

Far East 946/46/41

SECRET

AIDE MEMOIRE

His Majesty's Government have received with great interest the report of the conversation between Mr. Hull and Lord Halifax on May 17th reporting an informal discussion with the Japanese Ambassador with a view to reaching an agreement between the Japanese and United States Governments and to settling the Sino-Japanese war.

The position has, in the judgement of His Majesty's Government changed fundamentally since the possibility of a general settlement in the Far East was considered last summer (see in particular the oral statement handed to Lord Lothian by Mr. Hull on June 28th last). Since that time Japan has committed herself to the Axis by the Tripartite Pact. She has gained virtual control of Indo-China and is in the process of securing control of Thailand.

Whatever may have been the position when the Japanese Ambassador in Washington first broached the possibility of an agreement with the United States Government and settlement of the China war, it is clear that Admiral Nomura is now acting as a mouthpiece for Mr. Matsuoka in a scheme which the latter has discussed with the German Government. His Majesty's Government's reason for taking this view is the coincidence of these discussions in Washington with Mr. Matsuoka's recent interview with His Majesty's Ambassador in Tokyo, in the course of which he stated that should the United States decide on convoying in the Atlantic and Germany were to attack the convoys, he believed that Japan would

be/

be obliged to come to Germany's assistance under the terms of Article III of the Tripartite Pact. His Majesty's Government believe these two events to be part of a concerted Japanese move, the objects of which appear to be to drive a wedge between the United States and Great Britain, to enable Japan to withdraw from her commitments in China with the minimum loss of face, while retaining Manchoukuo and the essential advantages acquired during the China incident, including her position in Indo-China and Thailand, and to diminish the possibility of United States assistance to Great Britain not only in the Pacific but also in the Atlantic. For this latter purpose Mr. Matsuoka is trying simultaneously with his offer of a settlement to intimidate the United States as to the consequences likely to follow American involvement in the Atlantic regardless of the manner in which that might come about.

His Majesty's Government agree with Mr. Welles' view that Mr. Matsuoka is in an abnormal frame of mind. But the facts are these. Mr. Matsuoka is the chief architect of the Tripartite Pact, and his personal commitment to the policy of tying Japan to the Axis has been reinforced by his utterances in Europe. He has obtained a pact of neutrality with the Soviet Union and now hopes to obtain an agreement which at one blow would free Japan of her China incubus and of her one major apprehension in the pursuit of her pro-Axis policy, namely United States intervention. If Mr. Matsuoka were to succeed in obtaining this agreement he would doubtless
exert/

exert every effort to bring pressure on His Majesty's Government to compromise with Germany, thus indulging his ambition to bring about world peace on Axis terms. Simultaneously, Japan could continue "peaceful penetration" in Southeast Asia, including subversive activities in India, Burma and elsewhere, and could build up a position from which to deal with Malaya and the Netherlands East Indies at the moment and in the manner which appeared to her the most appropriate.

His Majesty's Government are most doubtful whether Japan could in fact accord such generous terms to China that the settlement offered would be in accordance with the principles enunciated on page 5 of Mr. Hull's oral statement of June 28th to which reference has already been made. If such a settlement were possible however, His Majesty's Government trust that the United States Government would give them ample opportunity to express their views on any proposed agreement, having regard to their great interest in the whole matter.

Mr. Matsuoka is aiming high, but His Majesty's Government believe that it is a game in which he hopes to bluff his way into success. They judge Japan's position to be as follows:-

Her economic situation is bad, and the economic restrictions imposed by His Majesty's Government are at last making themselves felt. She has been restrained from direct action against British territory in some measure by her commitments in China and by the knowledge that the British and Dutch defensive position has lately become stronger. Her principal deterrent however is the possibility/

possibility of United States action. Even if the United States became involved in war with Germany, the experience of Japan which His Majesty's Government has had leads them to believe that she would weigh the risks carefully before entering on hostilities with the United States. There are in fact signs that some Japanese are already apprehensive lest Mr. Matsuoka by some imprudent action may precipitate war with the United States. His Majesty's Government suggest that it is best to encourage these fears. They believe that if Japan is to be detached from the Axis and real peace achieved in the Pacific, it will be by a display of resolution and firmness on the part of the United States, the Netherlands and Great Britain, and that the present Japanese and Japanese-sponsored moves are a trap into which His Majesty's Government are confident the United States Government will not allow themselves to fall, though no doubt every artifice will be used so to work on United States public opinion as to force them into it.

THE BRITISH EMBASSY,
WASHINGTON, D. C.,
May 23rd, 1941