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(A 6980/21/45)

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Colonial Office,

Downing Street,

S.W.1.

10 October, 1939.

Dear Balfour,

Please refer to my letter of the 13th September about the Pacific Islands.

9th August, 1939. I now enclose a copy of a despatch from the High
Commissioner for the Western Pacific, stating that for
various reasons it is proposed to establish a branch of
the Gilbert and Ellice Islands postal service on Canton
Island. As you know, the Phoenix Islands are included in
the Gilbert and Ellice Islands for administrative purposes.

Government over this proposal? There seem to us to be two considerations. In the first place, the question arises whether the establishment by the British authorities of a British Post Office on the Island can be held to be a detail of the "special joint ad hoc régime", which ought to form the subject of consultation between the two Governments under paragraph 3 of the Exchange of Notes of the 6th April, 1939. It seems to us doubtful whether it is necessary to take this view. A joint Anglo-American Post Office, with the consequent complications about keeping accounts, division of profits, currencies, etc., would obviously be unsuitable for this little Island, and it would always be open to the Americans to have their own Post Office, if they want one.

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The other consideration is the more general one that, although the administration of the Island will in practice, as there is to be no colonisation, be left entirely to the American authorities, so far as we can see at present, the time may come when we may wish to exercise our rights under the Exchange of Notes, either to object to what the Americans are doing or to obtain their consent to activities of our own, and that it is therefore advisable to remind them that we retain an active interest in the Island and expect ourselves to be consulted on appropriate occasions. One way of keeping our rights and interests before the Americans is to consult them ourselves whenever we have a reasonable excuse for doing so.

I suppose it is conceivable that the Americans, if consulted, might object to a British Post Office on the ground that practically all the postal revenue which would be derived from any Post Office in Canton must be American in origin, and that American revenues ought to have the benefit of it. The answer would be that they can have an American Post Office, if they wish. Taking everything into consideration the view which we are inclined to take in the present case is that it is unnecessary to consult the Americans, and that our obligations will be sufficiently discharged by informing them that a British Post Office is being instituted in the Island as a branch of the Gilbert and Ellice Islands Post Office. If this is agreed, we will tell the High Commissioner that he can go shead and notify you officially in order that you may inform the United States.

You will see that the High Commissioner is asking for a telegraphic reply, so perhaps you will deal with this as soon as possible.

I am sending a copy of this letter to Herbertson, Jarrett and Wiseman for any views they may have.

Yours sincerely,

(Signed) A.B. Acheson