

Treasury directions are being given to Banks under Defence (Finance) Regulation 2A prohibiting as from today July 26th the carrying out of orders affecting Japanese balances, gold and securities in the United Kingdom without a licence from the Treasury. Corresponding action is being arranged in other parts of the Empire.

3. Governments of India, Burma and the Colonies are being asked to take similar action forthwith, and we hope that His Majesty's Governments in the Dominions will apply corresponding measures as soon as it is possible for them to do so.

4. It is understood that United States freezing order will apply to China as much as to Japan. Treasury directions to be issued here will not, however, apply to China other than Manchuria, since it is felt that technical aspects involved require further examination. We contemplate, however, that as soon as outstanding technical points have been settled and matter has been discussed and formed the subject of an appropriate request from the Chinese Government, Treasury directions will be issued in respect of China also, and we shall telegraph further as to this as soon as possible. Ends.

1318.

Skelton Papers, PAC

Le premier ministre d'Australie au Premier ministre
Prime Minister of Australia to Prime Minister

TELEGRAM 5

Canberra, July 25, 1941

MOST SECRET. Addressed to Secretary of State for Dominion Affairs No. 477, repeated to the Prime Minister of Canada No. 5, Prime Minister of the Union of South Africa No. 57, Prime Minister of New Zealand No. 279, Casey, Washington No. 80, Latham, Tokyo No. 8.

Your telegram Circular M.179. His Majesty's Government in the Commonwealth of Australia appreciate that it would be difficult for constitutional reasons to secure guarantee of armed support from the United States Government. We also agree that to attempt to gain acceptance from the United States Government of an *assumption* on the part of British Commonwealth of United States armed support in contingencies mentioned might cause embarrassment.

We cannot, however, accept apparent conclusion drawn up in your telegram that question of United States action in the event of violent Japanese reaction should therefore not be raised at all in Washington at this stage. Having regard to our consistent attitude on this matter over past years, and from point of view of highest interests of our national security, we would frankly find it impossible to justify embarking at this critical point on a course of action