WAR WITH JAPAN 1517

1387. 28-C(s)

Le ministre-conseiller, la légation aux États-Unis, au sous-secrétaire d'État aux Affaires extérieures

Minister-Counsellor, Legation in United States, to Under-Secretary of State for External Affairs

MOST SECRET

Washington, November 25, 1941

Dear Mr. Robertson,

In continuation of my letter of yesterday, there was, to my surprise, a further meeting at the State Department yesterday afternoon on the Japanese situation, which was attended by the same persons as that of last Saturday. I have secured from Mr. Casey and Sir Ronald Campbell an account of what took place. The purpose of the meeting was to consider a draft prepared by the State Department in answer to the Japanese proposal for a temporary arrangement. I was not able this morning to examine Lord Halifax's report to London, and what follows is based on oral information given mainly by Mr. Casey.

The proposal is for a temporary *modus vivendi*, the term of which would be fixed at three months. After a lofty preamble, the chief points are as follows:

- 1. Japan would undertake to make no military advance in territories now occupied by her armies. Mr. Casey says that Indo-China and Manchuria were mainly in mind, but that the language used might be held to cover an advance in China itself.
- 2. Japan would undertake the complete evacuation of Southern Indo-China and the reduction in her troops in Northern Indo-China to not more than 25,000. The Chinese Ambassador objected strenuously to this figure and said that he thought it ought not to be larger than 5,000.
- 3. In return, the United States would undertake freely to admit imports from Japan, 75 per cent of which in value would be raw silk. The proceeds of Japanese sales in the United States would be paid into a special account, from which could be purchased raw cotton to the value of \$600,000 per month, foodstuffs and medical supplies to an amount to be agreed upon, and petroleum products to an amount to be agreed upon in consultation with The Netherlands and the United Kingdom. The petroleum products would be all for civilian use, the fishing fleet, bunkers, lighting, etc., being specifically mentioned. Aviation gasoline and lubricating oil would thus be excluded.
- 4. The United States would undertake to use her good offices with the Netherlands East Indies and Australia so that Japan would be able to purchase goods on similar terms from these sources.