

EXHIBIT NO. 18

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1. Draft Suggestions (Nov. 11, 1941) to the Secretary of State prepared by Far Eastern Division concerning proposed "*Modus Vivendi*." No action was taken on these suggestions.
2. Memorandum dated Nov. 19, 1941 from Mr. Hamilton to the Secretary of State concerning an attached revision of a proposal by Secretary Morgenthau for an agreement between the United States and Japan.
3. Memorandum dated Nov. 24, 1941 by Brig. Gen. L. T. Gerow for the Chief of Staff concerning the "Far Eastern Situation."
4. Memorandum dated Nov. 21, 1941 by Admiral H. R. Stark for the Secretary of the Navy concerning "Outline of Proposed Basis for Agreement Between the United States and Japan, of Nov. 19, 1941 (See Item No. 2, supra).
5. Memorandum dated Nov. 21, 1941 by Brig. Gen. L. T. Gerow for the Secretary of State concerning the "Far Eastern Situation."
6. Pencilled memorandum given by the President to the Secretary of State (Not dated but probably written shortly after Nov. 20, 1941).
7. Tentative draft (not used) dated Nov. 22, 1941 of a proposed oral statement and *Modus Vivendi* to be handed Japanese Ambassadors.
8. Tentative draft dated Nov. 22, 1941 of an "Outline of Proposed Basis for Agreement Between the United States and Japan."
9. Memorandum dated Nov. 22, 1941 of a conversation between Secretary Hull, British Ambassador, Australian Minister, Netherlands Minister and Chinese Ambassador concerning "Japanese Proposal for a *Modus Vivendi* and suggested reply."
10. Tentative draft (not used) dated Nov. 24, 1941 of a proposed *Modus Vivendi*.
11. Tentative draft dated November 24, 1941 of an "Outline of Proposed Basis for Agreement Between the United States and Japan."
12. Memorandum dated Nov. 24, 1941 by Secretary Hull for the President with an attached draft of message from the President to the British Prime Minister describing the Japanese proposal for a *Modus Vivendi* and a suggested alternate *Modus Vivendi*, and closing sentences added by the President.
13. Memorandum dated Nov. 24, 1941 of a conversation between Secretary Hull, British Ambassador, Chinese Ambassador, Australian Minister and Netherlands Minister, concerning "Proposed *Modus Vivendi* for Submission to Japanese Ambassador."
14. Tentative draft (not used) dated Nov. 25, 1941 of a proposed *Modus Vivendi* to be submitted to the Japanese Ambassador, and attached "Outline of Proposed Basis for Agreement Between the United States and Japan."
15. Message dated Nov. 25, 1941 from Owen Lattimore, Chungking, to Lauchlin Currie.
16. Copy of Message from General Chiang Kai-Shek transmitted to Secretary Stimson by Mr. T. V. Soong, under cover of a letter dated Nov. 25, 1941.
17. Memorandum dated Nov. 25, 1941 of conversation between Secretary Hull and British Ambassador concerning "Suggested Changes in *Modus Vivendi*," and an attached memorandum from the Ambassador commenting on the Japanese proposal (of Nov. 20, 1941).
18. Memorandum dated Nov. 25, 1941 of conversation between Secretary Hull and the Chinese Ambassador concerning the "Opposition of Generalissimo Chiang Kai-Shek to *Modus Vivendi*," with attached copy of telegram dated Nov. 24, 1941 from Minister Quo Tai-Chi, Chungking, to Ambassador Hu Shih.
19. Memorandum dated Nov. 25, 1941 of conversations between the Chinese Ambassador and the Netherlands Minister, and Stanley K. Hornbeck.
20. Memorandum for the President dated Nov. 26, 1941 from the Secretary of State suggesting withholding *Modus Vivendi*, and proposes handing Japanese Ambassador "a copy of the comprehensive basic proposal for a general peaceful settlement."
21. Memorandum from the Netherlands Minister for Foreign Affairs, handed to Secretary Hull on Nov. 27, 1941.
22. Memorandum of Conversation dated Nov. 27, 1941 between the British Ambassador and Sumner Welles concerning "Japanese-American Relations."
23. Memorandum of Conversation dated Nov. 27, 1941 between Secretary Hull and the Australian Minister concerning "Proposed *Modus Vivendi*."
24. Message dated Nov. 27, 1941 from Secretary of State to Ambassador Grew, Tokyo.
25. Memorandum of Conversation dated Nov. 28, 1941 between British Minister and Stanley K. Hornbeck.
26. Message dated Nov. 28, 1941 from Secretary of State to United States Ambassador, Chungking, China.
27. Memorandum of Conversation dated Nov. 29, 1941 between Secretary Hull and British Ambassador concerning "United States-Japanese Conversations."
28. Memorandum handed to Secretary Hull by the Chinese Ambassador on Dec. 2, 1941.

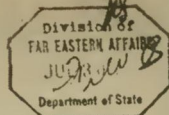
DRAFT SUGGESTIONS (NOVEMBER 11, 1941) TO THE
SECRETARY OF STATE. NO ACTION WAS TAKEN ON THESE
SUGGESTIONS. PREPARED IN PE.

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If, as seems almost certain, there is no possibility at the present time of reaching with Japan a comprehensive settlement covering the entire Pacific area, it is highly probable that after a certain point further efforts to reconcile differences on the essentials of such a comprehensive settlement will lead only to a rupture of the conversations followed by a further and perhaps sudden deterioration of relations. Such a prospect prompts the question whether it might not be possible to propose some tentative or transitional arrangement the very discussion of which might serve not only to continue the conversations pending the advent of a more favorable situation, even if the proposal is not eventually agreed to, but also to provide the entering wedge toward a comprehensive settlement of the nature sought providing the proposal is accepted by Japan and provided further that China is able to obtain satisfactory terms from Japan.

With these thoughts in mind, there is suggested for consideration a proposal along the lines of the attached draft.

It is probable that the Japanese will not agree to the attached proposal as it stands without considerable modification, and it is even more probable that negotiations between Japan and China under these circumstances will

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come to nothing. Nevertheless, it is hoped that a proposal along the suggested lines might offer a basis which might keep conversations going for sometime longer than otherwise, and if accepted by the Japanese might lead to an eventual comprehensive settlement of a nature compatible with our principles.

It is suggested that the foregoing proposal would have more chance of receiving consideration by the Japanese (and of thus gaining time) if it were presented to them before feelings had become further aroused over fruitless discussion of matters we assume will not be agreed upon.

In presenting the proposal to the Japanese we might say that we offer it with reluctance as we realize that it is of a patchwork nature and imperfect, but that we feel that under the circumstances it is better to have something on which we can hope to build in the future than to end with no agreement at all, as would seem to be otherwise inevitable in view of our present divergences of views on certain fundamentals.

If the Japanese should decline to consider such a proposal we should be no worse off than we otherwise would have been. At the same time, it is believed that by presenting a proposal of this sort, we should make
clear

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clear on the record our effort to do everything possible to reach a settlement with Japan. If they do consider it, one point on which they would be most likely to seek modifications would be a provision which would enable them to obtain oil sooner than contemplated in the proposal that we offer them.

In regard to that point, it might be possible to work out an arrangement whereby we could allow them to have petroleum in amounts equivalent to amounts of petroleum products released in Japan for normal peacetime consumption. This would make possible the normal functioning in Japan of buses, commercial trucks, taxis and private automobiles as well as Japanese fishing launches and commercial boats and would emphasize to the Japanese public the advantages of conditions of peace.

(DRAFT)

I.

A. The Governments of the United States and of Japan accept joint responsibility for the initiation and conclusion of a mutual understanding and declaration of intention and policy for the resumption of traditional friendly relations.

B. Without reference to specific causes of recent estrangement, it is the sincere desire of both Governments that the incidents which led to the deterioration of amicable sentiment between their countries should be prevented from recurrence and corrected in their unforeseen and unfortunate consequences.

C. It is the earnest hope of both Governments that by cooperative effort, the United States and Japan may contribute effectively toward the establishment and preservation of peace in the Pacific area.

D. Both Governments affirm that their national policies are directed toward the foundation of a lasting peace and the inauguration of a new era of reciprocal confidence and cooperation between the peoples of both countries.

E. Both Governments further affirm that in their national policies they will actively support and give practical application to the following fundamental principles upon which their relations with each other and with
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all other governments are based:

- (1) The principle of inviolability of territorial integrity and sovereignty of each and all nations.
- (2) The principle of non-interference in the internal affairs of other countries.
- (3) The principle of equality, including equality of commercial opportunity.
- (4) The principle of non-disturbance of the status quo except as the status quo may be altered by peaceful means.

F. Both governments have agreed that in order to promote stable peace and to eliminate chronic political instability and recurrent economic collapse, they will actively support and practically apply the following principles in their economic relations with each other and with other nations and peoples:

- (1) The principle of non-discrimination in international commercial relations.
- (2) The principle of international economic cooperation and abolition of extreme nationalism as expressed in excessive trade restrictions.
- (3) The principle of non-discriminatory access by all nations to raw material supplies.
- (4) The principle of full protection of the interests of consuming countries and populations through international agreement regulating supply of commodities.
- (5) The principle of establishment of such institutions and arrangements of international finance that may lead up to the essential externalities and the continuous development of all countries, and may permit separate national processes of trade consistent with the welfare of all countries.

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(In drafting the abstract principles on which commitments are to be exchanged, an effort has been made to embody those principles to which it is believed the Japanese are readily willing to agree.)

II.

A. As initial steps toward the implementation and practical application of the fundamental principles agreed upon, both Governments have agreed to take the following measures:

(1) The Government of the United States will suggest to the Governments of China and of Japan that they immediately enter into direct amicable negotiation for a peaceful settlement of their differences.

(In offering to extend advice to the Chinese and Japanese Governments that they enter into direct negotiations for a settlement of their differences, we would not ask the Japanese to tell us their peace terms. We should, therefore, be in a position to tell the Chinese that our suggestion contains no implication of approval of terms which the Japanese might offer; that we intend to continue our policy of aid to countries which are victims of aggression; and that if the hostilities should be resumed after the armistice, we shall again extend to China all possible aid. In our approach to the Chinese we would make it clear that following a peaceful settlement with Japan, we should expect to extend in the fullest possible measure material and technical assistance to China during the period of reconstruction.)

(2) The Government of Japan will offer to the Government of China an armistice during the period of amicable negotiation.

(3) The Government of the United States during the course

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course of amicable negotiations between China and Japan under an armistice will hold in abeyance shipment of supplies of a military character to China.

(4) The Government of Japan during the course of amicable negotiations between Japan and China under an armistice will refrain from further reenforcement of its expeditionary forces in China and French Indochina and will hold in abeyance shipment of supplies of a military character to those forces.

(5) The Government of the United States upon the conclusion of a peace settlement between Japan and China will immediately enter into negotiations with the Governments of Japan and of China for the resumption of normal trade relations with these Governments; and will undertake new negotiations with Japan for a resumption in trade and commerce in certain commodities and services other than those essential to warfare with a view to reconstruction of normal peacetime industry in Japan.

(The negotiations with Japan for the resumption of normal trade relations, following a peace settlement between Japan and China, would look to an arrangement whereby trade would be restored according to a graduated scale and in proportion with the evacuation of Japanese troops from Indochina and from China and with the re-establishment of nondiscriminatory trade in areas now under Japanese military occupation. For example, there might be provision that with the completion of Japanese evacuation of certain areas such as Indochina or China south of the Yangtze River we might let Japan have certain quantities of desired commodities such as oil and iron.

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In the negotiations for an immediate resumption of limited trade in commodities other than war supplies, we should have in mind the dual purpose of setting Japanese factories and shipping facilities to production and services which would aid in meeting our present needs, would assist the transition in Japan from a war to a peace economy, and which would augment the natural popular reaction in favor of peaceful and profitable pursuits. Such a reaction might be expected once hostilities with China have ended and the threat of extended hostilities with the United States somewhat abated. A beginning in this direction might consist of arrangements for the exchange of such Japanese products such as canned crab meat, menthol, camphor, pyrethrum flowers, plants for hat making, tea and batteries for American products such as fertilizers, foodstuffs, pharmaceuticals, cotton and tobacco. Arrangements might also be made for the charter of Japanese vessels, if agreeable to Japan, and for the construction of vessels to American order in Japanese shipyards with steel and other material supplied from the United States.)

(C) The Governments of Japan and of the United States mutually guarantee that they will not undertake military offensive operations in any direction in the Pacific area.

STRICTLY CONFIDENTIAL

I. Commitments to be given mutually by the Governments of the United States and Japan.

(a) The Government of the United States and the Government of Japan subscribe to and actively support the following principles and the practical application thereof as the foundation upon which their relations with all other nations are based:

(1) Respect for the territorial integrity and the sovereignty of each and all nations.

(2) Support of the principle of non-interference in the internal affairs of other countries.

(3) Support of the principle of equality, including equality of commercial opportunity.

(4) Non-disturbance of the status quo except as the status quo may be altered by peaceful means.

(b) The Japanese Government and the Government of the United States hereby mutually pledge themselves that Japanese activity and American activity in the Pacific area shall be carried on by peaceful means and in conformity with the principle of non-discrimination in international commercial relations. In pursuance of this policy, the Japanese Government and the Government of the United States agree to cooperate each with the
other

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other toward the creation of conditions of international trade and international investment under which Japan and the United States will have a reasonable opportunity to secure through the trade process the means of acquiring those goods and commodities which each country needs for the safeguarding and the development of its own economy. They furthermore agree to cooperate each with the other especially toward obtaining commercial access, on a non-discriminatory basis, by each of them to supplies of such basic commodities as oil, rubber, tin, nickel, and any other commodity the importation of which is essential to each country for the maintenance of its economic life.

(c) The Governments of the United States and Japan mutually pledge that they will not seek in any part of the Pacific area political expansion in any direction or the acquisition of economic rights, advantages, or preferences by force.

II. Commitments on the part of the Japanese Government.

(a) The Japanese Government, following the cessation of hostilities between China and Japan, will withdraw all of its troops immediately from French Indochina.

(b) The Japanese Government will begin at once to put into effect a program for the rapid and progressive restoration

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restoration of all of the normal activities of nationals of the United States in China and Manchuria and for the progressive relaxation and removal of all restrictions on the activities of nationals of the United States in China which have been imposed directly or indirectly as a result of Japanese military activities in China, and will complete this program as rapidly as possible in order to provide full implementation and practical application of the principle of non-discrimination in international commercial affairs.

III. Commitments on the part of the Government of the United States.

The Government of the United States will, pari passu with the removal or alterations of those conditions and situations in the Pacific area which gave rise to the taking by it of certain political and economic measures, alter or discontinue those political and economic measures.

STRICTLY CONFIDENTIALTENTATIVE,
WITHOUT COMMITMENTOUTLINE OF PROPOSED BASIS
FOR AGREEMENT BETWEEN THE
UNITED STATES AND JAPAN

A

On its part the Government of the United States proposes to take the following steps:

1. To reduce to a normal footing American naval forces now in Pacific waters, without of course limiting in any way the freedom of action and of decision of the Government of the United States with regard to the disposition of naval forces of the United States.

2. To negotiate a multilateral non-aggression pact with Japan, China, the British Empire, the Netherlands, Thailand and Soviet Russia.

3. To suggest to the Chinese Government and to the Japanese Government that those Governments enter into peaceful negotiations with regard to the future status of Manchuria.

4. To enter into negotiations with the British, Chinese, Dutch, Thai and Japanese Governments for the conclusion of an agreement whereunder each of the Governments would pledge itself to respect the territorial integrity of French Indochina and, in the event that there should develop a threat to the territorial integrity of Indochina, to enter into immediate consultation with a view to taking such measures as may be

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deemed necessary and advisable to meet the threat in question. Such agreement would provide also that each of the Governments party to the agreement would not seek or accept preferential treatment in its trade relations with Indochina and would use its influence to obtain for each of the signatories most-favored-nation treatment in trade and commerce with French Indochina.

5. To give up all extraterritorial rights in China, including rights and interests in and with regard to the International Settlements at Shanghai and Amoy, and rights under the Boxer Protocol of 1901.

To endeavor to obtain the agreement of the British Government to give up British extraterritorial rights in China, including rights in international settlements and in concessions and under the Boxer Protocol of 1901.

To use its influence toward causing the British Government to cede Hong Kong to China. (This provision might take the form of an undertaking to use our influence with the British Government to cause the British Government to sell Hong Kong to China, the purchase price to be loaned China by the United States.)

6. To recommend to Congress enactment of legislation to amend the Immigration Act of 1924 so as to place all peoples of all races on a quota basis.

7. To negotiate a trade agreement with Japan, giving Japan (a) most-favored-nation treatment and (b) such concessions on Japanese imports into the United States

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as can be mutually satisfactorily arranged, including an agreement to bind raw silk on the free list.

To enter into a joint declaration between the United States and Japan with regard to commercial policy along the lines of the draft handed the Japanese Ambassador on November 15.

8. To extend to Japan a \$2,000,000,000 20-year credit at 2 percent interest, to be drawn upon at the rate not to exceed \$200,000,000 a year except with approval of the President of the United States.

(NOTE: The United States should be prepared to extend a similar credit to China.)

(NOTE: This provision presumably would require Congressional approval.)

9. To set up a \$500,000,000 stabilization fund half supplied by Japan and half by the United States, to be used for the stabilization of the dollar-yen rate.

(NOTE: The United States would be prepared to act similarly in regard to China.)

(NOTE: This provision may require Congressional approval.)

10. To remove the freezing restrictions on Japanese funds in the United States.

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B

On its part the Government of Japan proposes to take the following steps:

1. To withdraw all military, naval, air and police forces from China (excluding Manchuria -- see separate provisions) and from Indochina.
2. To withdraw all support -- military, political, economic -- from any government or regime in China other than the Government of the National Republic of China with capital temporarily at Chungking.
3. To replace with yen currency at a rate to be agreed upon among the Treasuries of China, Japan, Great Britain and the United States all Japanese military scrip, yen and local reserve notes circulating in China.
4. To give up all extraterritorial rights in China, including rights in international settlements and concessions and rights under the Boxer Protocol.
5. To withdraw all Japanese troops from Manchuria except for a few divisions necessary as a police force, and to withdraw all her troops from the Far East and from extent territories under her control.

6. To sell to the United States _____ tons of _____ delivered _____ to the United States _____ of the _____ of the _____ 1945, to _____ United States

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up to 50 percent of Japan's current output of shipping, including naval and commercial ships, on a cost-plus-50-percent basis as the United States may select, it being understood that the United States will sell Japan such raw materials as it may be necessary for Japan to import for these purposes.

7. To negotiate a multilateral non-aggression pact with the United States, China, the British Empire, the Netherlands, Thailand and Soviet Russia.

8. To remove the freezing restrictions on American funds in Japan.

NOVEMBER 24, 1941.

Memorandum for the Chief of Staff:

Subject: Far Eastern Situation.

A conference was held in the State Department at 9:45 a. m., November 21, 1941. Present: Secretary Hull, Dr. Hornbeck, Mr. Hamilton, Admiral Stark and General Gerow. Secretary Hull requested the Army and Navy representatives to express their informal views from a military standpoint on a draft of a tentative outline of a basis for agreement with Japan. (Tab A). He explained that the outline was in a formative stage and had not been adopted by the State Department.

The various provisions were discussed. Both Admiral Stark and General Gerow were of the opinion that, in general; the document was satisfactory from a military viewpoint. They requested, however, an opportunity to make a more detailed study of its possible effect on the military situation. It was agreed that comments would be submitted early the same afternoon.

The comments of Admiral Stark (Tab B) and my own (Tab C) are attached. I informed Admiral Stark verbally that I regretted the reference to Army forces in the Navy comments on provision A 1. I feel that no restrictions should be placed on Army's preparations to make the Philippines secure.

I informed the Secretary of War and General Bryden verbally of the conference.

L. T. GEROW,
Brigadier General,
Acting Assistant Chief of Staff.

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Tab A.

Tab B.

Tab C.

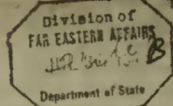
[Pencilled notation:] Enclosures not recd in Records Sec for recording. JRB.

[Pencilled notation in margin of first paragraph:] Gen. Marshall was out of town. (Initials illegible.)

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In reply refer to Initials
and No.

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NAVY DEPARTMENT

OFFICE OF THE CHIEF OF NAVAL OPERATIONS

WASHINGTON

21 November 1941

MEMORANDUM FOR THE SECRETARY

Subject: Comment on "Outline of Proposed Basis for Agreement between the United States and Japan, of November 19, 1941.

I respectfully submit the following. Reference is made to similarly numbered sections and paragraphs. Where paragraphs are not mentioned, concurrence is implied.

Par. A-1. Further study of this paragraph confirms the feeling I expressed to you this morning that it is unacceptable. It commits the United States to naval restrictions without imposing compensating naval restrictions on Japan. I think under no circumstances the word "reduce" should be employed, since our naval forces in the Pacific are inadequate and should not have to undergo additional loss of strength. I again note that this paragraph makes no reference to land or air components; I assume this was intentional and of course I wish we could get away with it but I doubt it. If some such paragraph is necessary I suggest a wording approximately as follows:

"Not to increase United States combatant naval (and military) forces in the Philippines".

I included the (and military) in case they bring the point up and we have to acquiesce. I strongly hope that present plans for Army increases in planes, which will be largely carried out by 1 March, could be excluded from any limitation agreement but this too might have to be accepted.

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Par. A-5. As I mentioned this morning I just don't like the idea of our buying Hongkong from the British and giving it to China. If this is to be done I think the British at least ought to make this contribution to a cause more important for the British Commonwealth than for the United States. Portugal should likewise give up Macao.

Par. A-8 & 9. This is somewhat out of Navy province but I assume that in view of the present unfavorable financial status it has been considered these two paragraphs should be inserted. I can realize their great importance and the desire to have them form an integral part of any agreement that might be reached.

Par. B-1. Change the period to a comma and add the words "including Hainan, Macao and the islands of the China Sea to the southward of Formosa." This would include among others the highly important Spratley Islands.

Par. B-2. Suggest the following addition to this paragraph:

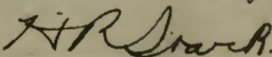
"To refrain from establishing or supporting any government or regime in Indo-China, other than the regularly established French Government."

This is to make clear our objection to any puppet regime, etc.

Par. B-5. I doubt the usefulness of this paragraph believing that it would prove unacceptable to both Russia and Japan. This morning I expressed it - "If I were a Russian I would not trust them." If good faith could be assured there might be something to it. I believe it might better be left out.

Par. B-6. I confirm my comment this morning. I do not believe Japan could accept it and certainly not with regard to their naval vessels; it would be a humiliating procedure from their standpoint; I would not mention it. There might be some chance of utilization of some of their present shipping if world conditions prevent their full utilization of it. However, this merchant shipping is an integral part of Japan's economic system and was built at great expense and difficulty. At the most the only proposal I would submit would be to buy a specific total of merchant ship tonnage; this might refer only to future construction if present construction could not be obtained. Chartering, as mentioned by some one this morning, might be considered.

General. Not in the paper. The provisions of the paper may be assumed to abrogate the tri-partite treaty on the part of Japan, but if it could be specifically so stated it would be helpful on this side of the water.



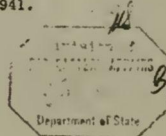
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WAR DEPARTMENT
WAR DEPARTMENT GENERAL STAFF
WAR PLANS DIVISION
WASHINGTON

BY AUTHORITY OF A. C. OF S., WPD

Date Initials

November 21, 1941.



MEMORANDUM FOR THE SECRETARY OF STATE:

Subject: Far Eastern Situation.

War Plans Division has made a hasty study from a military viewpoint of your tentative "Outline of Proposed Bases for Agreement between the United States and Japan," and perceives no objection to its use as a basis for discussion. The adoption of its provisions would attain one of our present major objectives -- the avoidance of war with Japan. Even a temporary peace in the Pacific, would permit us to complete defensive preparations in the Philippines and at the same time insure continuance of material assistance to the British -- both of which are highly important.

The foregoing should not be construed as suggesting strict adherence to all the conditions outlined in the proposed agreement. War Plans Division wishes to emphasize it is of grave importance to the success of our war effort in Europe that we reach a modus vivendi with Japan.

War Plans Division suggests the deletion of Par. B. - 5. The proposal contained in that paragraph would probably be entirely unacceptable to Russia. The geographical lay-out in the Manchurian-Siberian area is such that military time and space factors are all in favor of Japan. Furthermore, it would be most difficult to reach an agreement as to what are "equivalent forces" and the measures to be taken to insure that no unauthorized increases are made in those forces. Such an arrangement would increase the vulnerability of the Russian position, particularly in the Maritime Provinces, and at the same time remove the very real threat to Japanese cities of the Russian Air based therein. From the U. S. viewpoint, it is greatly to our advantage to have the possibility of access to Siberian airfields securely guarded by a potential ally.

The paper has been considered as a whole. If major changes are made in its provisions, it is requested that the War Department be given an opportunity to consider the military aspects of such changes.

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The Chief of Staff is out of the city and consequently this paper has not been presented for his consideration. The Plans Division believes that he would concur in the views expressed above.

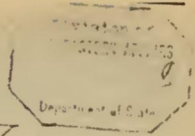
L. T. Snow

L. T. SNOW,
Brigadier General,
Acting Assistant Chief of Staff.

PENCILLED MEMORANDUM GIVEN BY THE
PRESIDENT TO THE SECRETARY OF STATE
(NOT DATED BUT PROBABLY WRITTEN SHORTLY
AFTER NOVEMBER 20, 1941)

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Letter on Pacific agreements

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COMMITMENT

Not Used

November 22, 1941.

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The representatives of the Government of the United States and of the Government of Japan have been carrying on during the past several months informal and exploratory conversations for the purpose of arriving at a settlement if possible of the questions relating to the entire Pacific area based upon the principles of law and order and fair dealing among nations. These principles include the principle of inviolability of territorial integrity and sovereignty of each and all nations; the principle of non-interference in the internal affairs of other countries; the principle of equality, including equality of commercial opportunity and treatment; and the principle of reliance upon international cooperation and conciliation for the prevention and pacific settlement of controversies and for improvement of international conditions by peaceful methods and processes.

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On November 20 the Japanese Ambassador indicated that the Government of Japan is desirous of going ahead with such a program; that the domestic political situation within Japan is urgent; and that, in order to give the Japanese Government opportunity to develop and promote public sentiment in Japan in support of a comprehensive and liberal program of peace such as has been under discussion between our two Governments, it would be helpful if there could be taken some initial steps toward resumption of trade and normal intercourse between Japan and the United States. At that time the Japanese Ambassador communicated to the Secretary of State proposals in regard to measures to be taken respectively by the Government of Japan and by the Government of the United States, which measures are understood to have been designed to create an atmosphere favorable to pursuing the conversations which have been taking place. These proposals contain features which from the point of view of the Government of the United States present difficulties in reference to the broad-gauge principles the practical application of which represents the desires of both Governments as manifested in current conversations. In as much as the Government of
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the United States desires to contribute to the peace of the Pacific area and to afford every opportunity to continue discussions with the Japanese Government directed toward working out a broad-gauge program of peace throughout the Pacific area, the Government of the United States offers for the consideration of the Japanese Government suggestions as follows:

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MODUS VIVENDI

1. The Government of the United States and the Government of Japan, both being solicitous for the peace of the Pacific, affirm that their national policies are directed toward lasting and extensive peace throughout the Pacific area and that they have no territorial designs therein. They undertake reciprocally not to make by force or threat of force, unless they are attacked, any advancement, from points at which they have military establishments, across any international border in the Pacific area.

2. The Japanese Government undertakes forthwith to withdraw its armed forces now stationed in southern French Indochina, not to engage in any further military activities there, including the construction of military facilities, and to limit Japanese military forces in northern French Indochina to the number there on July 26, 1941, which number in any case would not exceed 25,000 and which number would not be subject to replacement.

3. The Government of the United States undertakes forthwith to remove the freezing restrictions which were placed on Japanese assets in the United States on July 26 and the Japanese Government agrees simultaneously to remove the freezing measures which it imposed in regard to American assets in Japan. Exports from each country would thereafter remain subject to the respective export control

-5-

control measures which each country may have in effect for reasons of national defense.

4. The Government of the United States undertakes forthwith to approach the British and the Dutch Governments with a view to those Governments' taking, on a basis of reciprocity with Japan, measures similar to those provided for in paragraph three above.

5. The Government of the United States would not look with disfavor upon the inauguration of conversations between the Government of China and the Government of Japan directed toward a peaceful settlement of their differences nor would the Government of the United States look with disfavor upon an armistice during the period of any such discussions. The fundamental interest of the Government of the United States in reference to any such discussions is simply that they be based upon and exemplify the fundamental principles of peace which constitute the central spirit of the current conversations between the Government of Japan and the Government of the United States.

In case any such discussions are entered into between the Government of Japan and the Government of China, the Government of the United States is agreeable to such discussions taking place in the Philippine Islands, if so
desired

-6-

desired by both China and Japan.

6. It is understood that this modus vivendi is of a temporary nature and shall not remain in effect for a period longer than three months unless renewed by common agreement.

STRICTLY CONFIDENTIAL,
RELATIVE AND WITHOUT
COMMITMENT

November 22, 1941.

OUTLINE OF PROPOSED BASIS FOR AGREEMENT
BETWEEN THE UNITED STATES AND JAPAN

Section I

Draft Mutual Declaration of Policy

The Government of the United States and the Government of Japan both being solicitous for the peace of the Pacific affirm that their national policies are directed toward lasting and extensive peace throughout the Pacific area, that they have no territorial designs in that area, that they have no intention of threatening other countries or of using military force aggressively against any neighboring nation, and that, accordingly, in their national policies they will actively support and give practical application to the following fundamental principles upon which their relations with each other and with all other governments are based:

- (1) The principle of inviolability of territorial integrity and sovereignty of each and all nations.
- (2) The principle of non-interference in the internal affairs of other countries.
- (3) The principle of equality, including equality of commercial opportunity and treatment.

(4)

-2-

- (4) The principle of reliance upon international cooperation and conciliation for the prevention and pacific settlement of controversies and for improvement of international conditions by peaceful methods and processes.

The Government of Japan and the Government of the United States have agreed that toward eliminating chronic political instability, preventing recurrent economic collapse, and providing a basis for peace, they will actively support and practically apply the following principles in their economic relations with each other and with other nations and peoples:

- (1) The principle of non-discrimination in international commercial relations.
- (2) The principle of international economic cooperation and abolition of extreme nationalism as expressed in excessive trade restrictions.
- (3) The principle of non-discriminatory access by all nations to raw material supplies.
- (4) The principle of full protection of the interests of consuming countries and populations as regards the operation of international commodity agreements.
- (5) The principle of establishment of such institutions and arrangements of international finance as may lend aid to the essential enterprises and the continuous development of all countries and may permit payments through processes of trade consonant with the welfare of all countries.

-3-

Section II

Steps to be Taken by the Government of the United States and by the Government of Japan, Respectively

A

The Government of the United States proposes to take steps as follows:

1. To endeavor to conclude a multilateral non-aggression pact with Japan, China, the British Empire, the Netherlands, Thailand and the Soviet Union.

2. To suggest to the Chinese Government and to the Japanese Government that those Governments enter into peaceful negotiations with regard to the future status of Manchuria.

3. To enter into negotiations with the British, Chinese, Dutch, Thai and Japanese Governments for the conclusion of an agreement whereunder each of the Governments would pledge itself to respect the territorial integrity of French Indochina and, in the event that there should develop a threat to the territorial integrity of Indochina, to enter into immediate consultation with a view to taking such measures as may be deemed necessary and advisable to meet the threat in question.

Such

-4-

Such agreement would provide also that each of the Governments party to the agreement would not seek or accept preferential treatment in its trade or economic relations with Indochina and would use its influence to obtain for each of the signatories equality of treatment in trade and commerce with French Indochina.

4. To give up all extraterritorial rights in China, including rights and interests in and with regard to the International Settlements at Shanghai and Amoy, and rights under the Boxer Protocol of 1901.

To endeavor to obtain the agreement of the British and other governments to give up extraterritorial rights in China, including rights in international settlements and in concessions and under the Boxer Protocol of 1901.

5. To enter into negotiations with Japan for the conclusion of a trade agreement between the two countries, based upon reciprocal most-favored-nation treatment and reduction of trade barriers by both countries, including an undertaking by the United States to bind raw silk on the free list.

6.

-5-

6. To agree upon a plan for the stabilization of the dollar-yen rate, with the allocation of funds up to \$500,000,000 for this purpose, half to be supplied by Japan and half by the United States.

7. To remove the freezing restrictions on Japanese funds in the United States.

8. To take steps, upon the conclusion of this agreement and upon the signing of the multilateral non-aggression pact mentioned under item one above, directed toward termination of the Nine Power Treaty relating to Principles and Policies concerning China signed at Washington, February 6, 1922.

-6-

B

The Government of Japan proposes to take steps as follows:

1. To withdraw all military, naval, air and police forces from China (excluding Manchuria -- see separate provision A-2) and from Indochina.
2. To withdraw all support -- military, political, economic -- from any government or regime in China other than the National Government of the Republic of China with capital temporarily at Chungking.
3. To give up all extraterritorial rights in China, including rights in international settlements and concessions and rights under the Boxer Protocol.
4. To endeavor to conclude a multilateral non-aggression pact with the United States, China, the British Empire, the Netherlands, Thailand and the Soviet Union.
5. To remove the freezing restrictions on American funds in Japan.
6. To agree that the provisions of the treaty concluded on September 27, 1940 among Japan, Germany and Italy shall not be interpreted by Japan in such a way as to conflict with the fundamental purpose of this agreement, the establishment and preservation of peace throughout the Pacific area.

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: NOVEMBER 22, 1941

SUBJECT: JAPANESE PROPOSAL FOR A MODUS VIVENDI AND SUGGESTED REPLY

PARTICIPANTS: SECRETARY HULL, THE BRITISH AMBASSADOR, LORD HALIFAX, THE AUSTRALIAN MINISTER, RICHARD G. CASEY, THE NETHERLANDS MINISTER, DR. A. LOUDON, AND THE CHINESE AMBASSADOR, DR. HU SHIH

COPIES TO:

Handwritten initials and scribbles, possibly including 'H', 'A', and 'D'.

711.94/2475

PS/WHA

The British Ambassador, the Australian Minister and the Netherlands Minister called at my request, the Chinese Ambassador joining us later on. I enumerated the high points in the conversations which I have been carrying on with the Japanese officials here since the spring of this year. They are fully set forth in records of my conversations during that time and need not be repeated here.

I concluded with an account of the Japanese proposal for a modus vivendi. I showed it to them to read, with the exception of the Chinese Ambassador who had not yet arrived, and then proceeded to outline my proposed reply in the nature of a substitute for the Japanese proposal. There seemed to be general agreement that a substitute

wac

-2-

was more desirable than a specific reply to the Japanese proposal, section for section. The substitute reply was substantially what is contained in the present final draft, which I am considering handing to the Japanese. Each of the gentlemen present seemed to be well pleased with this preliminary report to them, except the Chinese Ambassador, who was somewhat disturbed, as he always is when any question concerning China arises not entirely to his way of thinking. This reaction on his part is very natural. He did not show serious concern in view of the provision in our proposed modus vivendi which would block a Japanese attack on China in order to destroy the Burma Road. He inquired whether this would commit the Japanese not to further invade China during the coming three months, to which I replied in the negative, adding that this was a question to be decided under the permanent agreement now receiving attention. I made it clear that this proposal was made by the Japanese and that there was probably not one chance in three that they would accept our reply even though it does provide that this proposed temporary arrangement constitutes a part of the general conversations looking toward a general agreement on the basic questions.

C.H.

S:CH:AR

[The text in this section is extremely faint and illegible. It appears to be a multi-paragraph document, possibly a report or a set of minutes, but the specific words and sentences cannot be discerned.]

-5-

which have been taking place. These proposals contain matter which, in the opinion of this Government, conflict with the fundamental principles which form a part of the general settlement under consideration and to which each Government has declared that it is committed.

The Government of the United States is earnestly desirous to contribute to the promotion and maintenance of peace in the Pacific area and to afford every opportunity for the continuance of discussions with the Japanese Government directed toward working out a broad range program of peace throughout the Pacific area. With these ends in view, the Government of the United States offers for the consideration of the Japanese Government an alternative suggestion for a temporary modus vivendi, as follows:

-4-

MODUS VIVENDI

1. The Government of the United States, and the Government of Japan, both being solicitous for the peace of the Pacific, affirm that their national policies are directed toward lasting and extensive peace throughout the Pacific area and that they have no territorial designs therein.

2. They undertake reciprocally not to make from regions in which they have military establishments any advance by force or threat of force into any areas in Southeastern or Northwestern Asia or in the southern or the northern Pacific area.

3. The Japanese Government undertakes forthwith to withdraw its armed forces now stationed in southern French Indochina and not to replace those forces; to reduce the total of its forces in French Indochina to the number there on July 26, 1941, which number in any case shall not exceed 25,000; and not to send additional forces to Indochina for replacements or otherwise.

4. The Government of the United States undertakes forthwith to modify the application of its existing freezing and export restrictions to the extent necessary to permit the following resumption of trade between the
United

-5-

United States and Japan in articles for the use and needs of their peoples:

(a) Imports from Japan to be freely permitted and the proceeds of the sale thereof to be paid into a clearing account to be used for the purchase of the exports from the United States listed below, and at Japan's option for the payment of interest and principal of Japanese obligations within the United States, provided that at least two-thirds in value of such imports per month consist of raw silk. It is understood that all American-owned goods now in Japan the movement of which in transit to the United States has been interrupted following the adoption of freezing measures shall be forwarded forthwith to the United States.

(b) Exports from the United States to Japan to be permitted as follows:

(i) Bunkers and supplies for vessels engaged in the trade here provided for and for such other vessels engaged in other trades as the two Governments may agree.

(ii) Food and food products from the United States subject to such limitations as the appropriate authorities may prescribe in respect of commodities

-6-

commodities in short supply in the United States.

(iii) Raw cotton from the United States to the extent of \$600,000 in value per month.

(iv) Medical and pharmaceutical supplies subject to such limitations as the appropriate authorities may prescribe in respect of commodities in short supply in the United States.

(v) Petroleum. The United States will permit the export to Japan of petroleum upon a monthly basis for civilian needs, the proportionate amount of petroleum to be exported from the United States for such needs to be determined after consultation with the British and the Dutch Governments. It is understood that by civilian needs in Japan is meant such purposes as the operation of the fishing industry, the transport system, lighting, heating, industrial and agricultural uses, and other civilian uses.

(vi) The above stated amounts of exports may be increased and additional commodities added by agreement between the two governments as it may appear to them that the operation of this agreement is furthering the peaceful and equitable solution

-7-

solution of outstanding problems in the Pacific area.

5. The Government of Japan undertakes forthwith to modify the application of its existing freezing and export restrictions to the extent necessary to permit the resumption of trade between Japan and the United States as provided for in paragraph four above.

6. The Government of the United States undertakes forthwith to approach the Australian, British and Dutch Governments with a view to those Governments' taking measures similar to those provided for in paragraph four above.

7. With reference to the current hostilities between Japan and China, the fundamental interest of the Government of the United States in reference to any discussions which may be entered into between the Japanese and the Chinese Governments is simply that these discussions and any settlement reached as a result thereof be based upon and exemplify the fundamental principles of peace, law, order and justice, which constitute the central spirit of the current conversations between the Government of Japan and the Government of the United States and which are applicable uniformly throughout the Pacific area.

8. This modus vivendi shall remain in force for a period of three months with the understanding that the

two

-8-

two parties shall confer at the instance of either to ascertain whether the prospects of reaching a peaceful settlement covering the entire Pacific area justify an extension of the modus vivendi for a further period.

STRICTLY CONFIDENTIAL
TENTATIVE AND WITHOUT
COMMITMENT

November 24, 1941

OUTLINE OF PROPOSED BASIS FOR AGREEMENT
BETWEEN THE UNITED STATES AND JAPAN

Section I

Draft Mutual Declaration of Policy

The Government of the United States and the Government of Japan both being solicitous for the peace of the Pacific affirm that their national policies are directed toward lasting and extensive peace throughout the Pacific area, that they have no territorial designs in that area, that they have no intention of threatening other countries or of using military force aggressively against any neighboring nation, and that, accordingly, in their national policies they will actively support and give practical application to the following fundamental principles upon which their relations with each other and with all other governments are based:

- (1) The principle of inviolability of territorial integrity and sovereignty of each and all nations.
- (2) The principle of non-interference in the internal affairs of other countries.

(3)

-3-

- (3) The principle of equality, including equality of commercial opportunity and treatment.
- (4) The principle of reliance upon international co-operation and conciliation for the prevention and pacific settlement of controversies and for improvement of international conditions by peaceful methods and processes.

The Government of Japan and the Government of the United States have agreed that toward eliminating chronic political instability, preventing recurrent economic collapse, and providing a basis for peace, they will actively support and practically apply the following principles in their economic relations with each other and with other nations and peoples:

- (1) The principle of non-discrimination in international commercial relations.
- (2) The principle of international economic cooperation and abolition of all forms of international obstacles to inter-active trade relations.
- (3) The principle of non-discrimination toward all nations in commercial relations.
- (4) The principle of full participation of all nations in economic activity and development, and the elimination of economic barriers to the free and equal participation of all nations in the economic life of the world.
- (5) The principle of elimination of all economic barriers and arrangements of international relations which tend to the economic isolation of any nation, and the elimination of all economic barriers and arrangements which tend to the economic isolation of any nation.

-3-

Section II

Steps to be Taken by the Government of the United States and by the Government of Japan

The Government of the United States and the Government of Japan propose to take steps as follows:

1. The Government of the United States and the Government of Japan will endeavor to conclude a multilateral non-aggression pact among the British Empire, China, Japan, the Netherlands, the Soviet Union, Thailand and the United States.

2. Both Governments will endeavor to conclude among the American, British, Chinese, Japanese, the Netherlands and Thai Governments an agreement whereunder each of the Governments would pledge itself to respect the territorial integrity of India. In addition, in the event that there should develop a threat to the territorial integrity of India, the Government of India would enter into immediate consultation with a view to taking such measures as may be deemed necessary and desirable to meet the threat in question. Such agreement would require the first such of the Governments mentioned in the agreement to consult each or several interested Government in its own or its own's relations with India.

- 1 -

will not be the primary object of the proposed withdrawal of treatment in trade and commerce with any one of them.

3. The Government of China will withdraw all military, naval, air and police forces from China (excluding Manchuria -- see separate provision, paragraph six) and from Mongolia.

4. The Government of the United States and the Government of Japan will not support -- militarily, politically, or financially -- any government or regime in China other than the National Government of the Republic of China with its capital at Chungking.

5. Both Governments will give up all extraterritorial rights in China, including rights and interests in and with respect to international settlements and concessions, which are under the Suan Protocol of 1901.

6. Both Governments will endeavor to obtain the agreement of the British and other Governments to give up extraterritorial rights in China, including rights in international settlements and in concessions and under the Suan Protocol of 1901.

-5-

6. The Government of the United States will suggest to the Chinese Government and to the Japanese Government that those Governments enter into peaceful negotiations with regard to the future status of Manchuria.

7. The Government of the United States and the Government of Japan will enter into negotiations for the conclusion between the United States and Japan of a trade agreement, based upon reciprocal most-favored-nation treatment and reduction of trade barriers by both countries, including an undertaking by the United States to include raw silk on the free list.

8. The Government of the United States and the Government of Japan will, respectively, remove the existing restrictions on Japanese funds in the United States and on American funds in Japan.

9. Both Governments will agree upon a plan for the evacuation of the Japanese race, with the understanding that the Japanese Government will be responsible for the removal of the Japanese race from the United States.

10. Both Governments will agree that no agreement or arrangement is valid unless authorized by its own

-6-

and a way as to conflict with the fundamental purpose of this agreement, the establishment and preservation of peace throughout the Pacific area.

17. Both Governments will use their influence to cause other Governments to adhere to and to give practical application to the basic political and economic principles set forth in this agreement.

OFFICE OF THE SECRETARY OF STATE
WASHINGTON, D. C.



DEPARTMENT OF STATE
WASHINGTON

TO: THE SECRETARY OF STATE
FROM: THE SECRETARY OF STATE

Subject: [Illegible]

I have received for your consideration a draft
of a telegram from the British Prime Minister containing a
reference to a proposal for a modus vivendi with the
Japanese Government to this Government and of a sub-
sequent letter to modus vivendi which the Government
intended to offer to the Japanese Government.

If you approve of the draft telegram, I shall
be glad to have it forwarded.

Enclosure:
Draft telegram.

C-6

B/
Dir. [Illegible]
1/2

711.501-471 P-1/100
1/1/1942

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
X CONFIDENTIAL CODE X
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PARTIAL
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Collect { Full rate
Day letter
Night letter

Department of State

Charge Department

Full rate
Day letter
Night letter

Washington, November 24, 1941

Charge to

AMERICAN EMBASSY,

The cable was sent to the Department of State
by the American Embassy in London on 11/24/41
and is confidential in nature. SC

LC DC (ENGLAND).
5392

SECRET FROM THE PRESIDENT TO THE FORMER NAVAL PERSON.

Quote On November 24 the Japanese Ambassador communicated to us proposals for a modus vivendi. He has represented that the conclusion of such a modus vivendi might give the Japanese Government opportunity to develop public sentiment in Japan in support of a liberal and comprehensive program of peace covering the Pacific area and that the domestic political situation in Japan was so acute as to render urgent some relief such as was envisaged in the proposal. The proposal calls for a commitment on the part of Japan to transfer to northern Indochina all the Japanese forces now stationed in southern Indochina pending the restoration of peace between Japan and China, the establishment of general peace in the Pacific area when Japan would withdraw all its troops from the island possessions on the part of the United States to which Japan has a primary necessity of petroleum products and to refrain from measures prejudicial to Japan's efforts to restore peace with China and mutual commitments to make no new commitments in the southeastern Asiatic and southern Pacific areas. The proposals offered would apparently not exclude agreement in the future (from Indochina), to cooperate

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711.94/2471

10/11/41
CONFIDENTIAL

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Sent by operator _____

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19

PREPARING OFFICE
WILL INDICATE WHETHER
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Day letter
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Charge Department:
Full rate
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TO BE TRANSMITTED
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Department of State

-2-

Washington,

toward obtaining goods required by either in the Netherlands East Indies and to restore commercial relations to those prevailing prior to the adoption of freezing measures.

This Government proposes to inform the Japanese Government that in the opinion of this Government the Japanese proposals contain features not in harmony with the fundamental principles which underlie the proposed general settlement and to which each Government has declared that it is committed. It is also proposed to offer to the Japanese Government an alternative proposal for a modus vivendi which will contain mutual pledges of peaceful intent, a reciprocal undertaking not to make armed advancement into areas which would include northeastern Asia and the northern Pacific area, southeast Asia and the southern Pacific area, an undertaking by Japan to withdraw its forces from southern French Indochina, not to replace those forces, to limit those in northern Indochina to the number there on July 26, 1941, which number shall not be subject to replacement and shall not in any case exceed 25,000 and not to send additional forces to Indochina. This Government would undertake to modify its freezing orders to the extent to permit exports from the United States to Japan of sundries and other supplies, such as products of pharmaceutical plants, certain specialties, and other necessities, and to

Enciphered by

Sent by operator

M.

19

PREPARING OFFICE
WILL INDICATE WHETHER

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Collect: Full rate
Day letter
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Department of State

Washington.

Charge to:
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... with the British... The... provided... at least two... value of... available... from the United... of interest and principal of... within the United States. This Government will undertake... British, Dutch and Australian governments... taking... measures. Provision is made that the modus vivendi shall remain in force for three months with the understanding that at the instance of either party the two parties shall confer to determine whether the prospects of reaching a peaceful settlement covering the entire Pacific area warrant extension of the modus vivendi.

The British Ambassador has been informed and is informing your Foreign Minister.
Add (A) *Received*

RECEIVED

PA/N
10/11

Hull
(3/2/11)

Enciphered by

Sent by operator

M. . . . 19

THE WHITE HOUSE

WASHINGTON

(A)

Add at close

This seems to me a fair proposition for the Japanese but its acceptance or rejection is really a matter of internal Japanese politics. I am not very hopeful ~~that~~ and we must all be prepared for real trouble, possibly soon

Roosevelt

-2-

not recognize the right of Japan to keep a single soldier in Indochina, we were striving to reach this proposed temporary agreement primarily because the heads of our Army and Navy often emphasize to me that time is the all-important question for them, and that it is necessary to be more fully prepared to deal effectively with the situation in the Pacific area in case of an outbreak by Japan. I also emphasized the point that, even if we agree that the chances of such an outbreak are not great, it must be admitted that there are real possibilities that such an outbreak may soon occur - any day after this week - unless a temporary arrangement is effected that will cause the agitated state of public opinion to become more quiet and thereby make it much more practicable to continue the conversations relative to the general agreement.

The Chinese Ambassador dwelt on the matter of reducing the proposed figure of 25,000 soldiers to remain in Indochina to 5,000. I pointed out and each of the representatives understood the great advantage it would be to our five countries to have Japan committed to a peaceful course for three months and set forth the

advantages

-4-

the modus vivendi proposal. I then indicated that I was not sure that I would present it to the Japanese Ambassador without knowing anything about the views and attitude of their Governments. The meeting broke up in this fashion.

There were other details discussed but they were not of major consequence nor did they constitute anything new in the record.

C.H.

S CH:MA

~~CONFIDENTIAL~~

November 25, 1941

Final Draft

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Division of
 EASTERN AFFAIRS
 B

Department of State

The representatives of the Government of the United States and of the Government of Japan have been engaged during the past several months in formal and informal conversations for the purpose of arriving at an settlement if possible of questions relating to the Pacific area based upon the principles of peace, equality and self-determination. These principles include the principle of inviolability of territorial integrity and sovereignty of each and all nations; the principle of non-interference in the internal affairs of other countries; the principle of equality; the principle of equality of commercial opportunity; the principle of reliance upon international law; and the prohibition for the prevention of trade and navigation, reversible and for the purpose of the Pacific area.

It

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It is believed that in our discussions some progress has been made in reference to the general principles which constitute the basis of a peaceful settlement covering the entire Pacific area. Recently the Japanese Ambassador has stated that the Japanese Government is desirous of continuing the conversations directed toward a comprehensive and peaceful settlement in the Pacific area; that it would be helpful toward creating an atmosphere favorable to the successful outcome of the conversations if a temporary modus vivendi could be agreed upon to be in effect while the conversations looking to a peaceful settlement in the Pacific were continuing; and that it would be desirable that such modus vivendi include as one of its provisions some initial and temporary steps of a reciprocal character in the resumption of trade and normal intercourse between Japan and the United States.

On September 8, the Japanese Ambassador communicated to the Secretary of State proposals in regard to temporary measures to be taken respectively by the Government of Japan and by the Government of the United States, which were being undertaken to have been designed to accomplish

the

-3-

The enclosed have indicated. The proposals contain features which, in the opinion of this Government, conflict with the fundamental principle which forms part of the general settlement under consideration and which the Government would not regard as admitted.

The Government of the United States is earnestly desirous to contribute to the promotion and maintenance of peace in the Pacific region and to seize every opportunity for the continuance of discussions with the Japanese Government directed toward the ending of a state of war and the promotion of peace throughout the Pacific region. With these objects in view, the Government of the United States offers for the consideration of the Japanese Government an alternative proposal for the temporary modus vivendi, as follows:

-4-

HOUSE VERBALS

1. The Government of the United States and the Government of Japan, both being solicitous for the peace of the Pacific, affirm that their national policies are directed toward lasting and extensive peace throughout the Pacific area and that they have no territorial designs therein.

2. They undertake reciprocally not to make from regions in which they have military establishments any advance by force or threat of force into any areas in Southeastern or Northeastern Asia or in the southern or the northern Pacific area.

3. The Japanese Government undertakes forthwith to withdraw its armed forces now stationed in southern French Indochina and not to replace those forces; to reduce the total of its forces in French Indochina to the number there on July 30, 1941; and not to send additional naval, land or air forces to Indochina for replacements or otherwise.

The provisions of the foregoing paragraph are without prejudice to the position of the Government of the United States with regard to the presence of foreign troops in that area.

4. The Government of the United States undertakes forthwith to modify the application of its existing freezing and export

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...to the extent necessary to permit the ...
 ...of the United States ...
 ...for the use and needs of their peoples:

(1) ... to be freely admitted and ...
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commodities in short supply in the United States.

(iii) Raw cotton from the United States to the extent of \$600,000 in value per month.

(iv) Medical and pharmaceutical supplies subject to such limitations as the appropriate authorities may prescribe in respect of commodities in short supply in the United States.

(v) Petroleum. The United States will permit the export to Japan of petroleum, within the categories permitted general export, upon a monthly basis for civilian needs. The proportionate amount of petroleum to be exported from the United States for such needs will be determined after consultation with the British and the Dutch Governments. It is understood that by civilian needs in Japan is meant such purposes as the operation of the fishing industry, the transport system, lighting, heating, industrial and agricultural uses, and other civilian uses.

(vi) The above stated amounts of exports may be increased and additional commodities added by agreement between the two governments as it may appear to them that the desirability of this agreement is furthering the peaceful and equitable solution

-8-

two parties shall confer at the instance of either to ascertain whether the prospects of reaching a peaceful settlement covering the entire Pacific area justify an extension of the modus vivendi for a further period.

There is attached in tentative form a plan of a comprehensive peaceful settlement covering the entire Pacific area as one practical exemplification of the kind of program which this Government has in mind to be worked out during the further conversations between the Government of Japan and the Government of the United States while this modus vivendi would be in effect.

STRICTLY CONFIDENTIAL,
TENTATIVE AND WITHOUT
COMMITMENT

November 25, 1941.

OUTLINE OF PROPOSED BASIS FOR AGREEMENT
BETWEEN THE UNITED STATES AND JAPAN

Section I

Draft Mutual Declaration of Policy

The Government of the United States and the Government of Japan both being solicitous for the peace of the Pacific affirm that their national policies are directed toward lasting and extensive peace throughout the Pacific area, that they have no territorial designs in that area, that they have no intention of threatening other countries or of using military force aggressively against any neighboring nation, and that, accordingly, in their national policies they will actively support and give practical application to the following fundamental principles upon which their relations with each other and with all other governments are based:

- (1) The principle of inviolability of territorial integrity and sovereignty of each and all nations.
- (2) The principle of non-interference in the internal affairs of other countries.

(3)

- (3) The principle of equality, including equality of commercial opportunity and treatment.
- (4) The principle of reliance upon international cooperation and conciliation for the prevention and pacific settlement of controversies and for improvement of international conditions by peaceful methods and processes.

The Government of Japan and the Government of the United States have agreed that toward eliminating chronic political instability, preventing recurrent economic collapse, and providing a basis for peace, they will actively support and practically apply the following principles in their economic relations with each other and with other nations and peoples:

- (1) The principle of non-discrimination in international commercial relations.
- (2) The principle of international economic cooperation and abolition of extreme nationalism as expressed in excessive trade restrictions.
- (3) The principle of non-discriminatory access by all nations to raw material supplies.
- (4) The principle of full protection of the interests of consuming countries and populations as regards the operation of international commodity agreements.
- (5) The principle of establishment of such institutions and arrangements of international finance as may lend aid to the essential enterprises and the continuous development of all countries and may permit payments through processes of trade consonant with the welfare of all countries.

-3-

Section II

Steps to be Taken by the Government of the United States and by the Government of Japan

The Government of the United States and the Government of Japan propose to take steps as follows:

1. The Government of the United States and the Government of Japan will endeavor to conclude a multilateral non-aggression pact among the British Empire, China, Japan, the Netherlands, the Soviet Union, Thailand and the United States.

2. Both Governments will endeavor to conclude among the American, British, Chinese, Japanese, the Netherland and Thai Governments an agreement whereunder each of the Governments would pledge itself to respect the territorial integrity of French Indochina and, in the event that there should develop a threat to the territorial integrity of Indochina, to enter into immediate consultation with a view to taking such measures as may be deemed necessary and advisable to meet the threat in question. Such agreement would provide also that each of the Governments party to the agreement would not seek or accept preferential treatment in its trade or economic relations with Indochina
and

-4-

and would use its influence to obtain for each of the signatories equality of treatment in trade and commerce with French Indochina.

3. The Government of Japan will withdraw all military, naval, air and police forces from China and from Indochina.

4. The Government of the United States and the Government of Japan will not support -- militarily, politically, economically -- any government or regime in China other than the National Government of the Republic of China with capital temporarily at Chungking.

5. Both Governments will give up all extraterritorial rights in China, including rights and interests in and with regard to international settlements and concessions, and rights under the Boxer Protocol of 1901.

Both Governments will endeavor to obtain the agreement of the British and other governments to give up extraterritorial rights in China, including rights in international settlements and in concessions and under the Boxer Protocol of 1901.

6. The Government of the United States and the
Government

-5-

Government of Japan will enter into negotiations for the conclusion between the United States and Japan of a trade agreement, based upon reciprocal most-favored-nation treatment and reduction of trade barriers by both countries, including an undertaking by the United States to bind raw silk on the free list.

7. The Government of the United States and the Government of Japan will, respectively, remove the freezing restrictions on Japanese funds in the United States and on American funds in Japan.

8. Both Governments will agree upon a plan for the stabilization of the dollar-yen rate, with the allocation of funds adequate for this purpose, half to be supplied by Japan and half by the United States.

9. Both Governments will agree that no agreement which either has concluded with any third power or powers shall be interpreted by it in such a way as to conflict with the fundamental purpose of this agreement, the establishment and preservation of peace throughout the Pacific area.

10. Both Governments will use their influence to cause other governments to adhere to and to give practical application to the basic political and economic principles set forth in this agreement.

Lauchlin Currie.

Chungking, November 25, 1941.

After discussing with the Generalissimo the Chinese Ambassador's conference with the Secretary of State, I feel you should urgently advise the President of the Generalissimo's very strong reaction. I have never seen him really agitated before. Loosening of economic pressure or unfreezing would dangerously increase Japan's military advantage in China. A relaxation of American pressure while Japan has its forces in China would dismay the Chinese. Any "Modus Vivendi" now arrived at with China would be disastrous to Chinese belief in America and analogous to the closing of the Burma Road, which permanently destroyed British prestige. Japan and Chinese defeatists would instantly exploit the resulting disillusionment and urge oriental solidarity against occidental treachery. It is doubtful whether either past assistance or increasing aid could compensate for the feeling of being deserted at this hour. The Generalissimo has deep confidence in the President's fidelity to his consistent policy but I must warn you that even the Generalissimo questions his ability to hold the situation together if the Chinese national trust in America is undermined by reports of Japan's escaping military defeat by diplomatic victory.

Lattimore.

COPY

CONFIDENTIAL - TRANSMITTED TO SECRET BY TELETYPE BY
 MR. T. W. WOOD, WASHINGTON, D. C. ON FEBRUARY 11, 1941

"TELEGRAM FROM CHUNG KAI SHEK TO MR. T. W. WOOD
 BEING DATED FEBRUARY 11, 1941"

"I enclose Ambassador Hsi Shih's new letter to you of 7 telegrams received. Please attach contents of the message to Secretary's box and State Department."

"Please explain to them the reality of the situation. If America should relax the economic blockade and freezing of Japanese assets, or even if demands that the United States surrender to the Japanese Government, the people of our trade will be greatly affected. But, the fact is that the Japanese Government have spread the belief that in November or December will be signed a peace treaty with the United States. They have even gone so far as to tell the Japanese families and representatives with the United States in the country. If, therefore, there is any relaxation of the economic blockade and freezing of assets, or if a belief of that kind is spread, the Chinese people will be greatly affected. It has been completely controlled by the United States. The moral of the situation is that if America covers its little eyes and does not take any action, the Japanese clock in their faith in America that was at a high epoch in the world will be ended. The United States will collapse, and the Japanese will be enabled to carry through their plans, and that even if the United States America would come to our rescue, the situation will be almost hopeless. Do not lose any time in this crisis."

"We could therefore only request the United States Government to be uncompromising, and to see that if the withdrawal of Japanese troops from China is not settled, the question of relaxing of the economic blockade and freezing of assets will be considered. If, on the other hand, the American attitude remains unchanged, the Japanese will daily extend its full force to the United States cost to them the convenience will affect the possibility of our resistance. Our hope is that the people of the United States will be able to live and sacrifice and devote their lives to the United States and to the world. The certain collapse of our resistance will be an unparalleled catastrophe to the world, and I am sure that the history of the United States will be a great lesson."

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: NOVEMBER 25, 1941

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SUBJECT: SUGGESTED CHANGES IN MODUS VIVENDI

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10/15

PARTICIPANTS: SECRETARY HULL AND THE BRITISH AMBASSADOR, LORD HALIFAX

COPIES TO:

W

EV 711.94/2477

PS/WHA

The British Ambassador called at his request and handed me a memorandum, a copy of which is hereto attached. I commented briefly on the impossibility of not letting the Japanese have some oil for strictly civilian use, if we, in turn, are to secure the tremendously valuable commitment by the Japanese not to move on any aggressive course outside of China proper during the next three months. I pointed out to the Ambassador the advantages to China with respect to the Burma Road and its possible destruction and the removal of any menace to the South Sea area which would be of great interest and advantage to Great Britain, Australia, the Netherlands East Indies and the United States as well.

-2-

I emphasized that this proposed modus vivendi was really a part of what the Japanese claimed to be a continuance of the same conversations held heretofore relative to a permanent agreement on a peaceful settlement for the entire Pacific area. I also pointed out the utter impracticability of requesting a suspension of further military advances in China in addition to the preceding assurances.

The Ambassador referred to the provision in the proposed draft of a modus vivendi limiting the Japanese troops in Indochina to 25,000 and urged that that number be reduced in our draft. I said that we would do the best we could in the matter, that our Army and Navy experts feel that 25,000 in North Indochina would not be a menace to the Burma Road, and that even double that number would not be a serious menace.

C.H.

S:CH:MA:AR

Japanese proposal is clearly unacceptable and the only question appears to be whether:-

- (a) To reject it and (while making it clear that a limited agreement is not ruled out) to leave it to the Japanese to produce a better offer, or
- (b) to make a counter proposal.

We have complete confidence in Mr. Hull's handling of these negotiations and he is in the best position to judge which of these two courses is the better tactics. We feel sure that he fully understands that the Japanese will try to force a hurried decision by magnifying the dangers of delay. If having taken this into account he feels it best to put forward a counter proposal we will support this course.

The Japanese proposal should, we feel, be regarded as the starting movement in a process of bargaining. It puts our own desiderata at a maximum and the price at a minimum. If a counter proposal is to be made we suggest that this process should be reversed and that our demands should be pitched high and our price low.

The removal of merely "the bulk" of Japanese troops from Indo China would allow to wise a loophole. It is doubtful whether we should be justified in accepting this as satisfactory, and still less in suggesting it. Apart from the desirability of pitching a counter proposal higher than we may obtain, it seems advisable from the Chinese angle so to frame it as to frustrate the possibility of any attack on Kuming during the currency of an interim agreement.

711.94/2477

PS/WHA

On this basis we would suggest for the consideration of the United States Government that any counter proposal should stipulate for the total withdrawal from Indo China not merely of the Japanese "troops" as in the Japanese proposal but of Japanese naval military and air forces with their equipment and for the suspension of further military advances in China in addition to satisfactory assurances regarding other areas in South East Asia, the Southern Pacific and Russia; the quid pro quo being legitimate relaxation of existing economic measures to as to allow the export of limited quantities of goods to ensure the welfare of the Japanese civilian population, but excluding goods of direct importance to the war potential, in particular oil, of which we know the Japanese have no shortage except for military purposes. These relaxations would of course only become effective as and when withdrawal of Japanese armed forces took place, and we should expect in return to receive goods of a similar nature from Japan if we required them.

Mr. Hill has of course made it perfectly clear to the Japanese that any interim arrangement is only a first step in a wider settlement which must be in conformity with basic principles acceptable to the United States. We feel that to prevent misrepresentation by Japan it will have to be made public that any interim agreement is purely provisional and is only concluded to facilitate negotiation of an ultimate agreement on more fundamental issues satisfactory to all parties concerned.

The above represents our immediate reaction, sent without consultation with the Dominion Governments who as in the case of the Netherlands and the Chinese Governments

as have been stated.

These recommendations are made on the basis of our authority to be derived from the above-mentioned powers conferred in resolution 100 and the desire to facilitate the United States in all possible ways. Our economic structure is complicated (in part) by the necessity of a coalition with other parts of the world that we do not think it practicable at this time to give carte blanche to diplomatic representatives. If the United States Government favors the suggestion which we have above, it will be necessary to define more clearly the distinction between goods of importance to the welfare of the Japanese civilian population and those of direct importance to Japan's war potential, and to consider whether restriction of economic pressure should be operated by financial control or by barter. After this stage we would be prepared to consider the question of discretion afresh.

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: NOVEMBER 25, 1941

SUBJECT: OPPOSITION OF GENERALISSIMO CHIANG KAI-SHEK TO MODUS VIVENDIPARTICIPANTS: SECRETARY HULL AND ~~THE~~ CHINESE AMBASSADOR, DR. HU SHIHCOPIES TO: VA /

The Chinese Ambassador called at his request. He sought to make profuse preliminary explanations, stating among other things that the Foreign Minister of China understood very well the broad international aspects of the Japanese situation as it relates to several countries, including China and the United States, but that the Generalissimo was not so well acquainted with the situation, and hence his reported opposition to our modus vivendi. He then handed me a telegram, dated November 24, 1941, from his Foreign Minister, a copy of which is hereto attached.

I replied that in the first place the official heads of our Army and Navy for some weeks have been most earnestly urging that we not get into war with Japan
until

-2-

until they have had an opportunity to increase further their plans and methods and means of defense in the Pacific area. In the second place, at the request of the more peaceful elements in Japan for conversations with this Government looking toward a broad peaceful settlement for the entire Pacific area, we have been carrying on conversations and making some progress thus far; and the Japanese are urging the continuance of these general conversations for the purpose of a broad Pacific area settlement. The situation, therefore, is that the proposed modus vivendi is really a part and parcel of the efforts to carry forward these general conversations for the reasons that have been fully stated from time to time, and recently to the Chinese Ambassador and to others.

I said that very recently the Generalissimo and Madame Chiang Kai-shek almost flooded Washington with strong and lengthy cables telling us how extremely dangerous the Japanese threat is to attack the Burma Road through Indochina and appealing loudly for aid, whereas practically the first thing this present proposal of mine and the President does is to require the Japanese troops to be taken out of Indochina and thereby to protect the Burma Road from what Chiang Kai-shek said was an imminent danger. Now, I added, Chiang Kai-shek ignores that
situation

-3-

situation which we have taken care of for him and inveighs loudly about another matter relating to the release of certain commodities to Japan corresponding to the progress made with our conversations concerning a general peace agreement. He also overlooks the fact that our proposal would relieve the menace of Japan in Indochina to the whole South Pacific area, including Singapore, the Netherlands East Indies, Australia and also the United States, with the Philippines and the rubber and tin trade routes. All of this relief from menace to each of the countries would continue for ninety days. One of our leading admirals stated to me recently that the limited amount of more or less inferior oil products that we might let Japan have during that period would not to any appreciable extent increase Japanese war and naval preparations. I said that, of course, we can cancel this proposal but it must be with the understanding that we are not to be charged with failure to send our fleet into the area near Indochina and into Japanese waters, if by any chance Japan makes a military drive southward.

The Ambassador was very insistent in the view that he would send back to his Government a fuller explanation which he hoped might relieve the situation more or less. Our conversation was, of course, in a friendly spirit.

C.H.

S:CH:MA:AR

5 COPY:MA

TELEGRAM FROM AMBASSADOR HU TAI-CHI
 TO MR. CADWELL
 CHUNGKING, NOVEMBER 24, 1941.

Reference is made to your telegram of November 22.

After reading your telegram, the Generalissimo showed rather strong reaction. He got the impression that the United States Government has put aside the Chinese question in its conversation with Japan instead of seeking a solution, and is still inclined to appease Japan at the expense of China. I have explained to him that the Secretary of State has always had the greatest respect for the fundamental principles, and that I believe he has made no concession to Japan. The fact that he inquires of the possibility of a modus vivendi shows that he has not yet revealed anything to the Japanese. We are, however, firmly opposed to any measure which may have the effect of increasing China's difficulty in her war of resistance, or of strengthening Japan's power in her aggression against China.

Please inform the Secretary of State.

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: November 25, 1941.

SUBJECT:

PARTICIPANTS: Dr. Hu Shih, Chinese Ambassador
Mr. Stanley K. Hornbeck

Dr. A. Loudon, Netherlands Minister
Mr. Stanley K. Hornbeck



COPIES TO:

[Handwritten scribbles]

The Chinese Ambassador called on me last evening, at his request.

The Ambassador referred to the conference which had been held yesterday afternoon at which the Secretary of State had informed representatives of the B, C and D powers of the latest developments leading toward possible conclusion between the United States and Japan of a modus vivendi. The Ambassador said that he had a very real appreciation of the seriousness and difficulty of the problem which confronts the American Government and concerns all the countries represented; and he expressed his appreciation of the attitude of the Secretary of State and complete confidence that the American Government would yield nothing in the field of

principles

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-2-

principles and pursue no course of "appeasement". He said the he wished, however, to repeat to me what he had said in the conference regarding articles II and III of the American draft proposal. Article II, he said, presumably does not apply in reference to the conflict between Japan and China: it presumably leaves Japan free to continue her operations against China; and, article III leaves Japan free to maintain as much as 25,000 troops in Indochina and to conduct operations against China from Indochina. He went on to say that in the conversations that were held on Saturday, the Secretary had spoken of permitting the Japanese to maintain in China "a few thousand" troops; and that in his report to his Government he had used that expression, and he understood that the other representatives had reported in the same terms to their Governments. Now, it seemed to him, a force of 25,000 Japanese troops in northern Indochina would constitute a menace to China. Suppose, he said, the Japanese should scrupulously live up to the letter of this provision--which, if they did, would be surprising--; and suppose they were to cause that number of troops to consist largely if not altogether of mechanics, engineers and aviation pilots, -- such a force could seriously menace the Burma Road and terrifically harass Chinese land forces in Yunnan. If the Japanese should choose to conduct land operations

-1-

of the subject. You see from points outside Indochina
 about the three or four miles for a air force.
 In Indochina, these points would be just as much a
 concern as they are elsewhere. They were made from points in
 Indochina. The Ambassador therefore hoped, he said, that
 we would seriously consider whether we might not take the
 points were restrictive.

It is to be noted that in explaining the Ambassador the
 various considerations which have led to the formulation of
 the present policy under reference, and the setting up of
 article III of the law in which they occur. The
 Ambassador's statement is a reflection of the difficulty of
 the problem and is a promise that he will do no unnecessary
 or unjustified. He said it was that the situation cannot
 be exactly the same for each and every government, because
 each government views it from a different angle and in a
 different atmosphere. The Chinese Government is, he said,
 very apprehensive and is not responsive about the Indochina situation.
 It feels keenly its lack of the right types of equipment for
 effective protection of its lifeline, the Burma Road, the
 maintenance of which is of vital importance to it and
 which is of great concern to the other powers, especially the
 United States, which are sending in aid via that Road. He
 said that he realized that it would be very helpful to keep
 the

-4-

the Japanese in suspense for another three months, but he doubted whether that could be achieved. He concluded with an assurance that he would try to cause his Government to see the problem in the light in which the American Government sees it. He expressed hope that, if he did not succeed completely in that effort, we would realize that difficulties which confront China inevitably look somewhat different when viewed from Chungking than when viewed from Washington.

Later in the evening the Netherlands Minister dropped in on me. He made with regard to article III observations not dissimilar to those which the Chinese Ambassador had made, as regarding the question of the number of Japanese troops that might be left in Indochina. He also raised a question whether the matter of matériel might not be quite as important as or even more important than the question of the number of troops. He said that he had on Saturday made a long report to his Government, that he had received since then several telegrams, and that he expected to send to the Department today two or three memoranda.

7/20/41

COPY OF MEMORANDUM FOR THE PRESIDENT
DATED NOVEMBER 26, 1941

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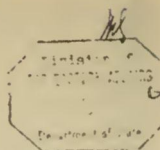
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Copy

November 26, 1941

MEMORANDUM FOR THE PRESIDENT

With reference to our two proposals prepared for submission to the Japanese Government, namely:

(1) A proposal in the way of a draft agreement for a broad basic peaceful settlement for the Pacific area, which is henceforth to be made a part of the general conversations now going on and to be carried on, if agreeable to both Governments, with a view to a general agreement on this subject.

(2) The second proposal is really closely connected with the conversations looking toward a general agreement, which is in the nature of a modus vivendi intended to make more feasible the continuance of the conversations.

In view of the opposition of the Chinese Government and either the half-hearted support or the actual opposition of the British, the Netherlands and the Australian Governments, and in view of the wide publicity of the opposition and of the additional opposition that will naturally follow through utter lack of an understanding of the vast importance and value otherwise of the

modus vivendi.

-2-

modus vivendi, without in any way departing from my views about the wisdom and the benefit of this step to all of the countries opposed to the aggressor nations who are interested in the Pacific area, I desire very earnestly to recommend that at this time I call in the Japanese Ambassadors and hand to them a copy of the comprehensive basic proposal for a general peaceful settlement, and at the same time withhold the modus vivendi proposal.

Cordell Hull

Handed to the secretary by
the Netherlands Minister,
November 27, 1941.

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DEPARTMENT OF STATE

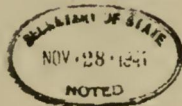
Memorandum of Conversation

DATE: November 27, 1941

SUBJECT: Japanese-American Relations.

PARTICIPANTS: The Honorable The Viscount Halifax, British Ambassador;
Mr. Welles, Under Secretary.

COPIES TO: S, RA/L, W, W



The British Ambassador called to see me this morning urgently at his request.

The Ambassador said that Secretary Hull had called him on the telephone last night to inform him of the nature of the document which he had handed the Japanese envoys. The Ambassador said that he was not quite clear in his own mind as to the reasons which prompted this sudden change in presenting the Japanese Government with a document other than the Memorandum Vivendi document which had so recently been under discussion.

I said that Secretary Hull had requested me to say to the Ambassador in this regard that one of the reasons for the determination reached was the well-learned support

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Given by the British Government to the earlier proposal which had been under discussion and the raising of repeated questions by the British Government in regard thereto.

Lord Halifax said he could not understand this in as much as it had communicated to Secretary Hull the full support of the British Government.

To that I replied that the message sent by Mr. Churchill to the President yesterday could hardly be regarded as "full support", but on the contrary, very grave questioning of the course then proposed.

Lord Halifax said that this message had been intended primarily to express the objections on the part of the British Government. He went on to say that he himself had never raised the question of the British objections and that, in fact, thanks to the Kincaid Ambassador that he had learned that not only the Navy but the General Staff had expressed objections to the British proposal. He said that he had the impression that the British Government had to prevent the disclosure of the Kincaid Ambassador to the President, and that the correct course would be to give positive assurances to the President that the British Government had no objection to the proposal. He said that he had discussed this with the Secretary of State and that the British Government had agreed to give the President the assurance that the British Government had no objection to the proposal. He said that he had discussed this with the Secretary of State and that the British Government had agreed to give the President the assurance that the British Government had no objection to the proposal.

The first of these is the fact that the
results between the two groups, the
one that is being tested, and the
other that is not, are not significantly
different. This is true for all of the
tests that were run, and it is also true
that the results are consistent with the
hypothesis that the two groups are
equivalent. The only exception to this
rule is the test of the difference in
the means of the two groups, which is
significant. This is due to the fact
that the mean of the one group is
significantly higher than the mean of
the other. This is the only case where
the results are not consistent with the
hypothesis.

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: NOVEMBER 27, 1941

SUBJECT: PROPOSED MODUS VIVENDI

PARTICIPANTS: SECRETARY OF STATE HULL AND THE AUSTRALIAN MINISTER,
THE RIGHT HONORABLE RICHARD T. CASEY

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COPIES TO:

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The Minister of Australia called at his request. His purpose was to inquire whether the proposed modus vivendi had been abandoned permanently, to which I replied that I so considered it. He expressed great concern and desired to know more about the movements of Chiang Kai-shek and others intended to discourage the further consideration of the modus vivendi. I referred to copies of British communications on the subject, adding that Ambassador Halifax was strong for the proposal all the way and that I sympathized with his situation but I did not feel that the communications from Churchill and Eden, with qualifications such as

were

10/11/41

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-2-

were in them, would be very helpful in a bitter fight that would be projected by Chiang Kai-shek and carried forward by all of the malcontents in the United States, although I felt unreservedly that Churchill and Eden, like the British Ambassador here, would be for whatever we might do, even though not entirely to their liking in every way. The Minister inquired whether I thought it would be feasible to take up this matter further with the Chinese and I replied that I did not think so, so far as I was concerned. I thanked the Minister for his cooperation and that of his Government.

C.I.

PREPARING OFFICE
WILL INDICATE WHETHER
Collect Full rate
 Day letter
 Night letter

Charge Department:
 Full rate
 Day letter
 Night letter

Charge to

3 AMEMBASSY,
TOKYO (JAPAN).

TELEGRAM SENT

Department of State

Washington

November 27, 1941.

TO BE TRANSMITTED
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PARTIAL
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By N. D. ...

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CONFIDENTIAL FOR THE ANBASSADOR.

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In the light of the attitude of Admiral Nomura and Mr. Kurusu when they were handed on November 26 for consideration the document described in a separate telegram and of such indications as we have cumulatively had of the general attitude of the Japanese Government, it appears that the discussions up to the present time have not repeat not yet afforded any basis which gives much promise of a satisfactory comprehensive settlement. It is of course too early to adopt any definitive opinion whether the discussions will continue or will lapse, but the probability that they may lapse should not repeat not be lost sight of.

The existence of such probability makes it appear advisable that we give some advance consideration to various problems which may as a consequence arise in connection with our Foreign Service establishments in Japanese territory. As lapse of the conversations

Enciphered by _____

Sent by operator _____ M. _____, 1941

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PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
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Callout: (Full rate
Day letter
Night letter)

Department of State

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Washington,

Charge Department:

(Full rate
Day letter
Night letter)

Charge to

might result in withdrawal of our diplomatic and consular representation from Japan, it would seem to us that, without any intention of being alarmist or of too hastily envisaging serious contingencies, this question should be brought to your attention so that you may have it well in mind in case it should become necessary for the Department to consult you in regard to the making of arrangements for the packing of official and personal effects and the expeditious handling of other matters which would be involved in the closing of our Embassy and Consulates. It is, of course, desired that all phases of the matter be considered confidential and that discussion of it be kept to a minimum.

Jhes

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FE:GA:HES

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PA/H
[Signature]

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Enciphered by _____

Sent by operator _____ M. _____, 19 _____

DEPARTMENT OF STATE

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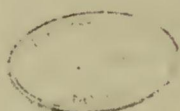
Memorandum of Conversation

DATE: November 28, 1941.

SUBJECT:

PARTICIPANTS: Sir Ronald Campbell, Minister of the British Embassy
Dr. Stanley K. Hornbeck.

COPIES TO:



Sir Ronald Campbell called on me at his request.

In the course of the conversation he stated that the British armed authorities have received a message from our armed authorities stating that in as much as the United States-Japan negotiations have "broken down", it now becomes necessary to issue certain instructions to the armed forces; and that the British Government wishes to inquire of us whether the negotiations have "broken down". I said in reply that so far as I am aware neither the American Government nor the Japanese Government has declared or indicated that the negotiations are terminated, but that I was not in a position to confirm or deny statements attributed to any American official agency that the negotiations have "broken down".

711.4/2556-1/E

EC/DAB

[The following information is summarized from a report
 made to the President by the Special Agent in Charge
 of the Department of State, who has been in contact with the
 source of the information, and who has been in contact with the
 President's office on the President's personal staff. The
 President had remarked that he would like to see the callers
 again after his return from his trip. (This story,
 I understand, is alleged to have emanated from the
 Japanese Embassy.)

FA/H:SZG:EGT

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
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Collect: Full rate
Day letter
Night letter

Department of State

"SC"

Charge Department.

NO DISTRIBUTION

Washington.

Full rate
Day letter
Night letter

November 27, 1941

Charge to
3 AMEMBASSY,

CHUNGKING (CHINA).

STRICTLY CONFIDENTIAL FOR THE AMBASSADOR ONLY.

On November 20 the Japanese presented a five-point

proposal for a temporary agreement in substance as follows:

One. The United States to refrain from actions prejudicial to Japan's efforts to restore peace with China.

Two. Both countries to remove freezing restrictions and to restore commercial relations. The United States to furnish Japan a required amount of petroleum.

Three. Both countries to cooperate in obtaining necessary commodities from the Dutch East Indies.

Four. Both countries not repeat not to make any armed encroachment into areas of southeastern Asia and the southern Pacific except Japanese-occupied French Indochina.

Five. Japan to withdraw its troops from Indochina following either peaceful settlement between Japan and China or establishment of equitable peace in the Pacific area. In the interim Japan to remove its troops from southern Indochina to northern Indochina upon conclusion of this arrangement which would later be a part of a final agreement.

Enciphered by _____

Sent by operator _____ M. _____ 19 _____

711.94/2490C

PS/WHA

PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

RE TRANSMIT
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Collect Full rate
Day letter
Night letter
Charge Disbursement
Full rate
Day letter
Night letter

Department of State

Washington.

Charge to

S

The Department gave consideration to a number of alternate proposals and counterpropositions or combinations thereof which suggested themselves to the Department for possible presentation to the Japanese Government. At one time the Department considered the question of presenting to the Japanese Government, simultaneously, with the proposal which was actually given them on November 16, an alternate plan for a temporary modus vivendi. The draft under consideration at that time called for a temporary modus vivendi to be in effect for a period of three months during which time conversations would continue toward the working out of a comprehensive peaceful settlement covering the entire Pacific area. At the end of the period of the term of the modus vivendi both Governments would at the request of either confer to determine whether the extension of the modus vivendi was justified by the prospects of reaching a settlement of the sort sought.

The draft modus vivendi which we were considering contained mutual pledges of peaceful intent, a reciprocal undertaking not to make armed advancement in northwestern Asia and the northern Pacific area, southeast Asia and the

Enciphered by

Sent by operator

Al.

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PREPARING OFFICE
WILL INDICATE WHETHER

TELEGRAM SENT

TO BE TRANSMITTED
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PLAIN

Full rate
Collect Day letter
Night letter

Charge Department

Full rate
Day letter
Night letter

Department of State

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Washington,

Charge to

§ southern Pacific area, an undertaking by Japan to withdraw its forces from southern French Indochina, to limit those in northern Indochina to the number there on July 26, 1941, which number should not be subject to replacement and Japan should not in any case send additional naval, military or air forces to Indochina. This Government would undertake to modify its freezing orders to the extent to permit exports from the United States to Japan of bunkers and ship supplies, food products and pharmaceuticals with certain qualifications, raw cotton up to \$600,000 monthly, a small amount of petroleum within categories now permitted general export on a monthly basis for civilian needs, the proportionate amount to be exported from this country to be determined after consultation with the British and Dutch Governments. The United States would permit imports in general provided that raw silk constitutes at least two thirds in value of such imports. The proceeds of such imports would be available for the purchase of the designated exports from the United States and for the payment of interest and principal of Japanese obligations within the United States. This Government would undertake to

Enciphered by

Sent by operator

M.

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TELEGRAM SENT

Department of State

approach the British, Dutch and Australian Governments
on the question of their taking similar measures.

At a certain point in our consideration of the modus vivendi the representatives in Washington of Great Britain, Dutch, Australian and Chinese Governments were consulted.

On November 21 the Chinese Ambassador at his request called on the Secretary and sought to know whether preliminary explanations of the attitude of the United States had been expressed in several telegrams through several channels to several addressees in regard to the draft modus vivendi which was being considered. The Ambassador handed the Secretary a copy of a telegram from the Chinese Foreign Minister stating that the Republic of China felt the American Government had not fully stated its position and that it is still inclined to discuss modus vivendi at Dinah's expense. In that telegram the Foreign Minister said he had told the Republic of China that the Secretary of State had always evidenced the greatest respect for international activities, that the Secretary of State regarding the possibility of a modus vivendi indicated that

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Experimental Results

The results of the experiments conducted during the investigation are as follows: The first experiment was conducted on December 7, 1941, and was designed to determine the effect of the attack on the fleet.

The second experiment was conducted on December 8, 1941, and was designed to determine the effect of the attack on the fleet.

The third experiment was conducted on December 9, 1941, and was designed to determine the effect of the attack on the fleet.

The fourth experiment was conducted on December 10, 1941, and was designed to determine the effect of the attack on the fleet.

The fifth experiment was conducted on December 11, 1941, and was designed to determine the effect of the attack on the fleet.

The sixth experiment was conducted on December 12, 1941, and was designed to determine the effect of the attack on the fleet.

The seventh experiment was conducted on December 13, 1941, and was designed to determine the effect of the attack on the fleet.

DEPARTMENT OF STATE

100 R

Memorandum of Conversation

DATE: NOVEMBER 29, 1941

SUBJECT: UNITED STATES-JAPANESE CONVERSATIONS

PARTICIPANTS: SECRETARY OF STATE WELLS AND THE BRITISH AMBASSADOR,
LORD HALIFAX

COPIES TO:

711-4-4

The British Ambassador called at his request and I soon discovered that he had no special business except to check on the aftermath of the conversations between the President and myself and the Japanese with special reference to the question of the proposed modus vivendi. This caused me to remark in a preliminary way that the mechanics for the carrying on of diplomatic relations between the governments resisting aggressor nations are so complicated that it is nearly impossible to carry on such relations in a manner at all systematic and safe and sound. I referred to the fact that Chiang Kai-shek,

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For example, we sent many of our historical cable messages to different cabinet ministers and other officials in the Government other than the State Department, and sometimes even landed on the President, introducing into a delicate and serious situation with no real idea of what the facts are. I added that Chisholm-Chen has his brother-in-law, located here in Washington, disseminate damaging reports at times to the press and others, apparently with no particular purpose in mind; that we have correspondents from London who interview different officials here, mainly by entirely unfair privilege to do, except that at times we all have too fast without fully understanding each other's views, et cetera, et cetera. I stated that this was well illustrated in the case of the recent outbreak by Chisholm-Chen. In reference to this I remarked that it would have been better if, when Churchill advised Chisholm-Chen's loud protest about our activities here with respect, instead of making the protest and so forth without question on his part, thereby qualifying himself, at least what we knew were the individual views of the British Government toward these negotiations, he had sent a strong cable back to Chisholm-Chen telling him to stop it and deal with the same

zeal

-3-

zeal as the Japanese and the Germans are displaying instead of weakening and telling the Chinese people that all of the friendly countries were now striving primarily to protect themselves and to force an agreement between China and Japan, every Chinese should understand from such a procedure that the best possible course was being pursued and that this calls for resolute fighting until the undertaking is consummated by peace negotiations which Japan in due course would be obliged to enter into with China.

I expressed the view that the diplomatic part of our relations with Japan was virtually over and that the matter will now go to the officials of the Army and the Navy with whom I have talked and to whom I have given my views for whatever they are worth. Speaking in great confidence, I said that it would be a serious mistake for our country and other countries interested in the Pacific situation to make plans of resistance without including the possibility that Japan may move suddenly and with every possible element of surprise and spread out over considerable areas and capture certain positions and ports before the peaceful countries interested in the Pacific could have time to confer and formulate plans to meet

these new conditions; that this was the only way that the Japanese recognize that their long and limited request now renewed all along the line, is a desperate gamble and requires the utmost of care and risk.

I also said to the Ambassador that a rash, hasty Japanese Government would more than ever desire to wait another thirty days to see whether the German Empire driven out of Russia by winter. I added that the ultra-leftist fire-eating elements in Japan, who have created a general forward movement supported by the army and navy have influenced a vast portion of the Japanese public to clamor for such a movement, would probably take no serious notice of the Russian-German situation, but would go forward in this desperate undertaking which they have advocated for some time; that at least it would be a mistake not to consider this possibility as entirely real, rather than to assume that they would virtually halt and emerge in some movements into Poland and into the Burma Road while waiting the results on the Russian front. The Ambassador, I think, had his reservations on this latter point. He did not also recollect what I said about the well-considered mechanics for the conduct of diplomatic relations between several of our countries in these critical times.

S CHASE

Handed me by the Chinese Ambassador,
December 2, 1941.

In three telegrams dated November 27 and 28, Dr. Quo Tai-chi and Generalissimo Chiang Kai-shek expressed their confidence in the President and the Secretary of State and in the fundamental principles of their foreign policy.

Both of them have studied my long telegram of November 24 reporting the discussions between the Secretary and the four envoys at the office of the Secretary, and also my report of the conversation between the Secretary and myself in his apartment on the evening of the 25th. Both the Generalissimo and the foreign minister were reassured by the sympathetic and helpful spirit underlying these conversations.

I wish me to point out to the United States Government the following facts which, because of very great distance, might not have been fully appreciated on this side of the ocean:

(1) The almost incredibly great faith of the Chinese people in the efficacy of the economic pressure on our enemy which has been in force for the last four months is such that the mere rumor of any possibility of its relaxation has already begun to produce a truly panicky feeling throughout China.

(2) Such panicky feeling has been caused partly by the close cooperation which, during the past week (especially on November 21, 22, 23),

- 2 -

and broadcast reports of an approaching general relaxation of freezing and trade restrictions by the United States and Japanese governments on the understanding that Japan would undertake not to move southward and that the United States would not interfere with the war in China.

(13) The whole question is psychological and spiritual: It is a question of the morale of a whole people which has been fighting a very hard war for four years and a half, and which, in its hardship and long suffering, has pinned its great hope on the international situation turning in our favor and, in particular, on the economic sanctions that the democratic powers have been able to put into force during the last months. It is no exaggeration to say that this question fundamentally affects the spirit of our fighting forces and our people.

(14) In a telegram to me, the Foreign Minister tells me that the Government has information that a certain leader in the North (not specified by name) might be so shaken by a possible weakening of our international position as to make moves detrimental to the prosecution of our war of resistance.

- 3 -

both Generalissimo Chiang Kai-shek and the Chinese Government to convey to the Secretary of State their observation that Japan has been so weakened by the long war in China and by the economic pressure of the democratic powers that she cannot afford to risk a war with the great neutral powers.

In a latest telegram to the Secretary of State, the Japanese ambassador expresses great gratification in the latest reply of the Secretary to the Japanese envoys, which, he understands, reaffirms the fundamental principles repeatedly enunciated by the United States Government.