

I reported earlier that Mr. Kurusu had, on his own authority, suggested such an arrangement. Mr. Hull said at Saturday's meeting that he had received from Mr. Kurusu on Thursday night a written proposal, made on the instructions of the Japanese Government. This proposal was not at all acceptable to the United States. Its main provisions were as follows:

1. There should be a mutual undertaking that neither Japan nor the United States would make any military advance in Southeastern Asia, except in those parts of Indo-China which are already occupied by the Japanese. Mr. Hull commented on this that he had pointed out to Mr. Kurusu that this would leave Japan free to attack Vladivostok. Mr. Kurusu had answered that the Japanese Government regarded their non-aggression treaty with Russia as being still operative and implied that this possibility was covered without being specifically mentioned.
2. The Japanese would withdraw all their forces from Indo-China as soon as peace had been concluded between Japan and China. They would, as an interim measure, remove to Northern Indo-China the troops now stationed in Southern Indo-China.
3. The United States would undertake to assist Japan in securing some necessary supplies from the Netherlands East Indies.
4. The financial prohibitions imposed by the freezing orders would be mutually abolished. The United States would permit Japan to purchase and import necessary supplies of which they were now in great need. Mr. Hull commented on this at the meeting that they had no intention whatever of considering the abolition of the freezing orders or giving any facilities to Japan to secure supplies except under a strict regime.
5. The United States would undertake to do nothing which would impede a settlement between China and Japan. Mr. Hull commented that this seemed to mean a cessation of United States aid to China and that it was quite out of the question.

After reading the Japanese document to the meeting and commenting on it paragraph by paragraph, Mr. Hull went [on] to say that he was giving consideration to a counter-proposal and that before any such proposal was made he wished to secure the concurrence of the British Commonwealth, The Netherlands, and China. He had no intention of making any concessions on the general principles of a Far Eastern settlement. He more than once emphasized that any proposal which might be made would merely be to gain time. It might be that a delay of two or three months would permit those in favour of peace in Japan to secure the ascendancy, although he was not at all optimistic of this. In any event, the military position in the Far East should be more favourable in two or three months than it was at present.

Mr. Hull said that his counter-proposal might provide on the Japanese side for the reduction in the number of their troops in Indo-China to a few