Eight new telegrams on the subject of Japan are attached.

The telegrams from Tokyo record the first interviews which the British and American Ambassadors had with Mr. Matsukawa on his return from Europe. These interviews were followed by some rather extraordinary correspondence between Mr. Matsukawa and Mr. Grew. The substance of these interviews and of the correspondence is that Mr. Matsukawa is conveying a warning that should a German attack on a convoy to Britain escorted by American naval vessels take place, Japan would regard this as creating a state of war between Germany and the United States, and would therefore consider that the Tri-Partite Pact had come into play, and would be obliged herself to enter the war against America. There are indications, see Tokyo telegram 821, that Mr. Matsukawa in taking this line may not be speaking for the Japanese Government as a whole.

2. The Foreign Office links up these developments with those reported in our telegram No. 2221 to the Foreign Office, describing the negotiations between Mr. Hull and the Japanese Ambassador here for a settlement in the Pacific, and the proposal for Mr. Willkie to visit Japan. They also connected with the information contained in Foreign Office telegram 2389 (attached in manuscript). They regard all these developments as forming part of a single manoeuvre to enable Japan to create a split between America and ourselves, to liquidate her commitments in China, and to diminish American assistance to us in the Atlantic. They consider that this manoeuvre has been concerted with the Germans.

3. The action which we should take on these telegrams is, I think, as follows:

   Foreign Office telegram 2389 should be read to Mr. Hull who might then be given an Aide Memoire based on telegram 2727.

4. Mr. Watt of the Australian Legation informed me today that they had received a telegram from Australia expressing lively interest in the American-Japanese negotiations reported in our telegram 2221. It might be as well for Mr. Casey to accompany H.E. when he sees Mr. Hull to take action as proposed above.

5. Sir R. Craigie is anxious that it should not be known that he received from his American colleagues and reported to the Foreign Office an account of Mr. Grew's interview and correspondence with Matsukawa. This should, therefore, not be mentioned in seeing Mr. Hull. We have, however, had an account of it from Mr. Welles, see paragraph 9 of our telegram 2221 to the Foreign Office.