

SECRET H. E.

NOTHING TO BE WRITTEN IN THIS MARGIN.

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We have recently received 3 telegrams from the F.O. about the Far East. The first (Flag A) suggests that we should speak to the U.S.G. about the attitude to be adopted in the event of a Soviet attack on Japan. The attached minute by Mr. Dening suggests the lines which this conversation might follow. See also his minute on Flag B.

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Flag B reports an approach by the Soviet Ambassador in London expressing the view that the only effective check on Japan would be a stern warning from the U.S. and ourselves.

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Flag C refers to your recent conversation with Mr. Hull when the latter put forward the suggestion that we should encourage the moderates in Japan by some small and limited concession in the economic sphere. H.M.G. do not like this idea, believing that concessions are more likely to stiffen the extremists than to encourage the moderates. They think that a limited deal might be necessary in cases where we ourselves wish to obtain important supplies from Japan, but that ~~they~~ should not be made for any other motive.

Concessions

As this question was raised with you by Mr. Hull, and as the latest F.O. telegram seems to indicate that the matter is less urgent than was at first supposed since an immediate attack on Russia seems less likely, perhaps Y.E. would prefer to speak to Mr. Hull about this later on rather than raise it with Mr. Welles this afternoon.

W. G. H.
October 21st, 1941.

WGH:HK