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TELEGRAM C 284902

From THE SECRETARY OF STATE FOR DOMINION AFFAIRS
To THE SECRETARY OF STATE FOR EXTERNAL AFFAIRS, CANADA

MOST SECRET & PERSONAL

LONDON, January 24th, 1940.

CYPHER

CIRCULAR D. 41.

Circular D. 41. Most Secret and Personal. Following for
your Prime Minister, Begins:

In connection with my telegram Circular D. 38, following are
main points of aide memoire communicated by French Ambassador to
which reference was made in my telegram Circular D. 34. There is
reason to fear that absence of any positive decision, both as
regards blockade of Narvik and despatch of Polish vessels to
Petsamo, will have effect of giving initiative to enemy, of
weakening authority and prestige of Allies with neutrals and also
of depriving Allies of advantages to be derived from more resolute
action. Although Norwegian Government were informed on January
6th of decision to prevent shipments of goods to Germany through
Norwegian territorial waters no action has yet been taken. This
delay tends to weaken considerably the juridical justification on
which demarche was based and our hesitant attitude is leading
Scandinavian countries and Germany to draw from it conclusions
which will not be to our advantage.

French Government emphasizes that Finnish resistance cannot
be maintained for long and that both from moral standpoint and
from point of view of general course of the war defeat of Finland
would have very serious consequences for the Allies. There would
be a risk that it would deliver entire Scandinavian peninsula into
the hands of Germany and Russia and would assure to them control
of sources of supply and bases for operations.

Allies are now in a position to enter a zone which has not
yet been closed to them but it cannot be foreseen how long this