

17.  
For His Excellency's Decision.

Confidential.

Secrecy of British Operations in the  
Phoenix Group.

- (a) On my recent visit to Canton Island I found that the Americans were fully conversant with British settlement activities. They have flown over all the Phoenix and landed at Sydney Island, where they inspected the work of the Settlement Scheme. Mr. Fleming informed me that he was now making no secret of our settlement work and I was myself questioned ashore by a member of the staff of the "Honolulu Star-Bulletin" who appeared quite conversant with the whole Settlement Scheme.
- (b) In the absence of definite instructions my recent attitude has been that the fact that natives, who are over-crowded and land-hungry in the Gilbert Islands, are being settled on Sydney, Hull, and Gardner Islands, is no secret; but that the activities of British Pacific Airways should be kept as confidential as is consistent with the fact that they must be quite apparent to the Americans, who have photographed both Hull and Gardner Islands from the air. Instructions are respectfully requested as to whether this attitude is substantially correct.
- (c) A second point concerning which there is doubt is whether the Americans should be refused permission to land on any of the British Islands. This is the attitude taken by

Mr. J. W. Jones,