the Government and people of his country, and was injurious to the continuance of the present negotiations.

Wakasugi countered by saying that there were not a few influential statesmen in the United States, including for example, Senator Pepper, who were making vehement attacks on Japan. Above all, Secretary of the Navy Knox had said in a speech today that not only was a Japanese-American war unavoidable, but the clash was imminent. There were many such bellicose utterances in the United States, and the Government and people of Japan were being no less irritated by them. Welles made repeated explanations to get Wakasugi to understand that the speech of the Secretary of the Navy was not really so vehement, the press reports of it being merely exaggerations of its fragments; and that the Secretary of the Navy, as the highest person responsible for the Navy, the greatest force in the United States, was now and then using strong language in an attempt to encourage the Navy.

Welles proceeded to say, with regard to the counter-proposal of the United States, that, as repeated at the previous talk, the principles and the counter-proposal of the United States were clear in the proposal of 21 June. One idea might be to attempt oral adjustment between the United States and Japanese proposals, but, according to the experience of informal conversations carried on, merely to stick to the formula hitherto followed and discuss it by items would lead only to a repetition of the same arguments as has already been made, and render it difficult to achieve progress in the negotiations. As had been said at the previous talk in the presence of Secretary Hull, it might therefore be a quicker way to make a fresh survey by a new formula consisting of taking up matters of a general character, such as the three important problems, and in endeavoring to reach an agreement of views on them one by one, beginning with those which were comparatively easier of settlement.

For this purpose, the question of non-discrimination in trade, on which it should be comparatively easier for both sides to reach an agreement of views, might first be taken up (whereupon Welles asked whether what had been emphasized by Hull at the previous talk had been communicated to the home government, and Wakasugi replied that details thereof had been reported). Secondly, the question of obligations under the Tripartite alliance might be discussed. To this question Welles referred in terms which might be taken as revealing the possibility of an adjustment on the United States side itself. Next, the China question might be talked over. Thus Welles made a new proposal in the negotiations, and showed an attitude indicating a marked desire to promote a compromise.

Wakasugi, in reply, said that today he was not at liberty to add anything to the Japanese proposal of 25 September, because no detailed instructions had yet been received from the home government. It was desirable, however, that, with regard to the new method of approach proposed by Welles, a proposal be formulated by the United States side and presented at the next talk. A study of this new approach would also be made by the Japanese side.

With regard to the question of release of the frozen funds of the two Japanese tankers, referred to at the last talk, and of the two mail ships dispatched at this time, Welles said that steps had forthwith been taken at the time. At the Treasury Department, the necessary steps had already been taken in regard to the three mail ships. As for the tankers, there were strict regulations concerning United States banks. . . /two words undecipherable/ the protection of bank depositors. Once funds had been put in an account at the Yokohama Specie Bank, it was difficult to release such frozen funds, no matter whether they were funds which had been in that bank previously or were remittance drafts just received from another country. If, therefore, the funds in question were made into drafts via United States banks, the State Department would do all in its power to meet the request.

The last-mentioned matter is again to be talked over with Financial Attaché Nishiyama.