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SECRET.

With Mr. J. Balfour's
compliments.

FOREIGN OFFICE,

17th December, 1938.

Political items for the agenda of the proposed conference on questions concerning the Pacific Islands between His Majesty's Governments in Australia, New Zealand, and the United Kingdom.

(1) The question of formulating an agreed policy regarding the attitude which should be adopted in the event of the United States Government proceeding to confront us with one or other of the undermentioned alternatives:-

- (a) a demand that the joint régime should be extended to other islands of the Phoenix Group besides Canton and Enderbury;
- (b) a renewal of their proposal of August 1933 for a general clean-up of islands of disputed sovereignty;
- (c) a rejection of the invitation to a four-party conference which has been extended to them;
- (d) an acceptance of this invitation accompanied, however, by an intimation that the resulting discussions should also include a settlement of the status of other Pacific Islands, e.g. Hull and Christmas Islands, to which they consider they have a title.

(2) The question of concerting action to ensure that, in the event of any unforeseen move on their part, pressure can be brought to bear to induce the United States Government to consent to a four-party conference.

(3) The question of selecting the moment when, assuming no move by the United States Government in the interim, it would be most appropriate to press with renewed vigour for a four-party conference.

Arising out of sub-headings (2) and (3) above the Air Ministry have suggested the following items for discussion:-

I. The possibilities of the establishment of an air service across the Pacific in co-operation with an American company on the lines of the projected North Atlantic service.

II. The advisability of a British application being made to the United States for landing rights in San Francisco and

Honolulu.....

Honolulu. By whom should such an application be made; by Tasman Empire Airways, by Qantas, Union Airways, Imperial Airways or the New Zealand Government.

III. If such an application be refused are the New Zealand Government prepared to cancel existing landing rights given to Pan-American Airways and are the Australian Government prepared to refuse landing rights if applied for.

IV. If the United States Government agree to the conference on the development of civil aviation in the Pacific suggested by the United Kingdom Government, what main proposals should be made to them. (N.B. His Majesty's Government in the United Kingdom have suggested "open" rights on all the islands likely to be situated on the route of a trans-Pacific service and have intimated to the United States Government that they do not exclude the possibility that in the course of the conference it might prove necessary to settle the status of hitherto neglected islands. In practice His Majesty's Government in the United Kingdom are of opinion that this category of island should only include the six southern islands of the Line Group).

V. If at the time of the conference between the United Kingdom, Australian and New Zealand Governments no claims have been put forward by the United States Government to Hull and Christmas Islands, what further steps, if any, can be taken to strengthen the British claim to these islands.

FOREIGN OFFICE,

13th December, 1938.