

SECRETCONFIDENTIALRESTRICTEDTO DATE 14 Sept 44 FROM

Commanding Officer _____
 Assistant Commandant _____
 Dir of Comm Research _____
 Control O _____
 Administrative O _____
 Adjutant _____
 Intelligence O _____
 Provost Marshal _____
 2nd Sig Serv Bn _____

Chief, Pers & Trng Div _____
 Chief, Pers Br _____
 Chief, Trng Br _____

Chief, Oper Serv Div _____
 Chief, Communications Br _____
 Chief, Laboratory Br _____
 Chief, Machine Br _____
 Property & Supply O _____
 Purchasing & Contracting O _____
 Fiscal & Certifying O _____
 OIC, Mail Section _____

Chief, Security Div _____
 Chief, Protective Sec Br _____
 Chief, Cryptographic Br _____
 Chief, Development Br _____

Chief, Intelligence Div _____
 Chief, Language Br _____
 Chief, Mil Cryptanalytic Br _____
 Chief, Gen Cryptanalytic Br _____
 Chief, T/A and Control Br _____
 Chief, I & L Br _____

As discussed _____
 As requested _____
 Comments and return _____
 Information and file _____
 Information and forwarding _____
 Information and return _____
 Recommendation _____
 See note on reverse _____
 Signature if approved _____
 Your action _____

message processed before
arrangements were made
for exchange of this
type of material with
Navy. OP20 G doesn't have it.

Capt. Safford would
like to see it &
(I presume) make a
copy of the message.

Request permission
to furnish direct
to Capt. Safford.

OK to
give Safford
copy of
message
after discussion
with Col. Clarke
on 18 Sept 44.
J.

Total pages--23
 Summary---12
 TAB A-----11

WPC
 Copy No. 20

~~SECRET--SECURITY~~
 By Auth. A. C. of S., G-2
 Date 25 November 1943
 Initials A. McC.
 GS

War Department
 Office of Assistant
 Chief of Staff, G-2
 25 November 1943

"MAGIC" SUMMARY
No. 609

A. MILITARY

1. Vichy: As previously noted, Governor (CS)
 General Decoux recently informed Vichy of Japan's
 demand for an advance of 40 million piasters to
 meet her military expenditures in Indo-China during
 November and December.* Decoux inferred from the re-
 quest that the Japanese were planning further in-
 creases in their forces in Indo-China "during the
 next few weeks," but suggested to Vichy that in
 part the demand might also represent an attempt to
 obtain by a "roundabout method" the piaster exchange
 needed by Japanese commercial and industrial enter-
 prises in French Indo-China (M.S. 20 Nov 43).

*It will be recalled that the monthly rate for
 total Japanese military expenses in Indo-China for
 the 6-month period July-December 1943 was budgeted
 in June at only 5.2 million yen. The supplement re-
 quested for November and December represents a monthly
 rate equivalent to 20 million yen (M.S. 23 Jul 43, 11
 Nov 43).

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Laval's reply, dated 13 November, has now come to hand. He admits that the large supplementary funds may be intended "in rather large part to bolster the position of the Yokohama Specie Bank and the various Japanese enterprises in Indo-China," and then goes on to state that:

"I believe it would be wise, before agreeing to comply with the Japanese request, to obtain a statement from the Japanese authorities that they will make no new demand upon us, for at least 6 months let us say, for piaster currency to be advanced for the various Japanese commercial and industrial enterprises in French Indo-China whose activities contribute to the Japanese military effort. Under these conditions I agree to your advancing the requested 40 million piasters in 2 monthly installments."

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1. Stockholm: The French Committee's representative in Stockholm reports that on 18 November he had a long talk with Madame Kollontay, the Soviet Ambassador, and that she made the following statements: (WHT)

a. "The Soviet Government is ready to recognize an independent Finland and Poland."

b. "Conversations were commenced between Finland and the U.S.S.R., but they are now at a standstill."

c. "Sweden, whose efforts to settle the Winter War nearly embroiled her in the struggle, does not wish to be a party to any new negotiations."

d. "The U.S.S.R. will demand of Poland only Russian-speaking territory."

2. Vichy: A 21 November communication from Pierre Laval to his Ambassador at the Vatican reads as follows: (LTS)

"Marshal Petain, contrary to widespread rumors, is in good health. It is equally untrue that he has tendered his resignation."

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3. Lisbon: A recent report from Japanese Minister Morishima contains the following observations on German-Portuguese relations:

(102723
M.S.
24 Nov
43
CRN)

"Rumors of Portugal's participation in the war are now fading; and there appears to be little chance, as things now stand, for an expansion of the Azores agreement. On 15 November Premier Salazar again declared to the German Minister that there was no possibility of this. Moreover, it seems that both Germany and Portugal are now, more carefully than before, seeing to it that their mutual relations do not get worse; and shipments of wolframite, tin and other materials are proceeding more smoothly than before."

4. Washington: Two recent messages from Henri Hoppenot, head of the French Committee's Civilian Delegation, are concerned with the probable effect of the Moscow Conference on the future European policy of the United States. On 18 November Hoppenot reported that "one of Mr. Hull's confidential agents, who went to Moscow with him," had made the following statements to "one of my collaborators":

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102694
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"Mr. Hull was greatly reassured about the in-

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tentions of the Russians. He gained the conviction that after the war Russia wants only to live in understanding and frank cooperation with all the European nations, once the latter have returned to a healthy democratic regime.

"The Russians made no special claim with regard to Germany, and it will be easy to come to an understanding with them about the treatment which Germany must receive. They insisted, however, that the German people should not enjoy a standard of living better than that of the Russian people. That wish seemed absolutely legitimate and just to the Secretary of State."

Hoppenot comments:

"Russia's attitude with regard to Germany undoubtedly arises less from a wish to punish the German people than from a desire to subject them to economic and social conditions which would make them more susceptible to Soviet propaganda. Secretary Hull possibly did not immediately fathom the import of those Russian wishes.

"The Secretary has suddenly gone from a state of excessive distrust to an easy and too

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systematic optimism with regard to the Russian policy in Europe. However, it is not yet possible to decide whether his optimism expresses his real feeling, or whether it is calculated to counteract the deep anti-Soviet feeling which exists in most of this country."

On 19 November Hoppenot commented on Secretary Hull's 15 November press conference as follows:

a. "Taken literally--and it is difficult to take them any other way--M. Hull's statements mean that the peace conference, i.e., the Council of the three great powers, will decide upon the frontiers of the various states in the new world, and that the populations concerned will not be given the opportunity to decide for themselves on their allegiance by means of a plebiscite. Each liberated nation will then be called upon, within the frontiers assigned to it, to decide freely on the form of its government."

b. "It is difficult not to see in this new attitude a complete triumph of the Soviet point of view and an implication that Russia's claims with regard to Poland, Finland and the Baltic

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States will be satisfied. That is exactly how Secretary Hull's statements are interpreted among the best informed American and foreign circles."

g. "Secretary Hull's statement about the military control to be exercised over each liberated territory by the army which first reaches it^a undoubtedly indicates that Russia's hands will be free for a certain period in Poland. However, we cannot overlook the possible application of that principle in the case of France. Such an attitude indicates the difficulties which we shall have to overcome in order to secure recognition of the Committee's power over the territories of metropolitan France as their liberation progresses."

^aAccording to the "New York Times" report of the press conference, when the Secretary was asked whether all three powers would guarantee to the people of every nation of Europe a plebiscite to select their form of government and their officials, he stated that "it depends on what military organization might go into the country and restore it."

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~~SECRET--SECURITY~~C. ECONOMIC

1. Tokyo: The Summary for 15 April noted that extensive efforts were being made to improve the harbor channel into the ports of Taku and Tangku at the mouth of the Peking River. The ports in question serve not only Tientsin but Peking and the entire Inner Mongolia area. On 9 October the American Embassy in Chungking relayed a report from British sources that the harbor works at Tangku had been abandoned after being 40% completed.

(102454
72607
73753
JMcC)

There has now come to hand a 30 October message to Peking from the Japanese Foreign Office which seems to indicate that the work at Tangku is proceeding. It states that 200 tons of cement have been allotted "for the concrete poles of dock #2 in the new harbor at Tangku."

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1. Chungking: A propaganda directive of (JBB)
19 November from the Chinese Foreign Office to
Ambassador Wellington Koo in London states that:

"Since Sino-Soviet relations are daily
improving, you should exercise particular
caution in all utterances affecting the
Soviet Union in any way."

Note: A 20 November report from Ambassador
Oshima in Berlin indicates that the Germans are
supplying the Japanese with information to the effect
that "the Chungking Government is dissatisfied with
the Soviet's attitude toward China and is considering
a reorientation of its policy in regard to the U.S.S.R."

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~~SECRET-SECURITY~~E. MISCELLANEOUS

1. Tokyo: There has recently come to hand (D-3108
ECL)
a circular which the Japanese War Ministry sent out the day after the attack on Pearl Harbor. The message, which was addressed to Japan's military attachés throughout the world, apparently represents the Army's explanation of the reasons why Japan went to war. It contains a fairly accurate resume of the negotiations carried on between the United States and Japan from April to December 1941; it confirms previous indications that during the summer and fall Japan had made progressively more definite decisions for war; and it also discloses the following facts:

a. In April Japan decided to go ahead with the negotiations in Washington, believing that it would enable her "to make preparations for the restoration of her national strength," and in the hope that the negotiations would enable her "to close the China incident."

b. While Japan recognized that her move into French Indo-China in late July would have an adverse effect on the course of the negotiations, her "policy in regard to French Indo-China

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was fixed, irrespective of any negotiations with the United States."

g. After the occupation of Indo-China, Japan decided "to complete her war preparations by the end of September at the very latest, and at the same time to exert every effort through diplomatic channels to see her demands fulfilled. If her demands were not met by early October, an Imperial decree would be issued deciding upon war against England and the United States."

d. As long as he was in office Premier Konoye disagreed with the Army's conclusion that further negotiations were useless, but "the establishment of Tojo's Cabinet [on 16 October] brought about cooperation between the Government and the High Command." On 5 November the decision was made to open hostilities early in December. "Thereafter, Japan went ahead with plans for war, while on the other hand she sent Ambassador Kurusu in a last endeavor to reach a settlement."

e. Upon receipt of the United States proposals of 26 November, "the Supreme War Command immediately decided upon war, and on 1 December

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the Imperial decree was issued."

As a document of considerable historical interest, the circular is set forth in full as TAB A annexed.

For the Assistant Chief of Staff, G-2

Alfred McCormack

Alfred McCormack
Colonel, General Staff
Acting Chief, Special Branch, M.I.D.

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25 November 1943

Circular sent out by Japanese War
Ministry on 9 December 1941See P.10,
(Par. E)
MS #600
25 Nov 43A. Early Negotiations: April-July

In April Ambassador Nomura in Washington wired home for instructions regarding a "Proposal for an Understanding" between Japan and the United States, which had just about been agreed upon between him and the United States authorities. (He had received no instructions whatsoever from the Home Office.)*

The Proposal covered the following points:

- (1) The international feelings of the United States and Japan.
- (2) The attitude of the United States and Japan toward the European war.
- (3) China-Japan peace.
- (4) United States-Japan trade.
- (5) Economic and maritime problems in

*Throughout this TAB, material in parentheses is as set forth in the original Japanese circular; material in brackets is supplied.

A-1

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these areas.*

Now the purpose of the United States in this was, by taking advantage of Japan's weak points, to make us stop our southern advance. Meanwhile, she planned to build up her armaments and increase her aid to England at the same time.

The Japanese Government decided to take advantage of this occasion (foreseeing what would be brought up) to settle the China incident (the United States proposed to act as mediator between Japan and China), and to make preparations for the restoration of her national strength. Because of this, she did not violate the spirit of the agreement.**

*The "Proposal for an Understanding" which Nomura communicated to Tokyo on 17 April actually contained provisions under 7 headings. The first 3 were approximately as given above. The remainder were as follows: "(4) air and naval strength and navigation in the Pacific; (5) commercial and financial cooperation between the two countries; (6) economic activities of the two countries in the Southwest Pacific; (7) the policies of the two countries regarding political stability in the Pacific."

**The meaning of this statement is not clear. It may refer to the fact that Japan made no further move southward until July.

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We decided to continue the negotiations as long as Japan did not lose her independent position in the Greater East Asia Co-Prosperity Sphere, and in order to close the China incident.

B. Preliminary Decision for War

However, America's sincere attitude, once war broke out between Germany and Russia [22 June] was gone; and furthermore Japan's advance into southern French Indo-China [late July] had an adverse effect on trade negotiations with the United States. (Our policy in regard to French Indo-China was fixed, irrespective of any negotiations with the United States.)

Subsequently, up to the time of the mass resignation of the Konoye Cabinet,* England and the United States increased and strengthened their own armaments and military preparations in the south, in contrast to Japan whose national defense was lagging because of a break-off in trade [i. e., embargo] by England and the United States.

Japan decided therefore to complete her war preparations by the end of September at the very latest,

*This apparently refers to Konoye's final fall on 16 October. He had resigned once before--on 16 July--but had remained as Premier with a new cabinet.

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and at the same time to exert every effort through diplomatic channels to see her demands fulfilled. If her demands were not met by early October, an Imperial decree would be issued deciding upon war against England and the United States.

These were Japan's minimum demands:

(1) The United States and England not to meddle in Japan's disposition of the China incident and not to present any obstacles [i.e., to discontinue aid to Chungking].

(2) England and the United States not to do anything in the Far East which would present a threat to Japanese security.

(3) England and the United States to cooperate in the procurement of goods needed by Japan [from the Southwestern Pacific].

If these demands were met, Japan was prepared to make these promises:

(1) Japan would not use French Indo-China as a base for striking at any of the neighboring territories except China.

(2) Japan would withdraw from French Indo-China once lasting peace was established.

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(3) Japan would guarantee Philippine neutrality.*

The answers which we had received to this proposal of neutrality up to 2 October were very high-handed indeed. They demanded the unconditional acceptance of four basic principles:

- a. Complete respect for national territorial integrity.
- b. No interference in the internal problems of other nations.

*The above version of Japan's position at this stage of the negotiations is based partly on the proposals of 6 August and partly on those of 6 September. "Minimum demand" number (1) and "promise" number (1) are both taken from the 6 September proposal; the other points paraphrase parts of the 6 August proposal, except for demand number (2) which is a very rough paraphrase of a clause in both documents.

The net effect of this curious jumble is to make Japan's position appear more uncompromising than it actually was. The message conceals the fact that, as late as 6 August, Japan was still asking the United States to use its good offices to initiate peace negotiations between Japan and the Chungking Government and that, in the 6 September proposal, Japan offered a vague promise to "withdraw its armed forces from China as soon as possible in accordance with the agreements between Japan and China."

Moreover, the outline suggests that Japan had presented its "minimum demands" to England, as well as to the United States. That of course was not the case. By 6 September Japan had withdrawn her proposal suggesting that the United States use its good offices to persuade England to negotiate a similar agreement.

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c. Equality in commercial opportunity and general economic equality.

d. No disturbance of the status quo in the Pacific except by peaceful means.*

Subsequently, the United States demanded not only immediate withdrawal of our forces from French Indo-China, but complete evacuation of China as well, and also the giving up of the special close economic ties between Japan and China.

At this point we felt that it was useless to continue negotiations with the United States, and we urged this upon the Government. However, Premier Konoye did not agree.

C. The Final Decisions

The establishment of Tojo's Cabinet [after Konoye's fall on 16 October] brought about cooperation between the Government and the High Command.

*The above represents a fairly accurate paraphrase of the "four fundamental principles" first enunciated by President Roosevelt in a statement handed to Ambassador Nomura on 3 September and reiterated in a statement handed to Nomura by Mr. Hull on 2 October. According to a 6 September report from Ambassador Grew, on that day Premier Konoye expressed his "whole-hearted agreement" with the four basic principles.

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The whole matter was reviewed once again, and finally, on 5 November, war was decided on against England and the United States. An Imperial decree was issued, setting the commencement of hostilities at the beginning of December, and ordering the completion of military preparations while carrying out last minute diplomatic negotiations.

Thereafter, Japan went ahead with plans for war, while on the other hand she sent Ambassador Kurusu in a last endeavor to reach a settlement.

However, the United States showed that her idea of reaching a settlement was to supply us with a little oil in return for the immediate withdrawal of our troops from French Indo-China. The United States refused to recognize the peculiar nature of the Chinese problem and the need for preservation of Japan's special position in East Asia, and demanded the scrapping of the Tripartite Pact.

Therefore, the Japanese Imperial Government dropped its former policy and on 20 November presented its requests and demanded a yes or no answer.

These last ditch proposals were as follows:

- (1) Except for French Indo-China, Japan will

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make no further armed advances in East Asia and the South Pacific.

(2) The United States and Japan shall cooperate in insuring [to both countries] the necessary supply of goods from the Netherlands East Indies.

(3) The United States and Japan shall restore their commercial relations to those prevailing prior to the freezing of assets. The United States will agree to supply Japan with the oil she needs.

(4) The United States will not present any obstacle to efforts for bringing about a peace between Japan and China.

(5) Japan promises that a Chinese-Japanese peace will be concluded, that she will establish a just peace in the Pacific, and that once these are settled, she will withdraw the forces which have been sent to French Indo-China. Also Japan will move the troops which she has stationed in southern French Indo-China to the northern part when the present agreement is signed.*

*The foregoing is an accurate paraphrase of Japan's 20 November proposal.

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However, the United States had already been negotiating secretly with England, Holland and China, and as soon as she received the new Japanese proposals, she made clear her intention of forming a close union between these four powers. In a note of 26 November, she laid down the four so-called fundamental principles to be accepted as the basis of future negotiations, and then proposed the following specific measures to be carried out by both countries:

(1) Both countries are to contract a multi-lateral non-aggression pact with England, Russia, Holland, China and Thailand.

(2) Both countries will arrange an agreement between Japan, the United States, England, China, Holland and Thailand in regard to respecting the territorial sovereignty of French Indo-China.

(3) Japan will withdraw all her troops from China and French Indo-China (army, navy and air force).

(4) Neither country will give political, military or economic recognition to any Chinese governmental authority other than Chungking.
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(5) The two countries will negotiate a commercial treaty based on the principles of reciprocal most-favored-nation treatment, and the lowering of trade barriers.

(6) Each country will remove the freezing restrictions on the other's assets.

(7) Even though Japan and the United States may have concluded treaties with third powers, this agreement is fundamental.*

In short, the United States proposals agreed with everything that we regarded as inconsistent with the preservation of peace in the Pacific areas. (They also would have made the Tripartite Pact a dead letter.) This United States answer at one fell swoop showed us how utterly ridiculous and useless had been the conferences which had been held since April, and completely swept away all understandings reached. We saw now that future negotiations would be to no purpose, but could only fit in with the delaying policy of the United States.

*Except for the omission of three clauses, the foregoing represents a fairly accurate paraphrase of the U. S. proposals of 26 November.

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Consequently, the Supreme War Command immediately decided upon war. On 1 December the Imperial decree was issued.

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~~SECRET~~—SECURITYTranslated 3 Nov 43
(Pub. - 25 November 1943)Tokyo (NRANS) to
Circular (Mexico,
La Paz, Lima) (RIKI
GUN) #681, 9 Dec 41
(JCP) Parts 1-14
SSA # D-3108Circular sent out by Japanese War
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The Japanese Government decided to take advantage of this occasion (foreseeing what would be brought up) to settle the China incident (the United States proposed to act as mediator between Japan and China), and to make preparations for the restoration of her national strength. Because of this, she did not violate the spirit of the agreement.***

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(6) Each country will remove the freezing restrictions on the other's assets.

(7) Even though Japan and the United States may have concluded treaties with third powers, this agreement is fundamental.*

In short, the United States proposals agreed with everything that we regarded as inconsistent with the preservation of peace in the Pacific areas. (They also would have made the Tripartite Pact a dead letter.) This United States answer at one fell swoop showed us how utterly ridiculous and useless had been the conferences which had been held since April, and completely swept away all understandings reached. We saw now that future negotiations would be to no purpose, but could only fit in with the delaying policy of the United States.

Consequently, the Supreme War Command immediately decided upon war. On 1 December the Imperial decree was issued.

*Except for the omission of three clauses, the foregoing represents a fairly accurate paraphrase of the U. S. proposals of 26 November.