

C O P Y

C 288113

6037

Viscount Halifax

of December 25th

Mr. Eden

IMMEDIATE

10.00 p.m. December 25, 1941.

Addressed to Foreign Office telegram No. 6037 of December 25th, repeated to Ottawa telegram No. 222.

Your telegram 7243.

1. I saw Mr. Hull this evening, and gave him gist of your telegram.

He made the obvious comment that Muselier's action had placed us all, particularly perhaps the United States, in a very embarrassing position. The embarrassment of the United States arose on two grounds:

- (a) possible reactions of Vichy, etc.
- (b) reactions of South American States.

2. For these reasons they had felt it necessary to issue without delay a strong press statement which included reference to their having asked the Canadian Government what steps they intended to take to restore the situation. (see my telegram No. 6034.)

3. I told Hull that I had no doubt you would appreciate his difficulties, but that I thought he had made the position pretty difficult for the Canadian Government by his press statement. He was sorry, but not wholly repentant, again emphasizing that the position would have slipped badly if they had not said something pretty strong.

I did my best to dissuade him from saying anything more in public until the President, Prime Minister and Canadian Prime Minister had been able to discuss it together.

4. I have given the Prime Minister a copy of your telegram under reference with brief history of action taken on this matter during the last two or three weeks, which he agreed made our position water tight vis-a-vis the Americans.

He will discuss with President and Canadian Prime Minister, who will be here tomorrow, and has in mind possibility of finding compromise solution by some kind of government by commission, otherwise preserving status quo.