

Minutes. with: G 46/64
68/41

SECRET

F.O. Ids.
(4054 and 4055)

These 2 telegrams really raise 2 questions:-

(a) It has become increasingly urgent to discuss with the U.S. authorities the economic measures which both they and we propose to put into force in the event of Japan making a move into southern Indo-China and for us to ascertain from the S.D. just exactly what their proposals amount to. Mr. Hall has already had one conversation on this subject with Dr. Hornbeck this morning - though I gather it was mainly inconclusive - and is to have another one with him tomorrow. Perhaps at this second interview something may transpire which will enable us to send a fairly definite reply to the questions the F.O. ask about these economic pressure questions. In the meantime, I think Mr. Hall is drafting a telegram describing his talk with Dr. Hornbeck this morning.

(b) Whether, apart from these economic pressure measures which are to be taken if and when Japan actually moves into Indo-China, any steps can be taken in the meantime to deter Japan from making such a move. It is suggested that, while London for their part should try to discourage the Japanese by starting certain rumours in the Press, the United States Government might instruct their Ambassador in Vichy to make enquiries on the subject of the French Government with the idea that if the French Government reply that the Japanese are in fact making these demands, publicity should be given to this information - if possible in the form of some statement by the U.S.G. indicating their disapproval of the Japanese intentions. The President in his talk with the Ambassador this morning suggested that the possibility of inducing the Vichy Government to stall should be explored, and also suggested that this question should be taken up by this Embassy with Mr. Welles. The President's suggestion fits in pretty well with the one which has now been made by the F.O., and perhaps therefore Mr. Butler could try to see Mr. Welles on the subject as soon as possible. This question is really a separate one from the economic pressure one and I do not imagine that it would complicate matters if Mr. Butler could see Mr. Welles on this point while Mr. Hall was talking to Dr. Hornbeck on the other.

NOTHING TO BE WRITTEN IN THIS MARGIN.

No.
It would be a
great help.
N.H. 4/7

W. Butler

July 15th, 1941.