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with: G254/11/1 en. us. German Relations G254/11/1 en.

MR. HOYER MILLAR

I gave Mr. Welles today a copy of the aide-memoire giving the estimate from London of probabilities of German action in Spain.

I have not got a copy of the telegram.

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18th December, 1941

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The following is a paraphrase of a telegram referring to the telegram the substance of which was contained in the secret and personal letter from Lord Halifax to Mr. Welles of 11th December:-

Reports about the meeting between Marshal Petain and Goering are still inconclusive. For some months past there has been considerable pressure on Vichy to allow the Germans the use of bases in North Africa. It is possible that the matter was carried a stage further at the recent meeting. It is quite possible that the Marshal has agreed to give the Germans greater transit facilities in North Africa and even to surrender bases but there is as yet no definite evidence that the latter is being done.

His Majesty's Government ^{do not} consider that the Germans have at present in North Africa, or can have within the next two or three months, sufficient forces for full-scale operations in that area. Developments in Libya may, however, have thrown out the time-table of the Germans and may compel them to take some action in the near future with such small forces as are available to them. The Germans may quite possibly find it essential to neutralise Malta as a first step before going into North Africa. There is also the possibility of some sort of surprise attack on Gibraltar by air and with submarines, possibly with Spanish connivance.

Reports have been received that the Germans recently demanded facilities for the transit of troops through Spain and that the Spanish Generals told Franco that these demands must be refused. There is however no further evidence to confirm these reports and His Majesty's Government have no information about the

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attitude of the Spanish Government in face of such demands.

His Majesty's Government consider it unlikely that substantial German forces could be in North Africa for some two months but it is possible that there will be infiltration of German troops, particularly to any bases handed over by Petain and there may be a steady reinforcement of the German air forces in the Mediterranean.

December 18th 1941.