Secret.

13 June, 1939.

and

Dear Lee,

In reply to your letter of the 19th June as to O.D.C. Minute No.343, we concur in the draft telegram to the Governor of Fiji which you enclosed, subject to the following observations:

Paragraph (a) (iv) and (vi).

We think that it would be preferable not to make any communication to the New Zealand Government which would encourage them to embark on the construction of landing grounds in Fiji until there has been further progress in the discussions at present proceeding in London with the New Zealand Minister of Finance. In these discussions the question of defence expenditure in New Zealand and the method of financing it is playing a very important part. We suggest therefore that you might add at the end of this paragraph "but you should defer any such communication for the present pending conclusion of conversations on defence matters at present proceeding in London with New Zealand Minister of Finance",

F. G. LEE, ESQ.

and omit the word "forthwith" in the last sentence.

Paragraph (b) (i).

In view of New Zealand telegram No. 68, of which a copy has been sent to the Colonial Office, the words in brackets "provided New Zealand Government agree" can be omitted.

Paragraph (d) (i).

In view of New Zealand telegram No. 68, it will be possible to substitute for the last sentence "New Zealand Government are considering advisability of sending a platoon as a temporary measure for such purposes as construction of section posts and improvement of water supply but have not reached a final decision".

I am sending copies of this letter to Gilbert, Frith, Foster and Budgen.

Yours ever,

C. W. Dixon