

April 9th.—The Fascist Grand Council closed its session after adopting three Orders of the Day, the second and third of which were concerned with the attitude of Italy towards the international situation and to disarmament. In the second, the Grand Council declared its conviction that it was necessary (1) to renounce reparations and cancel inter-State war debts; (2) to remove Customs barriers before they had reduced international trade to complete anæmia; (3) to set in order the condition of the Danubian and Balkan peoples; (4) to revise, within the framework of the League, the clauses of those Peace Treaties which contained in themselves the grounds of unrest and consequentially of eventual war; and (5) to give up the summoning of unduly frequent international conferences which, by arousing unfulfilled hopes, bred more and more delusion and thus increased points of friction. Finally, the Council stated that it reserved the right "to examine at its October session the problem of the position of Fascist Italy in the League of Nations."

In the third Order of the Day the principles of disarmament, as laid down by Signor Mussolini in his speech to the Senate in June, 1928, were reaffirmed and the proposals of Signor Grandi at Geneva approved.

Japan.

April 1st.—Instructions were sent to the Chief of the General Staff of the forces at Shanghai which were understood to concede the Chinese demand that the Japanese should not occupy Woosung Fort and Kiangwan village. As regards the date for the final withdrawal of the Japanese, the formula drafted by Sir Miles Lampson was stated to be acceptable to the Government. This read: "The final withdrawal of the Japanese troops to the areas mentioned in the annexe shall be completed so soon as conditions of local security permit of such a reduction of the said troops as will allow them to be accommodated in the said area."

April 2nd.—The Cabinet approved a loan of 20,000,000 yen to the new Manchurian Government by the semi-official business houses, the Mitsui and the Mitsubishi, to be secured on the salt revenue surplus (estimated to amount to 4,600,000 yen).

Reports re disturbances in Manchuria. (*See China: External Affairs.*)

April 4th.—The Foreign Office stated definitely that Japan would not resume hostilities at Shanghai even if the Conference failed, unless the Chinese attacked.

Reports re fighting in Manchuria. (*See China: External Affairs.*)

April 6th.—It was announced that instructions were being sent to the Minister in China offering to make a declaration that, as soon as local conditions had so improved as to afford a sense of security to Japanese nationals as regards protection of their lives and property and lawful pursuits, the Japanese troops would be further withdrawn to the Settlement and the extra-Settlement roads, as before the incident of January 28th. The official attitude was that an assurance must be obtained against renewal of the boycott and the reappearance of Chinese troops on the borders of the Settlement.

April 8th.—It was understood that the Government was prepared to modify the proposed declaration on the withdrawal from Shanghai and that this would read: "As soon as local conditions have so improved as to afford a sense of security to Japanese nationals as regards protection of their lives and property and lawful pursuits—and they hope conditions will have so improved within six months or sooner—the Japanese troops will be further withdrawn to the Settlement and the extra-Settlement roads, as before the incident of January 28th."