

C O P Y

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Minister for Foreign Affairs told me today that a decree will be issued (?) defining their non-belligerent status as against Germany and Italy.

He said he had met with strong opposition in the Senate and Chamber of Deputies from the parties of the Right over the decree in regard to the United States and Japan. This was not due to anti-Allied sentiment but solely to the fear of Japanese action against Chile. He himself is very apprehensive of this in the form of air bombardment of essential fuel stocks for the copper and nitrate industries which could be quickly paralysed by this means. If this were to happen he anticipates the Government would be overthrown by violence. From a conversation with the Japanese Minister he has the strong impression that Japan would like Chile to declare war on him. Defences situation in the Pacific was insecure Chilean Government intended to avoid any useless provocation of Japan such as the declaration of war or the freezing of Japanese funds which were very small.

I referred to the public statement that measures were being taken to prevent sabotage. He said that there had been no attempt and he did not expect anything which could not be dealt with. He was confident that any German danger was under control. I asked about enquiry into Nazi activities about which nothing had been divulged lately; he said that judicial investigation was proceeding but did not seem to attach much importance to it and I suspect it has been virtually shelved. He said however that the Nazi teeth had really been drawn apparently as a result of information already obtained and the administrative measures taken as a result. He spoke confidently and I hope he is not over optimistic.

As regards the Japanese danger which is real here, action from sea is what is feared. He professed to have no anxiety about the large numbers of Japanese in Peru and regarded those in Chile (only 600) as constituting no danger.

Asked how a Canadian warship would be treated in Chilean

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