

- (a) It was clear to Mr. Shigemitsu that in Japan the process of "cooling off" towards Tripartite Pact and Axis generally was proceeding apace; as regards Pact the obligations assumed by Japan were being closely scrutinized and feeling prevailed that these must be interpreted in a more narrow legal sense than had been the practice lately of the Minister for Foreign Affairs. In answer to enquiry whether this meant that Japan would not feel obliged to go to war under Article 3 if the United States were to become involved in hostilities with Germany when acting in defence of American shipping against German attack, he replied in the affirmative. There was a marked desire for peaceful solutions, and from this point of view the moment was particularly opportune for present negotiations in Washington. The reasons for this state of affairs he listed as follows:
- (1) The Emperor was now taking a close interest in foreign affairs and particularly in present discussions in Washington;
 - (2) Moderate elements in Japanese politics which had submerged after collapse of France were now again exerting an influence on affairs;
 - (3) The Germans had over-played their hand, particularly through their interference in Japanese domestic politics—a course which in a country like Japan was extremely unwise.
- (b) While there was a considerable interest in Washington negotiations, there was also, he said, a large and influential body of the opinion which considered that it was with us as having a more liberal and immediate stake in the Far East, that a settlement must be reached if peace in the Far East was to be established on a solid basis. He gave the impression that he felt that it would have been preferable had we been associated with Washington discussions.
- (c) On the subject of Indo-China he said that difficulties had arisen from attempt to confine occupation to northern part, and military considerations connected primarily with war in China had accelerated subsequent occupation of the south. He wondered whether it would be possible for agreement to be reached on basis of a withdrawal of Japanese troops from Indo-China in return for closing of Burma Road, without which latter act our relations with Japan must always remain uneasy. He thought that a solution to the Thai (Siam) problem taken in isolation would be less difficult provided some means could be found of guaranteeing neutrality of that country and hence allaying our mutual anxieties in regard to its political and territorial integrity.