

Malcolm MacDonald arrived before the Minister left and the three of us had a brief friendly talk together.

1327.

King Papers, PAC

*Mémorandum du sous-secrétaire d'État aux Affaires extérieures  
au Premier ministre*

*Memorandum from Under-Secretary of State for External Affairs  
to Prime Minister*

Ottawa, July 29, 1941

The information which we have so far with regard to United States policy in connection with economic measures against Japan indicates that emphasis is to be laid on import restrictions.

Our imports from Japan have never been very large and over the past three years—1938, 1939, 1940—have shown a tendency to decline. This decline has been accelerated during the past few months as our War Exchange Conservation Act has become effective. The material effect, therefore, of any further restriction of Japanese imports into Canada would not be great and as we suggested in a recent telegram to the United Kingdom such a step on our part would only be psychologically effective if it paralleled similar action on the part of the United States. The United States are not, however, announcing their policy of import restrictions yet, but since it seems to be their intention to enforce it by systematic delays and by holding up imports in Customs, it will not be long before it is clear to the public what this policy is.

In anticipation of the possible desirability of placing further restrictions on Canadian imports from Japan, a recommendation to Council is being prepared under which important imports which are not now on Part 2, Schedule 1, of the War Exchange Conservation Act, would be added thereto.

Concurrently, the Minister of National Revenue would be requested to instruct the Commissioner of Customs to grant open general licences for all countries in the Western Hemisphere as defined for purposes of Order in Council P.C. 2448 of April 8th, 1941 and, in addition, to submit all individual applications for permits to import from other countries under Part 2 to the Department of External Affairs before acting upon them. The actual mechanics, which it is not considered necessary to spell out in the regulations, would be for the Department of External Affairs in turn to refer these applications to the *ad hoc* Import Control Advisory Committee for a ruling.

N. A. R[OBERTSON]