

his preference for the second formula and avoidance of mention of the United States lest it should appear that our warning was being given merely at their instance. Mr. Hull also suggested

- (a) that (as had been our intention) our warning should be made confidentially to the Japanese Government, and that text of it at any rate should not be made public.
- (b) that our objection to Japanese encroachment should not relate to "south west Pacific area" but be made more broadly and take the form of a warning against continuance of the war and expansion policy and programme of conquest by force. Basis of this suggestion is the desire of the United States to meet suspicions of China and Russia, former of whom might read into our formula the possibility that we should leave her in the lurch if our territory were safeguarded, while the latter might think we were seeking to divert Japan from our territory against Russian. (It appears that United States authorities have grounds for believing that such apprehensions exist, and that the words "neighbouring countries" in United States warning were adopted largely to meet suspicions of the above Governments).
- (c) that express mention of the word "war" be avoided on the grounds that public opinion in Japan is in a state of ferment, and the situation between the Japanese Prime Minister and extremists is delicate.

2. As regards United States negotiations with Japan, Hull indicated that message from Prince Konoye of August 28th had made resumption possible, and he said that if conversations reached a stage where a basis was found for negotiation of a general settlement of the Pacific situation, he would inform us. He was determined to adhere strictly to his basic principles, and he thought that United States negotiations had one chance in twenty-five or fifty of succeeding. If they failed he would perhaps have gained useful time, while if they succeeded, so much the better. He was, however, thoroughly alive to the various dangers of his policy, e.g., that Japan after a settlement might break it in a few months' time, in which case effect on the morale of the Chinese army and people might be serious. He would have to bear such dangers constantly in mind.

3. Recent events, such as President's warning and Prime Minister's broadcast, United States Government oil policy in respect of Russia and Japan, and despatch of a United States military mission to China, had caused violent reactions in Japanese press and public opinion. Prince Konoye (with what sincerity Hull did not know) had begged that no pretext should be given Japanese extremists to upset him on a charge of sacrificing Japanese Imperial policy.

4. Further consideration in the light of the above is being given question of action to be taken by us.