A 609/21/45 DATE DATE 27th January

(A 609/21/45).

27th January, 1939.

Dear Herbertson,

Please see my letter to Dixon of the Dominions Office on A 117/21/45 of the 11th January, of which a copy was sent to you on the 14th January, enclosing a minute by the Air Attaché at Washington on the subject of the Pacific Islands. As we understand it, the reluctance of the United States Navy Department to accord facilities to British aircraft at Honolulu is based inter alia upon the apprehension that it would be difficult to refuse to the aircraft of other countries and to Japan in particular any concession granted to us in this matter. In point of fact, we believe that this apprehension, if it in fact exists, is not based on very substantial grounds since there is not, so far as we know, any general most-favoured-nation principle under which a country can claim the same rights as are accorded to other countries in the matter of the establishment of civil air lines. If this is so it would /follow

Captain J.J.W. Herbertson, O. B. E.

Air Ministry.

follow that, excepting in the unlikely event of there being a special bilateral United States-Japanese most-favoured-nation treaty covering air matters, the United States Government would be under no obligation to grant Japan the same rights as may be accorded to us. It may become desirable to remind the United States Government of this fact at some convenient opportunity, which would presumably not herever occur until we are in a position to bring pressure to bear upon them to agree to our proposal for a conference on Trans-Atlantic air facilities. In order to render it easier for the United States Government to refuse any request for similar treatment on the part of Japan it would seem necessary that any facilities eventually granted to us should be embodied in a formal agreement.

One other point: we take it for granted that when the time comes for bargaining with the United States Government our object will be to demand facilities for landing on the United States mainland as well as at Honolulu. It would obviously not be to our advantage to acquire facilities at Honolulu at the expense of conceding our bargaining counter of the Australia-New Zealand terminal facilities and thus leave it open to the United States Government to raise difficulties about our aeroplanes proceding to the United States of America, even though I suppose it would /still

still be possible, even if uneconomic, for them to use Victoria as a terminal point instead of San Francisco.

The foregoing considerations relate to an unpredictable future, but we have thought it well to place them on record against the time when the need for action arises.

I am forwarding copies of this letter to Jarrett of the Admiralty, Acheson of the Colonial Office, Dixon of the Dominions Office, Jones of the Treasury, and the Embassy at Washington.

Yours sincerely

FESd.) J. BALT