

State Department that morning between the Secretary of State, Mr. Welles, and other senior officials. The State Department took a very serious view of the development. I said to Mr. Robertson that as the Prime Minister would arrive in Washington on the following day, it seemed to me that any decision ought to be postponed until the position had been discussed here with the President and Mr. Churchill. He told me that he was informing Mr. Malcolm MacDonald of the United States representations.

Mr. Atherton telephoned to me a few minutes later to read me the text of a statement just made public by the Department of State. This statement is as follows:

"Our preliminary reports show that the action taken by three so-called Free French ships at St. Pierre-Miquelon was an arbitrary action contrary to the agreement of all parties concerned and certainly without the prior knowledge or consent in any sense of the United States Government.

"This government has inquired of the Canadian Government as to the steps that government is prepared to take to restore the status quo of these islands."

I replied at once that I thought that the last sentence was most unfortunate and urged him to have it withdrawn, if possible. He answered that the statement had already been given to the press. I repeated that we had no responsibility for the Free French action and that I felt it unfair for the United States Government to put the Canadian Government on the spot in this manner without prior consultation and especially in view of the meeting to take place in Washington the next day. Mr. Atherton left me with the impression that there were two main reasons for the State Department's precipitate action: (1) their fear that the delicate balance of their relations/