

export embargo to all strategic exports to Japan, including metals and petroleum. They have not yet made up their minds whether they will apply the same policy to the export of foodstuffs. They will most certainly complete their export embargoes by a freezing order immobilizing all Japanese assets in the United States.

Mr. Moffat said he understood that the United States and the Commonwealth countries would be taking parallel and simultaneous action in the event of a Japanese move. I told him that there was not very much more that Canada could do in putting economic pressure on Japan as we had long since stopped the export of strategic materials, the only trade of any consequence remaining being the wheat and pulp log shipments, which had been on firm order when the export permit requirement was introduced, and the closely watched trade in the coarser grades of asbestos. Japanese assets in Canada were inconsiderable, and I did not think a formal freezing order would be of very much significance. I told Mr. Moffat that we had been considering the question of denunciation of the Anglo-Japanese commercial treaty, and a decision on this point would be taken very shortly. The effect of denunciation would not be felt for twelve months, and denunciation itself should not be interpreted as a form of reprisal. Our feeling was that, with changing conditions, the treaty itself would become inapplicable and that it might be better to get rid of it.

After talking to Mr. Moffat, I got in touch with the Foreign Exchange Control Board, and arranged to have them scrutinize and delay all Japanese applications for the withdrawal of capital from Canada during these next few days.

N. A. R[OBERTSON]

1303.

592-40

Le secrétaire d'État aux Affaires extérieures au secrétaire aux Dominions
Secretary of State for External Affairs to Dominions Secretary

TELEGRAM 124

Ottawa, July 15, 1941

MOST IMMEDIATE. MOST SECRET. Reference paragraph 2 of your Circular M.151 of July 12th¹ and paragraph 6 of our telegram No. 71 of May 3rd.² Canadian Government agree to United Kingdom Government giving notice of termination of Anglo-Japanese commercial treaty at such time as may seem to them opportune.

¹ Document 1297.

² Document 1277.