

which might lead us into war with Japan, unless some satisfactory undertaking had first been reached with the United States. We could not regard expectation set out in paragraph 4 of your telegram under reference, however well founded, as sufficiently meeting this condition.

His Majesty's Government in the Commonwealth of Australia earnestly hope that you will realize its standpoint on this matter. In paragraph 4 (3) of your telegram Circular M.172 you implied that every effort should be made to obtain from the United States Government clearest possible indication that we could count without reservation on their active armed support. With this in mind we emphasized in our reply, telegram No. 467,¹ necessity for utmost frankness in exchanges with the United States Government. We are still firmly convinced of this necessity. It seems to us entirely feasible that in notifying readiness of British Commonwealth to concert with United States in proposed economic action, His Majesty's Ambassador should intimate that we clearly realize possible consequences of action, both for ourselves and for The Netherlands, and that we assume that United States Government also realizes them. In discussion which will arise on this basis indication of United States attitude will certainly appear. The nature of this in all probability will constitute satisfactory understanding which we feel to be essential. We consider it vital, however, that question should be raised in one form or another. Ends.

1319.

King Papers, PAC

*Mémoire 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 25, 1941

As you will have seen from the telegrams in this box, the United States have decided to proceed with their freezing order tying up Japanese and Chinese assets in the United States as from nine o'clock tomorrow morning (Saturday, July 26th). The extension of the order to Chinese assets has been effected with the concurrence of the Chinese National Government who are relying on United States assurances that funds will continue to be made freely available for all strictly Chinese transactions, while payments to Japanese occupied China, which might inure to the benefit of Japan, will be subject to strict control.

¹ Document 1310.