

in. *Official to see*

BRITISH EMBASSY,  
WASHINGTON, D. C.,

February 13th, 1939

No. 178

My Lord,

177/80/38

On receipt of Your Lordship's despatch No. 895 (A 8473/16/45) of November 11th last His Majesty's Ambassador duly addressed a note dated November 26th to the Secretary of State communicating the texts of the notes which it was proposed should be exchanged with the United States Government for the purpose of defining the manner in which Canton and Enderbury Islands should in future be administered. A copy of this note (without its enclosures) is enclosed herein.

177/82/38

2. Sir Ronald Lindsay delivered this note in person to the competent official at the State Department and at the same time left a memorandum as instructed in paragraph 2 of Your Lordship's despatch under reference regarding the revised attitude of His Majesty's Government towards the scheme for the colonisation of Canton Island. A copy of this memorandum is enclosed herein. His Majesty's Ambassador also took the opportunity of his visit to the State Department to intimate orally that although Article 2 of the notes which it was proposed to exchange provided for the administration of the islands by a United States and a British official His Majesty's Government did not consider that it would/

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The Right Honourable

The Viscount Halifax, K.G.,

etc., etc., etc.

VALM:FRHM:DH

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would be necessary in practice for the British administrator to reside permanently on Canton Island. Sir Ronald Lindsay thought it desirable to leave with the State Department a short aide mémoire summarizing his remarks on this point and a copy of this document is also enclosed herein.

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3. As I had the honour to report in my telegram No. 65 of February 10th, the Secretary of State has now replied to His Majesty's Ambassador's note of November 26th regarding the proposed exchange of notes. A copy of Mr. Hull's note is enclosed herein, from which it will be seen that the State Department agree in principle with the proposal but wish to suggest certain minor alterations in the texts of the notes. I should be grateful if I might be informed in due course what reply should be made to the State Department on these points.

9.17/39

4. You will observe that Mr. Hull's note also refers to the suggestion made to the State Department by His Majesty's Embassy on August 4th last, in accordance with the instructions contained in your telegram No. 489 of July 28th, that the existing licence granted to Pan American Airways by the United States authorities should be cancelled and a new licence issued in terms agreed upon between His Majesty's Government and the United States Government. It will be seen that the State Department have accepted this suggestion and that they have forwarded for the observations of His Majesty's Government the draft of the new licence which it is suggested should be issued to Pan American Airways. A copy of this  
draft/

draft licence together with the accompanying map is enclosed herein and I should be glad to know whether it meets with the approval of His Majesty's Government.

5. Mr. Hull's note was delivered to me on February 10th by a member of the State Department who took the opportunity at the same time to give me a memorandum in reply to the memorandum left at the State Department by Sir Ronald Lindsay on November 26th regarding the question of colonisation (see paragraph 2 above). The State Department's memorandum, a copy of which is enclosed herein, states, as reported in my telegram No. 66, that while the United States Government are still ready to discuss with His Majesty's Government the question of the status and use of those Pacific islands which both Governments claim, in the meantime they "cannot of course acquiesce in the proposed settlement of islands which are claimed by the United States".

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6. I am inclined to think that this does not foreshadow any immediate or active assertion of the United States's claim. On the other hand to have expressed acquiescence in our colonising scheme or to have implied it by silence would no doubt have weakened the position of the United States Government in case at any time they may wish to reassert their claims.

I have the honour to be,  
with the highest respect,  
My Lord,  
Your Lordship's most obedient,  
humble servant,

(SOD) V. A. L. HALLWY

H.M. Chargé d'Affaires.