

H.E.

When you see Mr. Welles, perhaps you could give him the attached note which summarizes the steps which the U.K. authorities are contemplating putting into force if Japan makes a move into southern Indo-China. At the same time perhaps you could explain that the authorities in London were most interested to get your telegram No. 3255 (the draft of which is attached) summarizing Mr. Welles' explanation of the steps which the U.S.G. contemplated. London are naturally most anxious to work in step with Washington in the matter and would naturally welcome any action parallel to their own which the U.S.G. felt disposed to take. At the same time, however, they feel that it is necessary that both Governments should always bear in mind the importance of not taking action which might drive Japan to desperation and encourage them to take even more violent action to the southward. With a view to further considering the matter, the authorities in London would be very grateful for some more detailed information regarding the exact intentions of the American authorities. For example, is it the intention that the contemplated embargo against Japan should be imposed in one or more stages, exactly what commodities will be affected by the export embargo, and is it contemplated taking any steps to freeze Japanese assets in the U.S.?

The authorities in London are disposed to agree in thinking that an attempt to secure bases in Thailand is less imminent than a similar attempt in respect of Indo-China. They would, however, be interested to know the reasons for which Mr. Welles drew a distinction between the two cases in his conversation on July 11th.

Alwyn Hall

July 14th, 1941.

*Hall
Hamburg - 15.7.41*

*Could Mr Welles
authorize these
details for to
be discussed
between S.D. experts
in State*

NOTHING TO BE WRITTEN IN THIS MARGIN.