

Exhibit 2730

13

DEF. DOC. #1400-D-3

EXCERPT TAKEN FROM "FOREIGN RELATIONS OF THE UNITED STATES",
JAPAN 1931-1941, DEPARTMENT OF STATE, WASHINGTON, PP 48-51.

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.)

687. My 686, December 18, 6 p.m. Following is our translation of the pro memoria read and handed to me by the Minister for Foreign Affairs today: 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 4 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 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 reopening 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

34. Section inserted in brackets is missing from file copy of telegram; addition is made from copy of pro memoria transmitted in despatch No. 436, Dec. 22, 1939, from the Ambassador in Japan.
(File No. 711.192/458.)

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 States 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