

2. In a further telegram Sir Robert Craigie reported that his United States colleague had shown him confidentially a telegram to his Government in which he expresses the opinion that in face of great difficulties Japanese Prime Minister and Minister for Foreign Affairs were genuinely concerned to bring about a peaceful settlement of difficulties with the United States. In present state of public opinion, however, the section of the Cabinet which supports them is unable to go either too far or too fast for, unless they can carry public opinion at least partially with them, assassinations and even revolt might be the consequence. This being the position, United States Ambassador urged that opportunity should be taken in public statements by leading statesmen in the United States to explain advantages which Japan may expect to derive from loosening her present close ties with the Axis and abandoning her policy of economic exclusionism in the Far East. These advantages could not be too frequently stressed because of efforts of Japanese censorship to prevent presentation of a true picture to the Japanese public; only when such statements are made by the highest authorities abroad is there any reasonable guarantee of their receiving publicity in Japan.

3. After careful consideration of these telegrams, we have now replied to His Majesty's Ambassador at Tokyo on following lines:

While it is possible that there has been a recent Japanese cooling off towards the Axis, we have every reason to think that this springs not from a desire to re-establish friendship with the Democracies but from a growing conviction that Tripartite Pact has lost its value as means of promoting Japanese ambitions, and that a temporary compromise with the United States and ourselves would provide a better chance of ultimately realizing Japan's aims. Our information is that there is some hesitation and division of counsel on these points, but nothing shows that Japan has modified her long-term aims. We doubt therefore whether any public statement of advantages to be gained by Japan from loosening her ties with the Axis and abandoning her policy of economic exclusionism in the Far East would have much effect. Japan always wishes the other party to make first conciliatory move, and on basis that everything will be all right provided latest Japanese *fait accompli* is recognised we feel this time Japan must furnish concrete evidence of her intention both to make amends and to mend her ways before we make any further mention of economic assistance. The first two conditions of any general settlement must be Japanese willingness to give China terms which Chungking could accept and withdrawal of Japanese troops from Indo-China. Of this there is no sign whatever. In the meantime it is important not to give impression to Japan that we are thinking even of any relaxation of our economic measures. We have made it clear to His Majesty's Ambassador that we are not prepared to discuss closure of Burma Road, and have approved his action in returning uncompromising reply when Minister for Foreign Affairs recently raised the point. Ends.