

In agreeing to this course of action, it should be unnecessary to emphasize the absolute importance of securing the clearest possible indication that the active armed support of the United States will be immediately available if the Japanese force the issue to the point of war.

2. We are prepared to match our action as far as possible with that which the United States propose to take, and have available powers under the Foreign Exchange Control order comparable to the machinery you propose to use under your Defence (Finance) regulations which would approximate effect of proposed United States freezing order. Latter would, as a matter of fact, bring trade between Canada and Japan to a virtual standstill, even if Canadian Government did not take corresponding action, as Canadian goods are only exported to Japan against payment in United States funds which would cease to be available. However, for political and psychological reasons, we would be ready to take parallel action in respect of freezing here.

3. As regards export control, we now, as you know, require export permits for any shipment to any destination outside the Western Hemisphere and not in the British Empire. All exports to Japan are already covered by this licensing system and licences are already being refused for all strategic materials.

4. Position in respect of proposed import licensing control is more complicated. Canada is prevented by provisions of Anglo-Japanese Commercial Treaty from imposing import licenses on imports from Japan which do not apply to imports from other countries. We are, however, examining the possibility of adding principal remaining imports from Japan to list of commodities for which licences are required under War Exchange Conservation Act.

5. We should be glad to know whether there have been any consultations with the U.S.S.R. regarding this general question. Ends.¹

1312.

443-40

Le secrétaire d'État aux Affaires extérieures au chargé d'affaires au Japon
Secretary of State for External Affairs to Chargé d'Affaires in Japan

TELEGRAM 92

Ottawa, July 23, 1941

Reference your telegrams No. 112 of July 11th² and 121 of July 22,³ Mitsubishi's inquiry concerning a further 100,000 tons of wheat.

¹ Ce message fut aussi communiqué au ministre aux États-Unis par le télégramme 283 du 23 juillet 1941.

² Document 1296.

³ Non reproduit.

¹ This telegram was repeated to the Minister in the United States as Telegram 283 of July 23, 1941.

³ Not printed.