

3. With the views of His Majesty's Government in the Commonwealth of Australia regarding the issue of a mutual guarantee to and from the Netherlands East Indies, His Majesty's Government in New Zealand are in full accord, and they too have on several occasions made representations in support of this proposal to His Majesty's Government in the United Kingdom.

4. They have always assumed that in the event of an outbreak of war, effect would be given to assurances of His Majesty's Government in the United Kingdom that capital ships would be transferred to the Far East area. While they fully agree that presence now of British capital ships in Singapore would act as a powerful deterrent upon the Japanese, they are not without doubts as to the wisdom of denuding British fleets in the Atlantic and the Mediterranean to the extent proposed, at a time when a number of capital ships are under repair and so long as there remain in existence heavy units of the German or Italian navies. Until the United States have agreed to take over a more active role in the Atlantic and have transferred sufficient capital ships to balance the withdrawal of British naval units, it would in their opinion be dangerous to remove five capital ships from actual theatre of war.

5. It is agreed that an early discussion concerning British attitude vis-à-vis Thailand is urgently required. His Majesty's Government in New Zealand fully realise the importance to British interests of maintaining integrity of Thailand, but here again they are not without doubts as to the practicability and wisdom of issuing a warning from British countries alone that any attack on Thailand by Japan would be regarded as a *casus belli*. It seems to them unwise to take such action unless and until there is available a force sufficiently strong to ensure successful resistance to Japan in the area threatened. The result of any hasty or ill-conceived guarantee might well be a repetition of the circumstances surrounding British guarantee to Poland in 1939.

6. It appears to His Majesty's Government in New Zealand, moreover, that having encouraged Thailand to resist, the British Commonwealth may in a very short time be called upon to render active assistance, and time has arrived, if it is not already overdue, to consider whether or not the British nations are in a position to render immediate and effective assistance.

7. The force of arguments put forward by His Majesty's Government in the Commonwealth of Australia for making a stand is fully admitted, but question of expediency cannot be overlooked. Before a clear definition of policy can be agreed upon it seems necessary to ascertain what military resources are available in the Far East, and whether or not effective assistance can in fact be offered to Thailand.

8. His Majesty's Government in New Zealand would therefore welcome a very early appreciation of strategic position in regard to Thailand. They feel that result of a defeat in this region, such as we experienced in Norway,