

The position appears to be briefly as follows:-

2. In its original form the agreement which subsequently became the destroyers-bases deal provided for the lease to P.A.A. of facilities in various British territories in the Caribbean and elsewhere. It was then necessary to reserve on behalf of British aviation the right to use on ~~any~~ terms any facilities thus granted to P.A.A. The proposal to ~~release~~ to P.A.A. was in due course dropped in favour of the present agreement, and H.M.G. now wish to exclude P.A.A. from the use of the facilities which we have granted to the U.S. naval and military authorities.

3. Meanwhile, however, we had on two occasions, August 8th and September 26th, in writing to the S.D. formally reserved the right of any British air transport undertaking to utilize facilities established by American interests on British soil. This, as the F.O. point out, at least implies that we consider that P.A.A. have the right to use the facilities too. In replying to our note of September 26th, the S.D. comment on this aspect of the question as follows:-

"In reply you are advised in view of the present projects to establish Army and Navy bases on areas to be leased from the British Government, that the original plans to have Pan American Airways construct certain facilities on British soil have been abandoned with the exception of seaplane facilities at Port of Spain, Trinidad. Pan American Airways plans to expand its seaplane facilities at Port of Spain, Trinidad, on behalf of the War Department, but such facilities will be commercial in character and not under the control of the United States Government. It is not contemplated that commercial aircraft will be authorized to operate from any of the Army and Navy bases to be constructed in the leased areas, except in case of emergencies or for strictly military purposes, under supervision of the War and Navy Departments. Should arrangements be made at some future time, however, to permit American commercial aircraft to operate from these bases, sympathetic consideration will then be given to the granting of similar facilities to British air transport undertakings at reasonable commercial charges".

4. Thus, the U.S.G., while saying that they do not intend to allow commercial aircraft to use the naval and military bases at present, <sup>do not rule out the</sup> envisage a possibility of doing so in the future, and promise that in that case similar facilities will be granted to British aviation. We are thus in the awkward position of having to ask the S.D. to refuse to their own aviation what we have been pressing them to grant to ours. I think that all we can do is to reply to the S.D. taking note of this passage in their communication, and saying that in view of subsequent developments we assume that U.S.G. will consult with H.M.G. before making any use other than military of the bases. The S.D. note ~~has~~ a new factor which was not present when F.O. despatch No. 84 (see 3044/1/40) was written, and perhaps our proposed reply to the S.D. should be referred to the F.O. for their concurrence before despatch. *The alternative would be to take no further action here & to leave it to be settled when the leases are discussed.* There/

G 46/67  
+ 2971/6/40

2971/7/40

X  
No! Cf!

WGH:NB



5. There remains the small point of the aeroplane facilities for P.A.A. at Port of Spain, to which reference is made in the S.D.'s note. I have not been able to lay my hand on the papers in regard to this, but I think we can assume that the contract with P.A.A. would provide for reciprocity. Perhaps the A.A. could elucidate this point.

*Not at all!  
26/1 Cl AA*

21st January, 1941.

CP251  
Air Attaché  
Mr. Butler

*W. G. G.*  
NB-301

I think we must watch this question most carefully. If we don't, we may well find ourselves unable to use civil air transport facilities on our own territory. P.A.A. might for example be able to operate a West Indies service, refuelling on, as it were, our territory & we could say nothing!

I do not feel that the assurance given by Mr. Hull on page 5 of his letter of Dec 30 is at all satisfactory. At any time, the U. S. Govt. may permit American Commercial aircraft to operate from the new bases, but we will only "receive sympathetic consideration" if we wish to use them. Can we afford, as Mr. Hayles suggests, to let this matter lie? I would strongly advise we attempt in some way to revert to it & make it clear to S.D. that we think it a very unfair point of view to adopt. There is very little space on these islands for airports, & in some cases the only possible one will be the "U.S. base" one. Thus P.A.A. could run a land plane service to Bermuda and we couldn't! Of course it is a matter of self-interest and while the Comins Division of the S.D. are all out for a monopoly for U.S. aviation, perhaps Mr. Hull would reconsider the matter. I suggest we ought seriously to consider our best course of action by means of a small conference with the Chancery before taking any action with S.D. or F.O. *CP.A.A.*

*Discussion with  
AA who  
questioned  
Re in some  
rather  
more sharp*

401/1/41  
27.1.