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meet their own losses and that the presentation or adjudication of claims should be dispensed with. The State Department then proceeded to sound out the War Department (who supply most of the United States forces in Newfoundland) and the Navy Department. Both Service Departments concurred in your suggestion.

It is probably unnecessary to work out any formal arrangement embodying this understanding and the State Department hope that the informal agreement already arrived at will meet the case. In the absence of any counter-proposals from you, the War and Navy Departments will instruct their senior officers in Newfoundland to proceed upon the lines agreed upon. The State Department will also inform their Consul General in St. John's.

5. This Note is being brought to the attention of the following authorities: Prime Minister, Secretary of the Cabinet, Department of National Defence (Army), Department of National Defence (Air), Department of National Defence (Navy), Department of Finance, and Department of Justice.

6. The departments of the Government primarily concerned are the National Defence (Army) and External Affairs. It is being brought to the attention of the other departments which are indirectly interested, in that similar problems involving like principles may very well arise from time to time.

7. It may be pointed out that the course of action which is being followed is based upon the existing legal position. If it were desired to provide for claims and counter-claims, it would be necessary to set up machinery based upon an