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DEPARTMENT OF STATE
WASHINGTON

February 8, 1939

Sir:

I acknowledge the receipt of Sir Ronald Lindsay's

note no. 448 dated November 26, 1938, enclosing drafts

of the notes which it was proposed the British Govern-

ment should exchange with the Government of the United

States for the purpose of defining the manner in which

Canton and Enderbury Islands are in the future to be

administered. I take pleasure in expressing agreement

in principle with the proposals submitted, but wish to

suggest certain minor changes both as to substance and

as to form. This Government proposes, for example, that

the agreement should not limit the construction and

operation of an airport on Canton Island to a specific

company, but should be so worded as to permit such construc-

tion and operation by any company or companies satisfactory

to this Government. It also proposes to omit the provision

for

Mr. V. A. L. Mallet, C.M.G.,

British Chargé d'Affaires ad interim.

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for the payment of rent. In the matter of form I suggest

that paragraphs be used in preference to articles. Copies

of the amended drafts, in which the proposals of this

Government have been incorporated, are transmitted here-

with for the consideration of the British Government.

In the British Embassy's aide-mémoire of August 4,

1938, it was suggested that, as the title of Pan American

Airways to operate on Canton Island would be derived from

the permission of both Governments, a new license appro-

priate to joint control should be substituted for the

license issued by the Secretary of the Interior April 1,

1938. This suggestion having been acceded to in principle,

I am glad to enclose a draft of a new license which the

Secretary of the Interior is prepared to issue to Pan

American Airways unless objection is expressed by the

British Government.

Accept, Sir, the renewed assurances of my high

consideration.

For the Secretary of State:

Enclosures:
   1. Copies of
      draft notes.
   2. Draft copy
      of license.

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