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894.796/1-145 -- 12-3146 -47-48-49

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

REGISTERED June 27, 1945

In reply refer to
A-C

SECRET

My dear Mr. Hartshorne:

The State-War-Navy Coordinating Committee has requested the State Department to prepare papers on United States policy toward Japanese civil aviation and the Japanese aeronautical industry.

The State Department would appreciate the assistance of the Far Eastern Division of the Research and Analysis Branch in the preparation of these papers. A brief statement of pre-war Japanese commercial and private aviation and a discussion of possible methods of enforcing United States policy toward Japanese civil aviation, and a brief discussion of the plan of the Japanese aeronautical industry in the Japanese and Far Eastern economies, and of procedures for carrying out United States policy with respect to the industry will both be of great assistance. I believe that much of this ground is being covered by R. and A. in the preparation of the CAD Guide on War Industries. The data are needed before July 15, 1945.

If these projects can be undertaken, Mr. Martin can provide a preliminary statement of United States policy which will serve as a basis for the discussion of feasible means for enforcing it.

This is the first of a series of papers to be prepared in connection with the formulation of our economic policy toward Japan in the post-hostilities period on which I hope the State Department may be able to secure the assistance of the Office of Strategic Services. I greatly appreciate the attitude of complete cooperation which

Mr. Richard Hartshorne,
Assistant Chief in Charge of Research,
Research and Analysis Branch,
Office of Strategic Services,
Washington 25, D. C.

DCR - NE Unit
Anal MH
R- MH
Cat. EL
Dist.

894.796/6-2745
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Confidential File

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

which Mr. Fahs and his staff have shown in preliminary discussions in connection with this program. Only by such full-hearted cooperation between the agencies with personnel working on Japanese economic questions can we hope to formulate a soundly based United States policy.

Sincerely yours,

Edward S. Mason
Deputy to the Assistant Secretary
For Economic Affairs

CR
JUN 26 1945 P.M.

A-C [illegible]
6/25/45

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PREPARING OFFICE WILL INDICATE WHETHER Collect / Charge Department: X / Charge to

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Department of State

Washington

NO PARAPHRASE NECESSARY

PREPARING OFFICE WILL TYPE HERE CLEARLY THE CLASSIFICATION OF THE MESSAGE:

RESTRICTED

MAR 21 1946

2 p m

SUPREME COMMANDER FOR THE ALLIED POWERS,

TOKYO (JAPAN).

212

FOR ACTING POLITICAL ADVISER.

DEPT receiving reports re applications made to military Govt in Japan for permission to operate air transport services. Ascertain present status such applications and basic policy being followed in connection operation air transport services by civilians both within Japan and to and from Japan. Advise DEPT by cable.

DOR - NE Unit

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DC/L
DC/R

DEPARTMENT OF STATE

MHU-C INCOMING TELEGRAM

No paraphrase necessary.

2176

Tokyo via War

RESTRICTED

Dated April 4, 1946

Rec'd 3:06 p.m., 8th

TRC OFFICE OF TRANSPORT AND COMMUNICATIONS POLICY
APR 9
DEPARTMENT OF STATE

SECSTATE

167, April 4

FW 894.796/4-446

S	
A-C	
TRC	
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TD	

We are informed [illegible] with reference to Dept's 212 received March 22 that:

(1) No requests for permission to operate commercial airline services within or to and from Japan have been received;

(2) This headquarters would refer any requests which might be received from companies other than Japanese to higher authority for decision;

(3) Japanese are not allowed to operate aircraft under any circumstances;

(4) Military air transport service is being used within and to and from Japan to meet needs occupation forces.

BISHOP

MJF

HO

RESTRICTED

AVIATION DIVISION
APR 9 1946
DEPARTMENT OF STATE

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DEPARTMENT OF STATE

INFORMATION
COPY

INCOMING TELEGRAM

RHU-C
No paraphrase necessary.

RESTRICTED

1946 APR 9 AM 9 11

Tokyo via War

Dated April 4, 1946

Rec'd 3:06 p.m., 8th

DC/R
RECORDS BRANCH

SECSTATE

167, April 4

894.79 6/3-2146

We are informed by SCAP with reference to Dept's 212 received March ~~22~~ 21? that:

xR 740.0011 9 C(J)
" 811.79694

(1) No requests for permission to operate commercial airline services within or to and from Japan have been received;

(2) This headquarters would refer any requests which might be received from companies other than Japanese to higher authority for decision;

(3) Japanese are not allowed to operate aircraft under any circumstances;

(4) Military air transport service is being used within and to and from Japan to meet needs occupation forces.

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894.79/4-446

DOR NE Unit
H.W.
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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

201 Whitman, JK
201 Cramer, JC
334 LCC
334 LCNCC
360
040 State Dept
040 War Dept

TO : A-H Mr. Gross

FROM : A-H Mr. Heneman

DATE: May 21, 1946

SUBJECT: Suggested Procedure Concerning the Matter Raised in Mr. Whitman's Memorandum, Attached Hereto.

Mr. Cramer and I discussed the suggestion made by Mr. Whitman and have concluded the following.

It is unlikely that the Air Coordinating Committee would act as a working group for SWNCC in the preparation of a paper on this subject. The ACC is an interdepartmental committee on the same level as SWNCC.

On policy matters involving civil aviation the views of the ACC almost invariably must be obtained. The ACC is made up of representatives of the Civil Aeronautics Board, the Post Office, the Department of Commerce, and the War, Navy and State Departments.

It is suggested in this case that State prepare a proposed policy paper on civil aviation in Japan. That paper should then be transmitted to the ACC for its views. The ACC will then return the paper to State and State will submit the paper, which will then have been coordinated with ACC, to the Directorate. The decision can be made when the paper is received by the Directorate as to whether it is a matter that should go before SWNCC or whether any further coordination that may be necessary can be accomplished through the Directorate.

894.796/5-1546

Agree LWC

OK JHH

Attachment:

Memorandum of May 15
from JK - Mr. Whitman to
A-H Mr. Gross.

Whitman informed of our views. He will follow procedure set forth above and will submit the State paper, on which he is now working, to A-H. after having coordinated it with The A.C.C.

A-H:HJHeneman;hjh

H.J.H. 27 May 1946.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : A-H - Mr. Gross

DATE: May 15, 1946

FROM : JK - Mr. Whitman

SUBJECT: U.S. Policy on Civil Aviation in Japan

Last fall a SWNCC paper on the above subject was initiated by the State Department and received consideration by the Air Coordinating Committee, the CAB, the JCS, and the JCAS, and was forwarded to SCAP for comments. SCAP put into effect many of the conclusions of the paper and it was dropped. It is now necessary to take it up again particularly since Pan-Am flights have been scheduled into Japan in the near future.

In order to reduce the number of bodies that must consider a new paper now being prepared by the State Department, I suggest you explore the idea of having the Air Coordinating Committee act as the working group for SWNCC on this matter. This would have the advantage of eliminating at least one and possibly two steps. If you consider this feasible from a SWNCC point of view, State Department will find out from the Air Coordinating Committee its willingness to proceed in such a fashion.

R H Whitman

JK:RHWhitman:lmc

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Charge Department: X

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Department of State

Washington

No paraphrase is necessary.
RESTRICTED

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RESTRICTED

MAY 23 1946
6 pm

SCAP,

TOKYO.

324

INFO WAR DEPT CHIEF OF STAFF

FOR POLITICAL ADVISER

Press story here states QUOTE General MacArthur Has Approved a Plan to reorganize Japanese airline network with U.S. management and proposition is being given consideration by financial interests in this country. UNQUOTE WAR not informed of any such developments. Advise DEPT any info you can obtain on this subject.

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AV:JOBell:HMK 5-21-46 FE A-H

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MAY 23 1946 P.M.

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File
6-5-46

MES -C-N
No paraphrase necessary.

SECRET

10144

Tokyo via War

Rec'd. May 28, 1946
4:03 p.m.

AVIATION DIVISION
MAY 29 1946
DEPARTMENT OF STATE

From: CINCAFPAC Tokyo

To: War Department for State Department

Nr: C 61418 27 May 1946

Story is incorrect. No plans to this effect are under consideration at this Hq. It is believed that commercial air lines may be considering such plans but nothing concrete has as yet materialized.

END

TRC OFFICE OF TRANSPORT AND COMMUNICATIONS POLICY
MAY
DEPARTMENT OF STATE

ACTION: G-2 (State)

INFO: CG AAF
OPD

CM-IN-6005 (27 May 46) DTG 2711532 ls

SECRET

OFFICE OF THE SECRETARY OF STATE
JUN 1 1946
DEPARTMENT OF STATE

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COX, LANGFORD, STODDARD & CUTLER

OSCAR COX
MALCOLM S. LANGFORD
EZEKIEL G. STODDARD
LLOYD N. CUTLER

1210 18TH STREET, N.W.
WASHINGTON 6, D.C.
TELEPHONE EXECUTIVE 6900
CABLE ADDRESS "OSCARCOX"

DC/R

May 29, 1946

ASSISTANT SECRETARY
A-M
JUN 7 1946
GENERAL HILLDRING
DEPARTMENT OF STATE

Dear Gen. Hilldring:

I am enclosing a copy of a letter addressed to Mr. Stuart Symington by Asia Airways, Inc., a client of ours which has been organized by some young ex-AAF officers.

As you will note from the letter, they would very much like to know the proper forum to which they should address their application for permission to operate a commercial airline between points in Japan.

I would appreciate anything your office can do to clear up the problems raised in their letter, particularly such information as you may feel free to give upon the kind of policy decision which the Government has made or will soon make as to the advisability of granting such applications.

Sincerely yours,

Oscar Cox

Enclosure

DIVISION OF JAPANESE AND KOREAN
ECONOMIC AFFAIRS
DEPARTMENT OF STATE

The Honorable John H. Hilldring
Assistant Secretary of State
Department of State
Washington, D. C.

file JUN 11 1946
Reply drafted by ADM 6/6/46

DCR NE Unit
Final
Ref
Cat
Dist.

894.796/5-2946
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894.796/6-2946
FILED
JUN 20 1946

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

May 27, 1946

The Honorable Stuart Symington
Assistant Secretary of War for Air
Pentagon Building
Washington, D. C.

Dear Mr. Symington:

In a letter dated 27 December 1945 and addressed to the Supreme Commander for the Allied Powers in Tokyo, an unincorporated group of United States citizens known as the Far East Air Transport Company, Cleveland, Ohio, applied for permission to operate a commercial airline within the main islands of Japan, and requested a franchise from the Supreme Commander. On the same day, the Adjutant General, SCAP, returned a signed copy of this application acknowledging its receipt. On March 16, 1946, another letter was sent to the Supreme Commander for the Allied Powers, referring to the earlier application and stating that the American group theretofore known as the Far East Air Transport Company had incorporated as a Delaware corporation, under the name of Asia Airways, Inc. On April 29, 1946, the Adjutant General, SCAP, replied, acknowledging the March 16 letter and stating that further communications on the subject should be addressed to the War Department. Copies of all these communications are attached.

All of the issued capital stock of Asia Airways, Inc. is owned by citizens of the United States. The Corporation has received firm assurance of adequate financing from Allen & Company, New York, New York, and the Investment Corporation of Philadelphia, Philadelphia, Pa., and is prepared to furnish satisfactory evidence as to the adequacy of these financial arrangements.

We appreciate that the United States Government may not yet have formulated the policy decisions which must be made before an application such as ours can be entertained and passed upon. Pending such a policy formulation, however, we would appreciate your advice as to whom the papers comprising our application should be directed, and as to what additional supporting data should be furnished. In view of the attached correspondence, we would also appreciate your acknowledgment that our application will be considered as having been originally made on December 27, 1945.

Finally, if consistent with War Department policy, we would like to be advised as to whether or not any competing applications have been filed.

Sincerely yours,

ASIA AIRWAYS, INC.

Attachments

By _____
Ernest J. Silver, President

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

COPY

APO 500
29 April 1946

AG 360.7 (29 Apr 46)ESS-EX

SUBJECT: Acknowledgment of Correspondence.

TO : Asia Airways, Inc., 67 Broad Street, New York 4, N. Y.

1. Reference your letter of 16 March 1946 and your application of 27 December 1945 which was submitted in the name of the Far East Air Transport Company, please be advised that both documents have been forwarded to the War Department.

2. It is recommended that future queries be directed to that office.

FOR THE SUPREME COMMANDER:

J. W. MANN
Lt Colonel, AGD
Asst Adjutant General

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

COPY

ASIA AIRWAYS, INC.
67 Broad St.
New York 4

16 March 1946

General Douglas MacArthur
SCAP APO 500
San Francisco

Attention: Economic and Scientific Section

Sir:

Reference is made to our former application to your headquarters which was made in the name of the Far East Air Transport Company and which is now on file with the Economic and Scientific Section of GHQ.

Please be informed herewith that we are now incorporated in the state of Delaware as the Asia Airways, Inc. with offices at 67 Broad Street, New York 4, New York. Our change in name was occassioned by the emergence of a Far Eastern Air Transport Company operating in the Phillipines.

We should be happy to receive any indication of your pleasure regarding our former application.

Very truly yours,

ASIA AIRWAYS, INC.

_____
Ernest J. Silver, Pres.

EJS/jts

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

COPY

FAR EAST AIR TRANSPORT COMPANY
1008 Guardian Building
Cleveland, Ohio

27 December 1945

The Supreme Commander for the Allied Powers,
General Headquarters, SCAP,
APO No. 500
c/o Postmaster,
San Francisco, Calif.

Attention: Chief, Economic and Scientific Section

Sir:

We are forwarding herewith a prospectus for our company, the Far East Air Transport Company, and respectfully request that consideration be given to the possibility of our operating in Japan in the near future. The company is organized and will be operated by ex-U.S. A.A.F. personnel who are either now in the theatre or who have had service there.

Should the request be considered too early at the present time, it would be appreciated if this letter and prospectus could be filed against some future date when such applications will be in order. In addition, we understand that it might be proper to make application through the appropriate authorities in Washington, D. C., and would appreciate your consideration of these papers should a query come to you from these quarters.

Some indication of your pleasure at this time would be greatly appreciated.

Very sincerely yours,

Original and 2 copies
Rec'd at GHQ, SCAP
27 Dec. 45, 1100.
/s/ J T Hart
WOJG, USA.

Ernest J. Silver, President
Far East Air Transport Company

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

JUN - 7 1946

In reply refer to
JK

My dear Mr. Cox:

This is in reply to your letter of May 29 requesting information in behalf of your client, Asia Airways, Inc., regarding the possibility of operating a commercial airline within Japan.

Your client has raised the problems of to whom application for such operation should be made and what standards and criteria will be employed in the selection of carriers. At the present time, policy decisions relating to these problems are all in the process of formulation by the various United States Government agencies concerned. Once United States policy on these matters is formulated, it will have to be submitted for consideration and ultimate decision by the nations represented on the Far Eastern Commission. Pending such policy determination and the setting up of machinery to implement it, we regret that we are unable to give you any more concrete suggestions for procedure by your client.

You may rest assured that as soon as such policy decisions are made public and implementing machinery is set up, the Department will call your attention to the subject.

Sincerely yours,

DCR - NE Unit

J. H. Hilldring
Assistant Secretary

Mr. Oscar Cox,
Cox, Langford, Stoddard & Cutler,
1210 18th Street, N. W.,
Washington 6, D. C.

JUN 7 1946

JK:AMorgan:mw:jd 6/6/46 AV JA

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894.796/5-2946

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

Mr. Morgan

DEPARTMENT OF STATE

ASSISTANT SECRETARY

File

June 11, 1946

Mr. Reischauer:

Please refer the attached letter from Mr. Oscar Cox to the Division of the State Department which handled the previous correspondence.

Warde M. Cameron,
Executive Assistant

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

COX, LANGFORD, STODDARD & CUTLER

OSCAR COX
MALCOLM S. LANGFORD
EZEKIEL G. STODDARD
LLOYD N. CUTLER

1210 18TH STREET, N.W.
WASHINGTON 6, D.C.
TELEPHONE EXECUTIVE 6900
CABLE ADDRESS "OSCARCOX"

June 10, 1946

ASSISTANT SECRETARY
A-M
JUN 11 1946
GENERAL HILLDRING
DEPARTMENT OF STATE

JR

894.796/5-2946 / same

My dear General Hilldring:

Thank you for your letter of June 7, in reply to my letter of May 29 requesting information on behalf of Asia Airways, Inc.

We are grateful for the information supplied, and for your assurance that as soon as the governmental policy decisions on the question are made public, the Department will call our attention to the substance of those decisions.

Sincerely yours,

Oscar Cox

The Honorable John H. Hilldring
Assistant Secretary of State
Department of State
Washington, D. C.

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AUG 20 1946

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D?

AVIATION DIVISION #7
Ave. 1-Lona
DEC 23 1946
Eade
DEPARTMENT OF STATE

Chief, Aviation Div.,
U.S.Dept. of State,
Washington,
D.C.

18 Dec.,
415 Buena Vista Ave.
San Francisco,
California

My dear Mr. Bell:

In October I called on you in your office to discuss various aspects of commercial aviation in the Far East and in connection with Japan in particular. At that time you suggested that I keep in contact with your office as you might have some new information to report on. I am therefore writing to you to see if you have any information concerning the following:

After the peace treaty has been signed with Japan, will the Japanese be allowed to operate internal commercial airline services of their own ? I am fully aware of the present SCAP regulations which prohibit the Japanese from engaging in any phase of aviation whatsoever. I wondered, however, if any ideas as to waht the ultimate policy will be have been formulated.

If your office is unable to give me any information in regard to this question, I wonder if I might ask you to refer me to some other office that can.

XR 740.0011 PW

Sincerely yours,

Ernest J. Silver

Ernest J.Silver

DOR NE Unit
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JAN 10 1947

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DECLASSIFIED · E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

JAN 8 1947

In reply refer to
AV

My dear Mr. Silver:

Reference is made to your letter of December 18, 1946 requesting such information as might be available concerning the extent to which Japanese nationals will be permitted to operate commercial air transport services within Japan after the conclusion of a peace treaty with that country.

I regret to inform you that there is no information available at this time which would help answer your question. It cannot be answered, of course, until the terms of the peace treaty have been determined, and such a determination is not anticipated in the near future. Furthermore, it should be borne in mind that the United States Government is but one of several which together will presumably conclude the peace treaty in question. When information in this connection does become available, we shall be pleased to communicate with you further, if you so desire.

Sincerely yours,

For the Secretary of State:

DCF NE Unit

Livingston T. Merchant
Chief, Aviation Division

JAN 8 1947 P.M.

Mr. Ernest J. Silver,
415 Buena Vista Avenue,
San Francisco, California.

AV:EALister:VK

Cleared with Mr. Whitman 1-6-47 EAL

Cleared with Mr. Emmerson 1-6-47 JA JK EAL

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : General Hilldring

DATE: 4/3/47

FROM : Mr. Lewis

SUBJECT: SCAP Licenses for Northwest Airlines and Pan American Airways.

In the autumn of 1946 it was agreed with SCAP that Northwest Airlines and Pan American Airways would be permitted to make survey flights with a view to the eventual commencement of operations to, through and from Japan. These flights have been made and arrangements for the beginning of scheduled operations by the two airlines are well along.

In CX 50743 (CM IN 1700, 11 Mar) SCAP advised that he was prepared immediately to issue licenses to the two airways and he asked if such issue of licenses at this time would jeopardize the U.S. position since no approved policy or interim directive had yet been received. CX-50955 (CM IN 3212, 18 Mar) was a reminder from SCAP that the licenses were urgently needed. War 94581 of 21 March was an interim reply.

Meanwhile, a draft policy statement with respect to the control of civil aviation in Japan is being placed before the Air Coordinating Committee immediately for its urgent consideration. However, since it is highly desirable that the licenses be issued in order to permit both airlines to proceed with operational planning if they are to meet the target date for the beginning of scheduled service in the first part of May, the enclosed draft cable advises SCAP that there is no objection to the lissuance of such licenses immediately, provided scheduled operations do not begin before either an interim or a final directive has been sent to SCAP. JK considers it extremely important that before scheduled operations begin, the U.S. policy with respect to the control of civil aviation in Japan should be presented to the FEC.

War Department concurrence for the enclosed draft cable has been obtained through Lt. Col. Dice, Ext. 74081, and I recommend that you approve the cable for dispatch by the War Department.

app by Gross 4/3
Dice notified 4/3
Gwl.

AH-1244

894.796/4-347

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

T 181

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

CONFIDENTIAL

TO : A-H - JK Secretariat DATE: April 1, 1947

FROM : TRC - Mr. Radius

SUBJECT: SCAP licenses for Northwest Airlines and Pan American Airways.

In radio CX 50743 of March 10, 1947 SCAP has stated he is prepared immediately to issue SCAP licenses to Northwest and Pan American authorizing both companies to inaugurate scheduled service to, through and away from Japan, and inquiring whether the issuance of such licenses at this time would jeopardize the position of the United States in connection with the preparation of a draft policy statement on control of civil aviation in Japan.

A draft policy statement with respect to control of civil aviation in Japan is being forwarded to the Air Coordinating Committee immediately for its urgent consideration. Meanwhile, it is highly desirable from the carriers' point of view, as well as being in the best interest of this Government, that SCAP issue licenses to Northwest and Pan American in order that both airlines may proceed with the operational planning necessary prior to inauguration of regular scheduled service to and through Japan approximately May 1.

(W)rf

+CX 50955 +Reomad WAR 94581

DRAFT CABLE TO SCAP

REURADSCX 50743 Mar ~~10~~. Draft US policy re control and operation of civil airlines to, through and from Japan going to Air Coordinating Committee for consideration April 1. When policy adopted by ACC and approved by JCS policy will be submitted to FEC for consideration and approval; should there be any FEC delay an interim directive will probably be sent pending final FEC action.

Although Northwest and Pan American are not in position to inaugurate scheduled common carrier service through Japan for several weeks, both companies will be

in better

A-H 1244

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

in better position to make necessary plans and arrangements if SCAP licenses for scheduled operations have been issued. No objection therefore issuance such licenses to Northwest and Pan American immediately on condition that scheduled common carrier operations shall not be inaugurated to, through or away from Japan until you have received interim or final directive covering such operations.

Text and info re effective date these licenses requested.

CONFIDENTIAL

EAL
AV:EAListor:smc
3/28/47

JK

JA

Penfield by telephone

A-H

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : A-H - Mr. Lewis

DATE: March 28, 1947

FROM : AV - Mr. Lister FHL

SUBJECT:

Attached hereto is a copy of TRC's draft reply to SCAP radio CX 50743 of March 10. I feel this represents a reasonable compromise between the positions previously taken in this connection by JK and TRC. I hope that JK will approve this draft reply and that it will be sent to SCAP immediately.

Attachment
Draft 3/28/47

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

CONFIDENTIAL

A-H - JK Secretariat

March 28, 1947

TRC - Mr. Radius

SCAP licenses for Northwest Airlines and Pan American Airways.

In radio CX 50743 of March 10, 1947 SCAP has stated he is prepared immediately to issue SCAP licenses to Northwest and Pan American authorizing both companies to inaugurate scheduled service to, through and away from Japan, and inquiring whether the issuance of such licenses at this time would jeopardize the position of the United States in connection with the preparation of a draft policy statement on control of civil aviation in Japan.

A draft policy statement with respect to control of civil aviation in Japan is being forwarded to the Air Coordinating Committee immediately for its urgent consideration. Meanwhile, it is highly desirable from the carriers' point of view, as well as being in the best interest of this Government, that SCAP issue licenses to Northwest and Pan American in order that both airlines may proceed with the operational planning necessary prior to inauguration of regular scheduled service to and through Japan approximately May 1.

Draft Cable to SCAP

REURAD CX 50743 Mar 10. Draft US policy re control and operation of civil airlines to, through and from Japan going to Air Coordinating Committee for consideration April 1. When policy adopted by ACC and approved by JCS it will be sent you immediately as interim directive and submitted to FEC for consideration and approval.

Although Northwest and Pan American are not in position to inaugurate scheduled common carrier service through Japan for several weeks, both companies will be in better

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in better position to make necessary plans and arrangements if SCAP licenses for scheduled operations have been issued. No objection therefore issuance such licenses to Northwest and Pan American immediately on condition that scheduled common carrier operations shall not be inaugurated to, through or away from Japan until you have received interim directive covering such operations.
Text and info re effective date these licenses requested.

CONFIDENTIAL

AV:EAListor:smc
3/28/47

JK JA A-H

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER

OUTGOING CLASSIFIED MESSAGE

CONFIDENTIAL

PARAPHRASE NOT REQUIRED. HANDLE AS CONFIDENTIAL CORRESPONDENCE PER PARAS 511 and 60a (4), AR 380-5

Civil Affairs Division
311.23 CAD
Lt Col Dice, 74081

21 March 1947

CINCFE Tokyo Japan

Nr: WAR 94581

From WDSCA GO. Reurads Mar CX 50743 and Mar CX 50955.

Urgency of matter recognized here. Reply will be dispatched soonest. Northwest Airlines here being kept informed.

End

Note: CX 50743 is CM IN 1700 (11 Mar 47)
CX 50955 is CM IN 3212 (18 Mar 47)

ORIGINATOR : CAD

DISTRIBUTION : AAF, ASW, CAD (State), JCS (Cmdr Millett), P&O, ASWA, SWNCC

CM-OUT 94581 (Mar 47) DTG 212252Z ags

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CONFIDENTIAL

19

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TO: A-H

COPY

NORTHWEST AIRLINES INC.

Executive Offices
St. Paul Municipal Airport
Saint Paul, Minnesota

March 19, 1947

Mr. Ernest Lister
Aviation Division
State Department
Washington, D. C.

Dear Mr. Lister:

Pursuant to our conversation of today, please be advised that it is our proposed plan to operate scheduled commercial service, starting on or about May 1, 1947, between the United States, Japan, Korea, China and the Philippine Islands as follows:

1. DC-4 flights between Tokyo, Anchorage and the United States one (1) round trip daily.

2. DC-4 flights between Manila, Shanghai, and Tokyo three (3) round trips weekly.

3. DC-3 flights between Tokyo and Seoul via Fukuoka (fuel stop) four (4) round trips weekly.

4. DC-3 flights between Seoul and Shanghai three (3) round trips weekly, which together with the above service will give Seoul daily international service.

The frequency of the above service will, of course be increased to meet the traffic demands. It is also contemplated that if Mukden can be added to the Bilateral Air Transport Agreement between China and the United States three (3) round trips weekly, with DC-3 airplanes, will be inaugurated between the points Mukden and Tokyo via Seoul with such increase in frequency as may be required.

Very truly yours,

NORTHWEST AIRLINES, INC.

By D. J. KING
D. J. King
Vice President - Oriental Region

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WAR DEPARTMENT
CLASSIFIED MESSAGE CENTER
INCOMING CLASSIFIED MESSAGE

RESTRICTED TOT
PRIORITY

PARAPHRASE NOT REQUIRED. HANDLE AS RESTRICTED CORRESPONDENCE PER PARAS 511 and 60a (4), AR 380-5.

From: SCAP, Tokyo, Japan

To: War Department for WDSCA GO

Info: COMGENFEAF, Tokyo, Japan

Nr: CX 50955 18 March 1947

Northwest Airlines officials here desire commence operations May. In view of short time reply to ourad CX 50743 of 10 March urgently needed here.

End

Note: CX-50743 is CM IN 1700 (11 Mar 47) CAD

ACTION: CAD

INFO : AAF, CAD(State), JCS(Cmdr Millett), P&O, ASW/A, SWNCC

CM IN 3212 (18 Mar 47) DTG 181335Z rel

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~~COPY~~

WAR DEPARTMENT
INCOMING CLASSIFIED MESSAGE

CONFIDENTIAL
PRIORITY

From: SCAP Tokyo Japan

To: War Department for WDSCA GO

Info: COMGENFEAF Tokyo Japan

Nr: CX 50743 10 March 1947

Prepared to issue immediately SCAP license to Northwest Airlines and Pan American Airways authorizing scheduled operations to, through and from Japan in accordance with policy contained in curad CX66168 of 14th November 1946. Reurad W 87751 neither approved US policy nor interim directive referred to therein received here as yet. Will issue of licenses at this time jeopardize United States position?

NOTE: CX 66168 is CM IN 2791 (14 Oct) CAD

CM IN 1700 (11 Mar 47)

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STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

~~RESTRICTED~~ CONFIDENTIAL

TO : A-H - JK Secretariat

DATE: March 14, 1947

FROM : JK - Mr. Martin

SUBJECT: Licenses for Northwest Airlines and Pan American Airlines to Operate Scheduled Flights from Tokyo.

SCAP has cabled inquiring whether he may issue licenses to Northwest Airlines and Pan American Airlines to begin scheduled flights into and from Japan. A policy paper is in process for submittal to SWNCC and FEC. Until the policy has been adopted by FEC it is believed unwise to authorize SCAP to grant licenses, although upon adoption of a policy by SWNCC it may be decided that an interim direct is appropriate.

DRAFT CABLE TO SCAP

Reurad CX 50743 March. Policy in formulation and should be transmitted to FEC shortly for action. Pending receipt of policy or interim directive you should not issue licenses.

JK:DOBowman:bcb
3/14/47

AV NA A-H

CX 50743 is CM-IN 1700 - 11 March

CONFIDENTIAL

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

File

TO : General Hilldring

FROM : Mr. Lewis GWL

DATE: Mar. 26, 1947

SUBJECT: Memorandum from Mr. Garrison Norton - TRC.

The enclosed memorandum from Mr. Norton requests your preliminary views on a draft statement of policy with respect to control of civil aviation in Japan. Mr. Norton is attempting to secure the firmest possible position of the State Department prior to the consideration of this paper by the Economic Division of the Air Coordinating Committee.

The important conclusions of the policy statement are:

1. Japanese nationals should not be permitted to engage in flight operations during the period of occupation, but may be employed with the approval of SCAP in maintenance and ground operations.

2. It is undesirable and impractical to develop within Japan any separate air transport operated by Japanese or non-Japanese.

3. Air carriers of nations participating in the occupation of Japan may be authorized by SCAP to operate into and through Japan and may carry traffic between points within Japan which lie on their international routes. Air lines of non-occupying powers may be permitted to transit Japan and, if occupational objectives would be benefited thereby, may be allowed to pick up and discharge international traffic in Japan.

4. Internal air transport required for the purposes of occupation in excess of that provided by international air lines should be operated by the military or by civil carriers under contract to the military.

This policy statement has been approved by JK. It will be sent for comment to General MacArthur by the military member of the Air Coordinating Committee before it is finally approved by ACC. After approval by ACC it would be sent to JCS and SWNCC for approval and for presentation to FEC. It is contemplated that an interim directive might be sent to General MacArthur in view of the urgency of the problem without waiting for final FEC approval.

I recommend that you sign the attached memorandum to Mr. Norton.

AH-830

894.796/5-2647

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STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : TRC - Mr. Garrison Norton

DATE: March 26, 1947

FROM : A-H - General Hilldring

SUBJECT: Civil Aviation in Japan.

I have received your memorandum of March 20 in which you request my preliminary views concerning the draft statement of policy with respect to control of civil aviation in Japan. In my opinion this statement is entirely satisfactory. I agree with you that a firm policy decision on this matter should be reached here in Washington at the earliest possible date.

Note: 3/27/47

This not signed & sent. Lister (AV) advised that A-H had no objection to policy statement

glwheris

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STANDARD FORM NO. 64

Office Memorandum · UNITED STATES GOVERNMENT

ASSISTANT SECRETARY
A-H
MAR 24 1947
GENERAL HILLDRING
DEPARTMENT OF STATE

SECRET

TO : A-H/ General Hilldring

DATE: March 20, 1947

FROM : TRC/Mr. Norton

SUBJECT:

Attached is a draft statement of policy with respect to control of civil aviation in Japan which the Department has transmitted to the Air Coordinating Committee for its urgent consideration and decision. This statement does not, of course, necessarily represent a firm position of the Department at this time.

It is anticipated that this paper will be considered by the ACC's Economic Division on Tuesday, April 1. For this reason I would greatly appreciate receiving your preliminary views in this connection by Friday, March 28, in order that our member of the Economic Division may present the firmest possible position of the Department at that time. Redrafts of the paper will be forwarded to you for comment as they become available. It should be possible for this paper, with some possible amendments, to receive final action by the ACC at an early date in view of its similarity in major respects to ACC 11/24.2 (United States Policy re Civil Aviation in Germany) which was approved by the ACC March 13. A copy of that document is attached for ease of reference.

For your information in this connection, there is also attached a copy of a memorandum which I addressed to your office on March 18 that points out the urgency of this matter.

Ramsey Norton

Attachments:
1. Draft Policy Statement
2. ACC 11/24.2
3. Copy of Memorandum re SCAP licenses for Northwest Airlines and Pan American Airways, dated March 18, 1947.

EHL 3892
AV:EALister:smc

SECRET

494.196/3-2047

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SECRET

March 17, 1947

Presented by: 84
Executive Secretary

ACC 11/24.2
FINAL ACTION

Title: Aviation in European Occupied Countries--U.S. Policy Re Civil Aviation in Germany--Action of the ACC.

Reference: Item #3 - Minutes of ACC Meeting of March 13, 1947 - Action on ACC 11/24.1

PROBLEM

To establish United States policy with respect to civil aviation in Germany for the periods of zonal occupation and occupation as a whole.

DISCUSSION

The Statement of Policy contained in this paper has been prepared with specific reference to the necessity for immediate definitive guidance to the authorities concerned with the control of the United States Zone of Germany. The effort has been made, however, so far as practicable to relate the study to the civil aviation problems which will arise during the periods of zonal occuation and occupation as a whole. The conclusions and recommendations reached by the paper do not necessarily apply to the post occupation period for which supplementary statements of policy will have to be developed. The paper will be regarded as the continuing position of this Government with respect to civil aviation in Germany until appropriately changed.

This Government's present policy toward Germany has two fundamental objectives:

1. To prevent Germany from ever again becoming a threat to the peace of the world.

2. To assist Germany to recover to a point where she can contribute to the economic stability of Europe.

As applied to civil aviation these objectives require the adoption of measures which will prevent the resurgence in Germany of a military aviation potential, without barring the establishment of such minimum civil air services as may be essential to the economic revival of Germany and Europe.

Security considerations demand the exclusion of German personnel from participation in aviation activities during the period of the occupation in order that a nucleus of trained flight crews, technicians, and supervisory personnel may not be created, which could be readily converted at the termination of the occupation into a military air force. For similar reasons, the development of German airports, navigational and radio communication systems, and other aviation facilities which might pass as a legacy to the Germans at the close of the occupation, must be restricted to the minimum required for safe and efficient operation of such air transport services as are deemed essential. For the above

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reasons. it is particularly undesirable at this time to permit extensive development of a centralized air transport system within Germany, in the absence of compelling economic need.

Apart from the military and administrative needs of the occupying forces, no justification for an internal air transport system has been demonstrated which would override the security and political considerations involved. The pre-war record of the German commercial air transport industry reveals that its operation resulted in continuous substantial losses which were offset only by heavy government subsidy. It is now recognized that operations of Lufthansa were maintained primarily in order to familarize personnel with routes and equipment to be used in war.

Security objections are less applicable to the establishment of international civil air services on trunk routes through Germany, since such services, limited to the major cities, would involve relatively minor development of German air fields and facilities, and the air lines themselves would not pass into German control at the conclusion of the occupation. Moreover, it is recognized that international commerce, and in particular the requirements of the European economy, necessitate the opening of air routes across Germany, in view of her central geographic position and economic importance. Permission to international air lines to establish these through services should be related so far as is practicable to the needs of international trade and commerce, convenience of long-haul operations and existence of adequate facilities. Permission should be granted only to air lines of occupying powers or (during the period of zonal occupation) to air lines of countries with which the United States has satisfactory aviation relationships, or (during the period of occupation as a whole) to air lines of other countries as may be agreed by the occupation authorities.

Economic necessity and the needs of the occupation should govern the extent of internal service which will be permitted along through routes. Such service, of course, would be incidental to the main line operations. The establishment of feeder systems, which would require development of additional airports and extended installation of technical facilities, is considered undesirable on the security grounds discussed above.

Where, for the purposes of the occupation, internal air service is required which cannot be supplied conveniently by traffic stops authorized on the international routes, such service should be operated only by military transport or by civil carriers under contract with the occupation authorities until the need for the service terminates. At that time, the installations required for this service should be withdrawn insofar as such withdrawal is then regarded as technically feasible and politically desirable.

The maintenance and operation of all aviation facilities should be the responsibility of the occupation authorities. During the zonal period every effort should be made to achieve uniformity on the basis of PICAO standards by coordination among the Zones.

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Uniformity throughout the world in air traffic rules, technical regulations, and in the provision, maintenance and operation of aviation facilities, is a major objective of this Government's civil aviation policy. Every effort should be made to ensure that PICAO standards are adhered to in all areas of Germany. It is essential that early action be taken in this regard to achieve substantial coordination between Zones during the zonal period in order to facilitate transition to the period of occupation as a whole.

The limited program outlined above envisages the minimum civil aviation establishment required for occupational needs, and for basic econ mic rehabilitation and, although financed in the first instance by the occupying powers, should be charged against the German economy. The expenditures should be offset in as large measure as practicable, however, by the collection from commercial carriers of appropriate fees for the use of the facilities provided.

CONCLUSION

For the reasons stated above, it is concluded that ACC should adopt the following Statement of Policy:

1. German participation in aviation activities. During the period of occupation, German nationals should not be allowed to engage in aviation activities. However, during the zonal period, German nationals may be utilized in such occupations, incidental to the operation of aviation facilities, as may be classified by the JCS as "non-aviation activities". During the period of occupation of Germany as a whole such nationals may be utilized in occupations agreed upon by the occupying powers as "non-aviation activities" or as may be agreed are not likely to enhance German war potential.

2. Internal Air Transport Service. On the basis of facts submitted, it is regarded as politically undesirable and economically impractical at this time to develop within Germany any separate air transport enterprise operated by Germans or by non-Germans, except as provided in paragraph 4 hereof. Upon receipt of contrary advices, the matter will be reopened for further consideration by the ACC.

3. International service through Germany.

a. by airlines of occupying powers.

During the period of zonal occupation, airlines designated by any occupying power should be permitted to operate over routes between its homeland and its zone, and to cross intervening zones by agreement with the occupying power concerned. Under similar agreement such a power should be permitted to fly over zones other than its own lying across international routes from its homeland to other countries.

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During the period of occupation of Germany as a whole, air transport operations of the occupying powers should be permitted into, through and away from Germany, and within Germany along their respective international routes. The extent of these operations should be determined by multilateral agreement among the occupying powers.

b. by airlines of other powers.

During the zonal period, air transport services of U. N. member states with which the U. S. has satisfactory aviation relations, should be permitted to transit the U. S. Zone and to make technical stops therein, enroute to other countries when such transit and stops are necessary to efficient and direct route operation. The right to a technical stop granted on this basis may be expanded upon request to include, in the light of occupational objectives and consistent with international aviation agreements, a right to pick up and discharge traffic. The right to operate services between the territory of a non-occupying power and a terminal in Germany may also be permitted if necessary for the economy of that power and consistent with the needs of the occupying powers.

Rights based upon the foregoing principles should be granted with respect to Germany as a whole, by multilateral agreement between the control powers.

4. Administrative transport for occupational needs. Minimum internal and external service additional to that provided by the international civil routes, which in the opinion of the occupation authorities is required for the purposes of the occupation, should be operated only by military air transport or by civil carriers under contract to the occupation authorities.

At such time as the need for this service terminates, the installations required to maintain it should be withdrawn, if such action is then regarded as feasible and desirable.

5. Aviation facilities. During the period of zonal occupation, the occupation authorities should control and be responsible for the installation, maintenance and operation of all aviation facilities necessary to meet PICAO standards and U. S. requirements for the operations permitted. Any use of these facilities by other than the occupying forces should be subject to appropriate fees. During the period of occupation of Germany as a whole, a central agency of the occupation forces should maintain and operate such facilities as are required with like provision for levying fees.

6. Technical regulations. During the zonal period, each zone commander should establish and enforce rules of the air, which should be in conformity with PICAO standards. Every effort should be made to achieve uniformity and coordination of practice between the several zones. During the period of occupation of Germany as a whole, the central agency, envisaged in paragraph 5 above, should be charged with the establishment and enforcement of civil air regulations which should correspond to PICAO standards.

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RECOMMENDATIONS

It is recommended that the Air Coordinating Committee:

a. approve the Statement of Policy set forth above;

b. recommend to the agencies concerned that directives inconsistent with the above Statement of Policy be appropriately amended and that new directives required for its implementation be drafted and forwarded to their officials concerned;

c. request the Joint Chiefs of Staff, if they have no objection from a military point of view, to transmit this paper to the Commanding General, United States Forces European Theater for his guidance and appropriate action.

d. request the Joint Chiefs of Staff, as a matter of priority, to classify those "non-aviation activities" in which Germans may be employed, and submit them to the Air Coordinating Committee for comment before issuance.

Distribution:
General
Economic Division
Subcommittee on Area Aviation Policy

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SECRET

March 18, 1947

A-H - JK Secretariat

TRC - Mr. Norton

SCAP licenses for Northwest Airlines and Pan American Airways to operate scheduled flights to and through Japan.

In radio CX 50743 of March 10, 1947 SCAP has stated he is prepared immediately to issue SCAP licenses to Northwest and Pan American authorizing both companies to inaugurate scheduled service to, through and away from Japan, and inquiring whether the issuance of such licenses at this time would jeopardize the position of the United States in connection with the preparation of a draft policy statement on control of civil aviation in Japan.

This problem has been discussed with Northwest and Pan American, both of whom have emphasized the necessity of obtaining such licenses at the earliest possible moment in order that they may make necessary plans with respect to obtaining facilities, hiring personnel and entering into contracts with civilian and military entities. It has also been discussed informally with officers of the War Department, who indicate that improved service, over and above that provided by contract operations, would be desirable from the point of view of SCAP and the War Department. It has been indicated to the Department that, in the course of a recent survey trip over Northwest's certificated route, President Croil Hunter of Northwest was advised by SCAP that the latter was anxious to have both Northwest and Pan American commence regular and frequent operations as quickly as possible to and through Tokyo in order to provide more efficient service required by the occupation forces.

A draft policy statement with respect to control of civil aviation in Japan is being forwarded to the Air Coordinating Committee immediately for its urgent consideration. Meanwhile, it is highly desirable from the carriers' point of view, as well as being in the best interests of this Government, that SCAP issue licenses to Northwest and Pan American in order that both airlines may proceed with the operational planning necessary prior to inauguration of regular scheduled service to and through Japan approximately May 1.

Draft cable

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Draft Cable to SCAP

REURAD CX 50743 Mar 10. Draft US policy re control and operation of civil airlines to, through and from Japan will probably go to Air Coordinating Committee for consideration by April 1. If and when approved by ACC and JCS, it is anticipated that statement of policy will be submitted to FEC for consideration and approval and concurrently will be sent directly to you as interim directive. Under policy as presently drafted you would be empowered to take the following action when you determine it would be consistent with overall objectives of occupation:

1. Permit civil air carriers of occupying powers to transmit and make technical stops in, and carry passengers, cargo and mail to, through and away from Japan over routes which such carriers have been authorized to fly by their respective governments.

2. Permit civil air carriers of other United Nation Member States to transit and make technical stops in Japan when necessary for efficient and direct route operation, and to carry traffic to, through and away from Japan if such operation would benefit economy of State whose flag carrier flies.

Proposed policy includes statement that development of

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of separate airline within Japan, whether operated by Japanese or by non-Japanese, is politically undesirable and economically impractical at this time. However, provision is made whereby you could authorize airlines of occupying powers to carry traffic between points within Japan which lie on their regular international routes when determined by you that such carriage would be consistent with objectives of occupation. Additional internal services required for purpose of occupation would be operated only by military air transport of occupying forces or by civil carriers under contract to such occupying forces.

Provision would be made for control and supervision by you of installation, maintenance and operation of all aviation facilities used by civil carriers in Japan, whether such facilities are provided by occupation forces or by carriers themselves. Use of such facilities by civil carriers would be subject to appropriate fees, payable in foreign exchange useful for purchase of imports for Japan. Civil air operations in Japan would be governed by regulations established, administered and enforced under your direction.

Japanese nationals would not be permitted to engage in flight operations. In this connection JCS presently preparing list of aviation related activities

in

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in which Germans may safely be permitted to engage from security point of view in connection with civil air carrier operations in US Zone Germany. This list will be sent you when available and should be useful as starting point in approaching comparable problem re use Japanese nationals by civil airlines in Japan. Your comments on proposed policy statement requested urgently.

Although Northwest and Pan American are not in position to inaugurate scheduled common carrier service through Japan for several weeks, both companies will be in better position to make necessary plans and arrangements if SCAP licenses for scheduled operations have been issued. In light of foregoing summary proposed US policy, issuance such licenses now would not jeopardize US position. Advance notice requested as to date licenses to be issued and contents thereof.

AV:EAListor:smc
3/18/47 JK JA A-H

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DRAFT - March 10, 1947

SECRET

ACC

Problem

To establish United States policy with respect to civil aviation in Japan.

Discussion

This Government's present policy toward Japan has two fundamental objectives:

1. To prevent Japan from ever again becoming a threat to the peace of the world.
2. To assist Japan to recover to a point where she can contribute to the economic and political stability of Asia and the Pacific area.

As applied to civil aviation these objectives require the adoption of measures which will prevent the resurgence in Japan of a military aviation potential, without barring the establishment of such minimum civil air services as may be essential to the economic revival of Japan and Eastern Asia.

SWNCC 150/4, Basic Post-Surrender Policy for Japan, provides in III, 1 that

> "Japan is not to have an army, navy, air force, secret police organization or any civil aviation."

On November 18, 1945 SCAP implemented the policy of denying Japan any civil aviation of its own by issuing

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issuing a memorandum for the Japanese Government directing the abolition of governmental and private bodies and activities concerned with commercial or other civil aviation and forbidding the establishment of such bodies and activities by Japanese. The text of this memorandum is attached as Appendix A.

On September 30, 1946 the State and War Departments addressed a radio to CINCAFPAC referring to certification by the United States Government of Northwest Airlines and Pan American Airways to operate over routes to and through Japan, and stating that a policy directive concerning the operation of civil airlines to and through Japan was in process of preparation. The message then inquired:

> "On basis directive along above lines can you state informally when you will be prepared to grant auth for transit and non-traffic stop to commercial airlines? Can you foresee when right to pick up and discharge international traffic in passengers, cargo and mail at Tokyo, limited if necessary due to other policies to Govt pers and cargo, can be granted?"

General MacArthur on October 14, 1946 replied in part as follows:

> "No objection to proposed commercial airlines serving Japan as soon as they are prepared to commence operations provided passengers, cargo and mail deposited or picked up in Tokyo are limited to that destined to or originated by the Occupation Forces and Agencies accredited near SCAP.
> "Above proposed limitations on traffic will be reviewed periodically and liberalized as conditions warrant."

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Security considerations demand the exclusion of Japanese personnel from participation in aviation activities during the period of the occupation, in order that a nucleus of trained flight crews, technicians, and supervisory personnel may not be created, which could be readily converted at the termination of the occupation into a military air force. For similar reasons, the development of Japanese airports, navigational and radio communication systems, and other aviation facilities which might pass as a legacy to the Japanese at the close of the occupation, must be restricted to the minimum required for safe and efficient operation of such air transport services as are deemed essential. For the above reasons, it is particularly undesirable at this time to permit extensive development of a centralized air transport system within Japan, in the absence of compelling economic need.

Security objections are less applicable to the establishment of international civil air service on trunk routes through Japan, since such services, limited to one or more major cities, would involve relatively minor development of Japanese air fields and facilities, and the air lines themselves would not pass into Japanese control at the conclusion of the occupation. Moreover, it is recognized that international commerce necessitates the opening of air routes across Japan, in view of her geographic

position

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position and economic importance. Permission to international air lines to establish these through services should be related so far as is practicable to the needs of international trade and commerce, convenience of long-haul operations and existence of adequate facilities. Permission should be granted only to air lines of occupying powers or to air lines of other countries as may be agreed by the occupation authorities.

Economic necessity and the needs of the occupation should govern the extent of internal service which will be permitted along through routes. Such service, of course, would be incidental to the main line operations. The establishment of feeder systems, which would require development of additional airports and extended installation of technical facilities, is considered undesirable on the security grounds discussed above.

Where, for the purposes of the occupation, internal air service is required which cannot be supplied conveniently by traffic stops authorized on the international routes, such service should be operated only by military transport or by civil carriers under contract with the occupation authorities until the need for the service terminates. At that time, the installations required for this service, to preclude their availability for use by Japanese, should be withdrawn in so far as such withdrawal is then regarded as technically feasible and politically desirable.

Uniformity

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

Uniformity throughout the world in air traffic rules, technical regulations, and in the provision, maintenance and operation of aviation facilities, is a major objective of this Government's civil aviation policy. The provision, maintenance and operation of such facilities should be controlled and supervised by SCAP, who should take all practicable steps to ensure that PICAO standards are adhered to.

The limited program outlined above envisages the minimum civil aviation establishment required for occupational needs, and for basic economic rehabilitation of Japan. This program, to the extent it is not self-supporting, should eventually be charged against the Japanese economy, although financed in the first instance by occupying nations. Expenditures should be offset in as large measure as practicable, however, by the collection from commercial carriers of appropriate fees for the use of the facilities provided. Such fees should be paid in foreign exchange useful for the purchase of imports for Japan.

Conclusion

For the reasons stated above, it is concluded that the Air Coordinating Committee should adopt the following Statement of Policy:

1. Participation by Japanese Nationals in Aviation Activities. During the period of occupation, Japanese nationals should not be permitted to engage in flight operations. However, SCAP may authorize civil

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civil air carriers to utilize Japanese nationals in connection with the maintenance and operation of aviation ground facilities and services; provided, that no Japanese national may be employed in any aviation-related activity until both the job and the person to be used therein have been specifically approved by SCAP from a security point of view.

2. Internal Air Transport Service. It is regarded as politically undesirable and economically impractical at this time to develop within Japan any separate air transport enterprise operated by Japanese or by non-Japanese.

3. International Service To and Through Japan.

a. by airlines of occupying powers:

Civil air carriers of Nations participating in the occupation of Japan should be permitted by SCAP to operate and to carry passengers, cargo and mail into, through and away from Japan over routes which they have been specifically authorized to fly by their respective governments. SCAP may authorize such airlines to carry traffic between points within Japan which lie on their international routes when he has determined that such carriage would be consistent with the objectives of the occupation.

b. by airlines of non-occupying powers:

Duly authorized civil air carriers of other United Nation Member States should be permitted by SCAP to transit Japan and to make technical stops

therein

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therein en route to other countries when such transit and stops are necessary for efficient and direct route operation. The right to a technical stop granted on this basis may be expanded upon request to include, in the light of occupational objectives and consistent with civil aviation agreements, a right to pick up and discharge international traffic. An airline or airlines of any United Nation Member State may be permitted to operate between the territory of such State and a terminal point in Japan if such operation would benefit the economy of the State concerned and would be consistent with the objectives of the occupation.

4. Administrative Transport for Occupational Needs. Minimum internal and external service, additional to that provided by the international civil routes and which in the opinion of the occupation authorities is required for the purposes of the occupation, should be operated only by military air transport or by civil carriers under contract to the occupation authorities.

At such time as the need for this service terminates, the installations required to maintain it should be withdrawn, if such action is then regarded as feasible and desirable.

5. Aviation Facilities. SCAP should control and supervise the installation, maintenance and operation of all aviation facilities, utilized by civil air carriers, in accordance with PICAO standards. Any use by civil air carriers of facilities provided by the occupation

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occupation forces or by other carriers should be subject to appropriate and non-discriminatory fees. payable in foreign exchange useful for the purchase of imports for Japan.

6. Technical Regulations. Civil operations to, through and within Japan should be conducted within regulations established, administered and enforced by SCAP and based on PICAO standards.

Recommendations

It is recommended that the Air Coordinating Committee:

a. approve the Statement of Policy set forth above;

b. after approval thereof by the Joint Chiefs of Staff from a military point of view, transmit the Statement of Policy to SWNCC for:

(1) its approval;

(2) transmission to the United States Member of the Far Eastern Commission for submission to the Commission; and

(3) transmission to SCAP in the form of an interim directive.

Attachment:
Appendix A

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

SECRET

March 10, 1947

APPENDIX "A"

Orders from the Supreme Commander for the Allied Powers to the Japanese Government, AG 360 (18 November 1945) ESS-E

1. You will abolish by 31 December 1945 all governmental and semi-governmental bodies concerned with commercial or other civil aviation in any of its aspects except those activities specifically authorized for operation under the direction of the Supreme Commander.

2. You will take necessary measures by 31 December 1945 to effect the dissolution of all companies, partnerships, or associations of any kind which have been engaged in any way with relation to commercial air transport or other civilian air operations, or in pilot or other training related to aircraft design, construction, maintenance or operation.

3. You will submit to this headquarters not later than 15 December 1945 a register of officers, principal operating officials, professional engineering and research personnel, pilots and instructors of the organizations affected by the above dissolution.

4. On and after 31 December 1945 you will not permit any governmental agency or individual, or any business concern, association, individual Japanese citizen or group of citizens, to purchase, own, possess, or operate any aircraft, aircraft assembly, engine, or research, experimental, maintenance or production facility related to aircraft or aeronautical science including working models.

5. You will not permit the teaching of, or research or experiments in aeronautical science, aerodynamics, or other subjects related to aircraft or balloons.

6. Acknowledgment of receipt of this memorandum is directed.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

2959 1225

TO : AV - Mr. E. A. Lister

FROM : JK - Dean O. Bowman

DATE: July 1, 1947

Brennan - 1580
1584

SUBJECT: Aviation Policy Questions.

RECEIVED TRC JUL 3 1947 DEPARTMENT OF STATE

3 x R's

On my recent trip to Japan I discussed aviation policy questions with SCAP representatives, particularly as related to Northwest Airlines. Lt. Col. Cullen, speaking for SCAP, made the following requests:

x 5
811.79690

(1) Can we provide SCAP with a list of all commercial lines, both U.S. and others, licensed to fly in the Far East area (meaning all Pacific Ocean area)?

x 5
811.79693

(2) Does China National Aviation Corporation have charter to fly same route as Northwest Airlines?

x 5
811.79694

(3)CNAC wants to fly a route from Shanghai to Wake direct, then on across the Pacific. Since no airway exists and the approval of such a route would require air-sea rescue facilities, SCAP representatives suggest approval not be granted unless there are very persuasive reasons to the contrary.

Should you desire to answer points (1) and (2), the information should be sent to:

Lt. Col. Paul Cullen,
G - 1
SCAP.

If you care to inform me on points (1) and (2), I shall be glad to transmit the information.

894.796/7-147
CSN 7-1-47 894.796-8

JK:DOBowman:bcb
7/1/47

AVIATION DIVISION JUL 3 1947 DEPARTMENT OF STATE

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

1193

SWNCC 379

7/3/47

recd in SWNCC
July 3, 47
H. H. M.
file

MEMORANDUM FOR THE SECRETARY, SWNCC

Subject: Civil Aviation In Japan.

The State Member requests that the attached paper, which represents the views of the Department of State, be circulated for the consideration of the State-War-Navy Coordinating Committee as a matter of ~~urgency~~ munitz/ms

J. H. Hilldring
State Department Member
State-War-Navy Coordinating Committee

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Cat
Dist

JK: RHWhitman:bg 6/23/47 ESP AV NA RAT

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

OCT 10 1947

UNCLASSIFIED

To the

American Consular Officer in Charge,

Lyon, France.

The Secretary of State transmits herewith a letter addressed to the Department by Mr. Rene Fautre, Sanatorium de Belligneux, 306 Hauteville, Ain, France, requesting that pictures of Japanese aircraft be forwarded to him.

The Department does not have individual photographs of Japanese aircraft types, but there are enclosed four pages depicting Japanese aircraft which were taken from a book entitled "Aircraft Spotter."

The Officer in Charge is requested to forward the enclosed pages to Mr. Fautre.

Enclosures:

1. 4 pages from "Aircraft Spotter"
2. Original letter dated Aug. 26, 1947 with enclosure.

A true copy of the signed original

UNCLASSIFIED

CR AV:MCWalker:ac'r 10/6/47

OCT 9 1947

894.796/10-1047 CS/A 894.796/10-1047

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

JK 48"

In reply refer to
JK

MAR 20 1947

800.7960/3-2047

Dear Bunce:

The Department is presently engaged in drawing a policy paper covering the entrance and operation of civil airlines to and within Japan. The policy will apply only to international lines since it is contemplated that there will be no domestic lines in the near future. The international lines may, however, be permitted to render domestic service.

One of the lines (Northwest) soon to enter Japan will also enter and serve Seoul, Korea. The military Government has already approved the flights and scheduled service will probably begin in late spring or early summer. We are undecided as to the need for a policy paper covering civil aviation to and within southern Korea, since the basic conditions of the occupation differ considerably from those in the case of Japan. We should like to draw upon your familiarity with political developments and situations there; would you regard it advisable for us to prepare and issue a civil aviation policy paper for southern Korea?

xR 894.796

Your comments will be greatly appreciated.

Sincerely yours,

OCL NF Unit
Dist

Edwin M. Martin
Chief
Division of Japanese and Korean
Economic Affairs

Mr. Arthur C. Bunce,
Economic Adviser,
Staff XXIV Corps,
Seoul, Korea.

OK AB
MAR 19 1947

JK:DOBowman:bcb
3/5/47

A true copy of the signed original

CS/R
894.796/3-2047

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Form 1
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DIVISION OF
COMMUNICATIONS AND RECORDS
TELEGRAPH BRANCH

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DEPARTMENT OF STATE

INCOMING TELEGRAM

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Control 7879

Rec'd October 24, 1947
11:02 p.m.

AVIATION DIVISION
OCT 27 1947
DEPARTMENT OF STATE

FROM: Shanghai

TO : Secretary of State

NO : 2504, October 24, 6 p.m.

Ltr drftd Amcon Shanghai, Kuangtu, China 27 Oct 41 R.A. Thayer HH

FOR AV AND DEPARTMENT ONLY FROM LISTER:

XR 893.79694

Two and half days Tokyo devoted almost entirely attempt counteract misunderstandings FEAF and SCAP staff regarding intent meaning and application US civil aviation policy in Japan. Five hours after arrival Tokyo October 20 attended with Sebald small luncheon given by General and Mrs. MacArthur for Congressmen Judd, Hall, etc., at which time I began civil aviation conversations with General Whitehead et al lasting through October 22.

XR 811.79693

SCAP concept US policy include inter alia belief:

A. Proposed CNAC service Shanghai-Tokyo not "international" since would not proceed third country.

B. CNAC route would be acceptable only if continued US.

DEPARTMENT OF STATE
NOV 3 - 1947
DC/L
LIAISON OFFICE

C. Section B Annex Chinese bi-lateral grants Chinese traffic rights at San Francisco, New York and Honolulu, hence CNAC cannot fly Tokyo as far as US concerned.

Discussed US policy in detail pointing out in part:

A. Japan not US territory

B. Universal practice inaugurate service over any portion authorized route pending ability or desirability operate entire route. Result SCAP policy would be to discriminate against non-US carriers and to encourage foreign competition for PAA and NWA before necessary.

C Three

CONFIDENTIAL

894.796/10-2447
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PERMANENT RECORD COPY: THIS COPY MUST BE RETURNED TO DC/R CENTRAL FILES WITH NOTATION OF ACTION TAKEN.

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C. Three points in Section 8 Annex Chinese agreement refer US territory only.

D. US policy paper approved by SCAP includes specific reference service with terminal in Japan.

E. When PAA and NWA began operations August 15 as result unilateral action US Government FEC was advised airlines of other nations would be treated in non-discriminatory manner.

F. Chinese drawing apart from US views in our efforts reach multilateral agreement Geneva and action resolving misunderstanding regarding CNAC application urgently desired.

Request General Whitehead and SCAP advise me Shanghai soonest regarding latter point in order Jarvis and I approach Chinese authorities on multilateral in best possible atmosphere.

SCAP apparently in accord US policy regarding internal airlines Japan. Would appreciate advice when and if UK attitude this point clarified.

DAVIS

WMB:PPM

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FORM DS-322
7-18-46

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Charge to

OUTGOING TELEGRAM

Department of State

Washington

CLASSIFICATION

CONFIDENTIAL

CONFIDENTIAL

OCT 28 1947 6225

5 pm

AMCONSUL,

SHANGHAI, KIANGSU, CHINA.

1840

FOR LISTER FROM AV.

DE

894.796/10-24 XR 893.79694 811.79693

URTEL 2504, Oct 24. UK rep FEC has received instructions to drop pressure for joint internal operating company. Instructions do not call for support US position on cabotage. UK is to support Chinese amend which provides [redacted] no internal service (either separate or by cabotage) may be established by SCAP until latter has received FEC policy decision to be requested by SCAP when and if need for internal services arises. DEPT now engaged in obtaining views other agencies in order make decision whether US should support Chinese amend. Our view is [redacted] we should continue efforts get FEC policy giving SCAP power grant cabotage. DEPT consulting BRIT EMB in hope [redacted] more favorable position by UK can be obtained.

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AV:RAThayer:df 10/27/47

ACCEPTANCE DESIRED
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OCT 28 1947 PM 36

Cleared with Mr. Whitman

CSN 894.796/10-2447

★ U. S. GOVERNMENT PRINTING OFFICE - 1947 786335

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

DIVISION OF OCCUPIED AREAS
ECONOMIC AFFAIRS
DEC 3 - 1947
DEPARTMENT OF STATE

American Embassy
London, November 12, 1947

AIR MAIL

RESTRICTED

DIVISION OF
NORTHEAST ASIAN AFFAIRS
DEC 23 1947
DEPARTMENT OF STATE

No. 2552

Subject: UK Position toward Internal Air Service in Japan

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AVIATION DIVISION
NOV 25 1947
DEPARTMENT OF STATE

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1947 NOV 19 PM 3 03

The Honorable
The Secretary of State,
Washington

Sir:

1. In reference to the Department's telegram No. 4754, November 7, 5 p.m., on the above-cited subject, I have the honor to enclose copy of a self-explanatory memorandum of a conversation held on November 10, 1947, between an Embassy officer and officials of the Foreign Office.

2. The conversation outlined in the enclosure was of course held prior to the arrival of the Department's telegram No. 4793, November 10, 6 p.m., instructing that Departmental telegram No. 4754 be disregarded. While we are unaware of the reasons which prompted the Department to take the action set forth in its telegram No. 4793, we are of the opinion that our action in laying the Department's position before the Foreign Office will cause no harm, and may, on the contrary produce a salutary effect.

Respectfully yours,

For the Charge d'Affaires a.i.:

Everett F. Drumright
First Secretary of Embassy

FILED
DEC - 8 1947

Enclosure:
Copy of Memorandum
of Conversation

(Original and hectograph to the Department)
Copy to U.S. Political Adviser, SCAP, Tokyo

EFDrumright/wg

894.796/11-1247
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740.0011 Control (Japan)
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RESTRICTED

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RESTRICTED

Enclosure to Despatch No. 2552 dated November 12, 1947,
from American Embassy, London, England.

November 10, 1947

MEMORANDUM OF CONVERSATION

Subject: UK Position toward Internal Air Service in Japan

Participants: Mr. MacDermot, Head, Japan and Pacific Department, Foreign Office

Mr. Cheke, Japan and Pacific Department, Foreign Office

Mr. Drumright

---

1. Mr. Drumright called on Messrs. MacDermot and Cheke by appointment and imparted to them orally and informally the substance of the Department's telegram No. 4754, November 7, 5 p.m., on the above-cited subject.

2. Messrs. MacDermot and Cheke confirmed that the UK Government had not yet transmitted definitive instructions on the subject to the UK representative on the Far Eastern Commission. They pointed out that UK policy on such aviation matters is largely in the hands of the Ministry of Civil Aviation.

3. Messrs. MacDermot and Cheke said that the UK had opposed cabotage in Japan. The UK had taken this position, they went on to say, because the UK diplomatic representative in Japan had reported that there was no need for cabotage in Japan, and that the military air service operated by SCAP could take care of all present requirements.

4. Mr. Drumright said he doubted whether the United States would support cabotage rights unless there was a demand for internal air transportation which could not be handled by the military service.

5. Mr. Drumright then pointed out that Mr. MacDermot had some weeks ago told him that at the Canberra conference the UK had abandoned the concept that an international civil aviation organization should be formed to operate an internal air service in Japan and had proposed, instead, that the Japanese be allowed to operate their own internal sir service (see Embassy's

airgram/

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Enclosure to
Despatch 2552
November 12, 1947
from London

740.0011 PW (Peace)/9-25-47

airgram A-1989, September 25, 1947). Mr. MacDermot confirmed that the UK had taken such a position at Canberra, but pointed out that the UK position thereon had reference to the post-treaty period.

6. Mr. MacDermot went on to say it was his personal view that it would be impracticable at this late date to endeavor to set up a joint international aviation operating company in Japan.

7. Mr. MacDermot said that "note" would be taken of the Department's views, and although he did not commit himself categorically, he left the impression that the Foreign Office would do what it could to meet the Department's desiderata.

8. Mr. Drumright concluded that the US Civil Air Attache, who was at Geneva, would no doubt take up the matter direct with the Ministry of Civil Aviation at a convenient time.

Everett F. Drumright

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AVIATION DIVISION
DEC 9 1947
DEPARTMENT OF STATE

D-346 DC/L TRC

American Embassy,
London, November 26, 1947.

DIVISION OF NORTHEAST ASIAN AFFAIRS
DEC 23 1947
DEPARTMENT OF STATE

AIR MAIL

RESTRICTED

No. 2700

Subject: UK Position Toward Internal Air Service in Japan

DIVISION OF OCCUPIED AREAS
ECONOMIC AFFAIRS
DEC 16 1947
DEPARTMENT OF STATE

RECEIVED
FRC
DEC 5 1947

The Honorable
Secretary of State,
Washington

Sir:

In reference to the Department's telegram No. 4754, November 7, 5 p.m., and the Embassy's despatch No. 2552, November 12, 1947, on the above-cited subject, I have the honor, further to this subject, to enclose copy of a self-explanatory communication of November 25, 1947, received in the Embassy from the Foreign Office. It will be observed that the enclosed communication purports to set forth UK policy toward civil aviation in Japan.

Respectfully yours,

For the Ambassador:

Everett F. Drumright
First Secretary of Embassy

Enclosure:
Letter from Foreign Office

(Original and hectograph to the Department)
Copy to U.S. Political Adviser, SCAP, Tokyo

EFDrumright/wg

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FILED DEC 31 1947

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(copy)

Enclosure to Despatch No. 2700 dated November 26, 1947,
from American Embassy, London, England.

RESTRICTED

FOREIGN OFFICE, S.W.1.

No. W 7967/34/802.

25th November, 1947.

Dear Drumright,

When you called on the 10th November, you asked whether I could give you some information about His Majesty's Government's attitude towards the draft policy decision on civil aviation in Japan which is now being considered by the Far Eastern Commission. You referred in particular to the United Kingdom attitude to the suggestion that foreign airlines operating traffic services to and through Japan might be granted cabotage rights in Japan.

2. In principle, it seems to us desirable that cabotage rights should not be given to foreign airlines, unless it is absolutely necessary, because this would tend to prejudice the question of how civil aviation in Japan should develop in the post-occupation period. Apart from this, too, the information which we have received from Tokyo leads us to doubt very much whether there is, at present, any demand for internal civil air transport in Japan.

3. The practical issue appears to be whether or not there is at this moment a real need for civilian airlines to carry passengers and freight from one place to another inside Japan. If, as we believe, there is no such need, it would seem to be premature to consider making provision for foreign airlines to enjoy cabotage rights.

4. There is a Chinese proposal before the Commission which reads as follows:-

> "If at any time it seems desirable to the Supreme Commander for the Allied Powers to establish an air transport service between points in Japan he should refer the question to the Far Eastern Commission for a policy decision. In the meantime, no internal civil service should be operated in Japan".

We are inclined to think that this proposal is one which deserves support. The Supreme Commander is in the best position to determine the needs of the situation in Japan and it would seem appropriate for the Far Eastern Commission to look to him for guidance in this matter. Under the Chinese proposal it would be open to the Supreme Commander, now or at any subsequent date, to state his opinion on the desirability of instituting an internal civil air service and to refer

the question/

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the question to the Commission for a policy decision. The proposal would, of course, leave open for determination, in the light of the conditions prevailing at the time, the particular form of internal air transport service which should be operated.

5. We are proposing to advise our Delegation on the Commission along the foregoing lines and hope that this will lead to early agreement being reached on the paper.

Yours sincerely,

/signed/ D.F. MacDermot

Mr. Everett F. Drumright,
United States Embassy,
1 Grosvenor Square,
W.1.

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FORM DS-323
7-18-46

OUTGOING AIRGRAM

CLASSIFICATION

Department of State

RESTRICTED

NO. A-117

Washington,
Dec. 29, 1947 2104

2104

USPOLAD,

TOKYO.

PAA filed application to CAB on Dec. 2 for an amendment of existing certificate so as to authorize service on routes within Japan as follows:

1) Chitose - Hachinohe - Sendai - Tokyo - Nagoya - Osaka - Iwakuni - Fukuoka - Kanoya.

2) Tokyo - Niigata - Kanazawa - Nagoya - Tokyo.

While it is not clear whether application contemplates establishment of such service by means of cabotage or whether a separate internal service is contemplated the Dept. believes application in no way affects provisions of policy outlined in SWNCC 379 (Civil Aviation in Japan during occupation period). Dept. requesting CAB to take no action on application until FEC has reached final decision on FEC 245 now under discussion since question of cabotage is major point on which other FEC members differ from U. S. position as stated in FEC 245 and SWNCC 379.

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FORM DS-323
7-18-46

OUTGOING AIRGRAM

CLASSIFICATION

Department of State

RESTRICTED

NO. A-117

Washington,

2104

Page two to USPOLAD, TOKYO.

A copy of this Airgram is being sent to the U. S. Civil Air Attache, Consulate General, Shanghai, for info.

Lovett

Acting.

COPY TO:

U. S. Civil Air Attache,
Consulate General, Shanghai, Kiangsu, China

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DEC 29 1947 P.M.

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CIVIL AERONAUTICS BOARD

JAN 15 1948

JAN 14 1948

AVIATION DIVISION
JAN 15 1948
DEPARTMENT OF STATE

DIVISION OF
NORTHEAST ASIAN AFFAIRS

FEB 18 1948

DEPARTMENT OF STATE

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OFFICE OF TRANSPORT AND COMMUNICATIONS
FEB 17 1947
DEPARTMENT OF STATE

Mr. Walter A. Radius, Director
Office of Transport and Communications
Department of State
Washington, D. C.

My dear Mr. Radius:

This will acknowledge your letter of December 30, 1947, in which you suggest that no action be taken on the application of Pan American Airways, Inc., for authority to operate to additional points within Japan until such time as the Far Eastern Commission has arrived at a final decision regarding the policy directives to be issued to the Supreme Commander for the Allied Powers with respect to civil aviation in Japan during the occupation period.

No procedural action is contemplated in connection with the Pan American application and none will be taken until the situation to which you refer has been clarified.

Sincerely yours,

Oswald Ryan

OSWALD RYAN
Acting Chairman

811.79694

FILED
FEB 25 1948

894.796/1-1448

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DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NNDG# 760050

AV- Mr. Carter
Ms. Bolinger
DC/R

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: February 4, 1948

SUBJECT: Civil Aviation in Japan - Far Eastern Commission Consideration of Policy Paper

PARTICIPANTS:
Mr. Whitman - OE
Mr. Bowman - OE
Mr. Ford - British Representative on Commission 2, FEC
Mr. Bicknell - British Civil Air Attache
Mr. Clarkson - British Civil Air Attache-Designate

COPIES TO:
Mr. Whitman - OE
BC
NA

894.796/2-448

GPO 1—1493

Mr. Bicknell and Mr. Ford met with the above officers of the Department at our request to discuss, informally, the current status of FEC action on Japanese Civil Aviation policy and to explore possible grounds for US-UK agreement on specific points at issue. It was explained at the outset that the meeting was purely informal and that any statements made as to the position of either Government could not be considered as binding upon the parties concerned.

Mr. Thayer explained that, in his opinion, the major point in the current FEC paper which was of greatest concern to the US was the question of internal service in Japan. He pointed out that the current draft prohibited the establishment of any type of internal service by SCAP and required the latter to take no action on the matter until the FEC had handed down a policy decision. It was explained that this was unsatisfactory to the US for two reasons. First, the fact that it could be expected that the occupation would last for a much longer period than originally anticipated when the US submitted the paper and, second, the fact that the US, in view of this factor, considered it unwise

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it unwise to bind SCAP's hands on such an important question. Mr. Thayer went on to explain, in brief, the history of the consideration given to this problem in the FEC, the various positions of the Governments represented and an explanation of certain compromise proposals which had been submitted by the US on an informal basis but which had been voted down in the Commission. It was explained that the US had no particular desire to see a separate internal service as ~~extended~~ evidenced by the provisions of the paper originally submitted by the US and that furthermore, we would not care to see cabotage rights granted in such a way as to permit the establishment of what would virtually amount to an extensive internal service. Mr. Thayer said that, in his opinion, the US might well have gone into more detail in the original draft submitted, defining in some way a limitation upon the extent to which cabotage could be granted. Mr. Bicknell said that he appreciated the above explanation but the difficulty on their part was that they still had instructions to support the Chinese amendment which specifically prohibited SCAP from establishing any internal service until FEC had acted on the matter. Mr. Bicknell stated he did not know whether these instructions emanated from the Foreign Office or from the Ministry of Aviation.

Mr. Thayer said he could see no reason why the US and the UK could not reach some sort of agreement which would result in a paper satisfactory to both parties. Mr. Whitman said that one possible compromise might be in the form of a time limitation as to the prohibitions contained in the paper. Mr. Thayer said that, in his opinion, the best possibility for compromise lay, perhaps, in a close definition of what cabotage rights could be granted, plus a defined procedure by which these rights would be granted.

Mr. Ford and Mr. Bicknell stated that they thought it would be desirable if they were to communicate with London reporting the results of the meeting with us and requesting any views which London might have on the matter. Mr. Ford said that before they did this they would have to have some very sound reasons for raising the question. Mr. Whitman pointed out that, in his opinion, the most important reason for possible reconsideration of the British position was the certainty that the occupation would last for a much longer period than we had anticipated some months ago. Mr. Bicknell

said

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said that any operations to Japan by BOAC would, undoubtedly, be highly uneconomical and that, as a consequence, it was their opinion that the Ministry of Civil Aviation was not seriously considering implementing any such routes. Mr. Thayer inquired whether, in view of this fact, Mr. Bicknell thought the British might not be more likely to change their position on the paper in order to move closer to the US point of view. Mr. Bicknell said he did not think so since it appeared to him that the British policy toward Japan was motivated primarily by an idealistic approach rather than from economic factors and actual plans for British airline operations. Mr. Bicknell went on to say that since the Japanese matter appeared to be the only policy question in the aviation field on which there was substantial difference of opinion between the US and the UK, he hoped that it would be possible to reach a compromise on this question. The meeting adjourned with the understanding that the British would report to us the results of their communications with London on the matter.

AV:BAThayer:df

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TOP SECRET

DEPARTMENT OF THE ARMY
OFFICE OF THE UNDER SECRETARY
WASHINGTON, D. C.

ASSISTANT SECRETARY
NOV 17 1948
MR SALTZMAN
DEPARTMENT OF STATE

16 MAR 1948

Mr. Frank G. Wisner
Deputy to Assistant Secretary of State
for Occupied Areas
Department of State

Dear Mr. Wisner:

At the meeting of Committee No. 2 of the Far Eastern Commission, held 26 February 1948, that committee referred to the Steering Committee a paper entitled "Civil Aviation in Japan (FEC-245, C2-245/15)". On that occasion the U.S. member of the committee stated that "he had been consulting his Government on the changes made in the U.S. proposal. He considered that the Committee had done able and useful work. In some respects he thought the paper had been improved, and he expressed the belief that his Government could accept most of the changes without question". (Minutes--Com. No. 2, 105th Mtg. - 26 February 1948, page 5). In view of what I consider serious defects in this paper, I am taking the liberty of calling the matter to your attention.

The present U.S. policy with respect to civil aviation in Japan is set forth in SWNCC 379 which was approved by the JCS 29 July 1947 and by SWNCC on 31 July 1947. This paper in effect adopted with minor amendments ACC 41/5.1 which had been approved by the Air Coordinating Committee 10 April 1947. Shortly after SWNCC's approval, the paper was introduced into FEC and the U.S. member of FEC was authorized to "accept modifications proposed by other members of the commission which do not change the meaning and substance of these conclusions."

The basic post surrender policy for Japan (SWNCC 150/4) provides "Japan is not to have an Army, Navy, Air Force, Secret Police Organization, or any civil aviation".

The U.S. Government's policy toward Japan at the time that each of the above-mentioned papers were approved was primarily "to prevent Japan from ever again becoming a threat to the peace of the world" and secondarily, "to assist Japan to recover to a point where she can contribute to the economic and political stability of Asia and the Pacific area".

The civil aviation policy contained in SWNCC 379 was formulated at a time when the initial bright hopes of obtaining cooperation with Russia were beginning to fade. With that in mind, the paper gave SCAP considerable discretion with respect to all aspects of civil aviation in Japan, except that he was not to permit Japanese to operate planes. Also with respect to internal air transport service in Japan, he was informed - "It is regarded as undesirable,

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in view of political and security considerations, at this time to develop within Japan any separate air transport enterprise operated by Japanese or non-Japanese". Already it had become apparent that security requirements demanded that rigid control be exercised over any Russian flights to or from Japan. With that in mind, a distinction was made between occupying and non-occupying powers with respect to international civil aviation to and from Japan. The civil air carriers of the occupying powers "should be permitted by SCAP, on a non-discriminatory basis, to operate and carry passengers, cargo and mail into, through and away from Japan over routes which they have been specifically authorized to fly by their respective governments. SCAP may authorize such air lines to carry traffic between points within Japan which lie on their international routes when he has determined that such carriage would be consistent with the objectives of the occupation. However, non-occupying powers' air carriers should be permitted by SCAP on a non-discriminatory basis to transit Japan and to make technical stops therein en route to other countries when such transits and stops are necessary for efficient and direct route operation." (It was believed that this would effectively bar the Russians). Further, "the right to a technical stop granted on this basis may be expanded upon request to include, in the light of occupational objectives and consistent with civil aviation agreements, a right to pick up and discharge international traffic. An air line or air lines of any United Nations member state may be permitted to operate between the territory of such state and a terminal point in Japan if such operation would benefit the economy of the state concerned and would be consistent with the objectives of the occupation". (It was considered that such language would leave SCAP with complete discretion and protect the national interests of the United States).

SWNCC 379 also provided that "SCAP should control and supervise the installation, maintenance and operation of all aviation facilities, utilized by civil air carriers, in accordance with TICAO standards. Any use by civil air carriers of indigenous facilities provided by the occupation forces or by other carriers should be subject to appropriate and non-discriminatory fees, payable in foreign exchange useful for the purchase of imports for Japan."

During the time which has elapsed since SWNCC 379 was approved, the international situation with respect to Russia has deteriorated. Today, military alliances are in process of formation, both in Russian controlled countries and the western nations, which are designed to secure allies in the event of war between the two major powers. Japan is potentially a strong ally of the United States. In this state of world affairs, what was formerly the primary objective of U.S. policy " to prevent Japan from ever again becoming a threat to the peace of the world" appears rather meaningless, and certainly the policy emphasis has shifted to what was a secondary policy objective - "to assist Japan to recover to a point where she can contribute to the economic and political stability of Asia and the Pacific area." Realistically, the U.S. policy should be to oppose any international move designed to weaken the control of the U.S. over Japan or to lessen the value of Japan to the U.S. in the event of a war with Russia.

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SCE 245/16 is incompatible with military security interests. It makes no distinction between occupying and non-occupying powers with respect to civil aviation. It seeks to impose various limitations on the present powers of SCAP to control the situation. It bans all internal civil aviation in Japan unless SCAP first obtains the permission of the FEC, which, of course, would be impossible in view of the Russian power of veto. If any weight is given to the recorded understanding of the Chinese delegation, the use of Japanese nationals in the non-flying services connected with civil aviation would be further curtailed. In addition to the inherent vice of such restrictions, it would mean further expense for the U. S. if such services had to be performed by persons whose salaries would be paid in dollars.

It appears from the foregoing that FEC adoption of a civil aviation policy toward Japan cannot be obtained without lessening the restrictions placed upon the U. S. member of FEC by SANACC in SWNCC 379. Lessening these restrictions involves consideration of the advisability of issuing the policy in SWNCC 379 as a unilateral American directive. These questions require review by SANACC and JCS prior to further action by the U. S. member of FEC. Therefore, it is strongly recommended that:

a. State member of SANACC report to SANACC on the progress to date in seeking FEC adoption of the policy in SWNCC 379 and submit recommendations regarding any modification of SWNCC 379 considered appropriate.

b. Prior to final SANACC action in the matter, the views of the JCS and SCAP be requested.

c. No further action be taken by the U. S. member of FEC pending review of the matter by SANACC and JCS.

Sincerely yours,

William H. Draper, Jr.

William H. Draper, Jr.
Under Secretary of the Army

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TOP SECRET

June 23, 1948

894.796

Dear General Noce:

This letter is in reference to Under Secretary Draper's letter of March 16, 1948, to me, Mr. Saltzman's reply of March 22, 1948, to yourself, and your letter of June 15, 1948, to Mr. Saltzman, regarding the paper on Civil Aviation in Japan now before the Far Eastern Commission (FEC 245).

The Department of State has been in agreement with the suggestion made in Mr. Draper's and your letters that the U. S. position on the paper before the Far Eastern Commission should be reconsidered before the U. S. representative on the Far Eastern Commission is authorized to act. The U. S. representative has, therefore, been instructed to defer action on this paper until he could receive instructions of the Government.

The determination of the U. S. position on this paper has of course been delayed by the general review of U. S. policy toward Japan. It is now felt, however, that this review has progressed sufficiently that a governmental position on the civil aviation paper can be reached. The Department of State has prepared a proposed position which has been submitted informally to Col. Cheseldine of your office and to a representative of the Department of the Air Force for consideration.

I believe you will find the substance of the proposals meets all of the points raised in the letters from Mr. Draper and yourself. If there are any remaining questions, representatives of the Department will be available to discuss the details of the paper with Army and Air Force representatives at any time.

From the standpoint of procedure, I have some question as to whether it is necessary to submit the question to SANACC. However, there is no objection to this procedure if the Department of the Army or the Department of the Air Force desires it. I do not believe the

changes

Major General Daniel Noce, GSC
Chief, Civil Affairs Division,
Department of the Army.

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changes made in the original paper are so significant as to require re-submission to the Joint Chiefs of Staff. I feel, however, that they should be sent to SCAP for concurrence or comment.

The long delay in the announcement by the U. S. Member on the Far Eastern Commission of his Government's position makes it important that he be able to state a position at the earliest possible time. It is hoped, therefore, that SCAP's views may be obtained and agreement reached within the Government upon a position before the meeting of the Commission on July 1. Your help in meeting this deadline will be appreciated.

Sincerely yours,

Frank G. Wisner,
Deputy to the Assistant Secretary
for Occupied Areas.

A true copy of the signed original.

O:PPClaxton:br
6/22/48

No clearances obtained because none believed necessary on routine answer covering paper already fully cleared.

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March 22, 1948

Dear General Noce:

Before his departure, Under Secretary Draper wrote Mr. Wisner regarding the paper "Civil Aviation in Japan (FEC-245, C2-245/12)". A copy of his letter is enclosed.

It is probable that it did not come to Mr. Draper's attention before his departure that this paper was among those which General McCoy, U. S. Member of the Far Eastern Commission, was instructed to delay pending the return of Mr. Kennan and consideration of his report. A copy of this list, which was concurred in by the Army Department through Lt. Col. Milner of P & O, is also enclosed.

I believe it would be desirable to defer determination as to what changes if any should be made in this paper until a basic determination of U. S. policy has been made after analysis of Mr. Kennan's report and of the observations of Mr. Draper and his group following their return from Japan. The view expressed in Mr. Draper's letter will, of course, be given full consideration at that time.

Sincerely yours,

Charles E. Saltzman
Assistant Secretary

Enclosures

General Daniel Noce,
Civil Affairs Division,
Department of the Army.

O:PPMaxton:br
3/22/48

OE Bowman — in Subs. by tel/or

NA Allison — in Subs by tel/or

AV Thayer by tel. in Subs/

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DIVISION OF OCCUPIED AREAS
ECONOMIC AFFAIRS
APR 13 1948
DEPARTMENT OF STATE

BRITISH EMBASSY,
WASHINGTON 8, D. C.

13th April, 1948.

Ref: 260/19/48

Dear Whitman,

Further to my letter 260/10/48 of 1st March regarding the currency clause in the draft policy on Civil Aviation in Japan now before the Far Eastern Commission, I am writing to inform you that in asking for assurances that local yen earnings of British airlines could be used to pay for local services we were thinking principally of yen acquired through passenger fares and freight charges.

Would you confirm that it is your understanding that yen acquired in this way would be usable to pay for local services? If you can do this, we can accept the currency clause as drafted.

Yours sincerely,

J. F. Ford.

J. F. Ford.

Mr. R. H. Whitman,
United States Representative on
Committee 2,
Far Eastern Commission,
WASHINGTON, D.C.

DIVISION OF OCCUPIED AREAS
ECONOMIC AFFAIRS
APR 27 1948
DEPARTMENT OF STATE

FILED
MAY 26 1948
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In reply refer to
OE

My dear Ford:

This is in answer to your letters of March 1, and April 13, 1948, references 260/10/48 and 260/19/48, regarding the currency clause in the draft policy on Civil Aviation in Japan now before the Far Eastern Commission. In your letter of April 13, you state that in asking for assurances that local yen earnings of British airlines could be used to pay for local services you were thinking primarily of yen acquired through passenger fares and freight charges.

Foreign concerns licensed to do business in Japan under circumstances that permit the acquiring of a yen income have regularly been authorized by the terms of the license issued by the Supreme Commander for the Allied Powers to make use of such yen yearnings for the payment of the local expenses of the business. It would be my opinion that SCAP would extend the same privileges in case an airline, authorized to operate to Japan, were also licensed to conduct business which would result in yen earnings. Furthermore, it was our intention in drafting the currency clause in the present paper to permit use of yen earnings for payment of such services as soon as such earnings could be available.

I hope this statement will satisfy your government on this issue.

Sincerely yours,

APR 21 1948

Roswell H. Whitman
Acting Associate Chief
Division of Occupied Areas
Economic Affairs

Mr. J. F. Ford,
First Secretary,
British Embassy,
Washington, D. C.

OE:RHWhitman:emh 4-15-48

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STANDARD FORM NO. 64

SECRET

Office Memorandum • UNITED STATES GOVERNMENT

TO : FE - Mr. Butterworth

DATE: May 20, 1948

FROM : NA - Mr. Allison

SUBJECT: Attached Draft SANACC Paper on "Policy for Civil Aviation in Japan".

NA has had under consideration for some time a draft SANACC paper setting forth U.S. policy regarding civil aviation in Japan. The purpose of this paper is to obtain SANACC approval of certain changes in a paper approved some time ago by SANACC on this subject, changes which appear desirable to the drafting divisions (OE and AV) in the light of discussions of the earlier U.S. paper over a good many months in the FEC. The submission of the attached new paper to SANACC affords opportunity, however, for a new look at the problem in the light of the reexamination of our Japan policies.

The paper presents three rather basic questions centering around the three following provisions in the paper (see pages 6-8, right column, of attached):

"During the period of occupation Japanese nationals should not be permitted to engage in flight operations."

"Civil air carriers of United Nations Member States duly authorized by their governments to operate to Japan should be permitted by SCAP, on a non-discriminatory basis and consistent with security and within the limits of the availability of facilities to (operate civil air services into, through and away from Japan)."

"The number and size of aerodromes and aviation facilities available in Japan should be strictly limited to those required for the purposes of the occupation...".

I.

The first of the above three provisions represents confirmed U.S. Government policy since the days when President Roosevelt stated that the defeated enemy countries should be allowed no more aircraft than they could fly with rubber bands. The policy has already been incorporated in the Basic Post-Surrender Policy for Japan, which states that "Japan is not to have any army, navy, air force, secret police organization, or any civil aviation...".

As you

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As you have pointed out, civil air transport has come to form an essential element of modern living, and it would seem desirable that a peaceful Japan should not be prevented over the long run from possessing a civil air transport system of her own if she so desires. The situation during the remainder of the occupation, however, assuming that the occupation lasts, say, another two or three years, presents a special set of circumstances. On the one hand, the United States and other FEC nations are firmly committed to the principle that Japan shall not engage in aviation activities during the occupation (and most FEC nations desire also for the indefinite future), based on the opinion of experts that there is no effective dividing line between military and civil aviation. Any indication by the United States that it had changed its mind on this question, -- and refusal by the U.S. Government to continue to support the paper now before the Far Eastern Commission would of course be just such an indication --, would arouse the instant hostility of all other FEC nations and would open to doubt our entire security policies for Japan. On the other hand, it cannot possibly be argued that possession by Japan of a civil air transport system during the next few years would contribute to Japanese economic revival; in fact it would probably have the opposite effect. The question, indeed, is rendered almost academic by the fact that Japan lacks the foreign exchange with which to buy or lease foreign aircraft to build up a domestically owned air transport system.

It would seem in light of the above factors that the United States would lose nothing by continuing to support the subject provision -- that Japan should have no aviation activities during the occupation --, and would seriously jeopardize the success of more important policies by altering its position on the question, because of the fear and resentment which the change would arouse on the part of the other FEC nations. By the time Japan can afford a domestically owned air service, and it seems safe to let her have it, a good many years will probably have passed, and the present paper should have long since ceased to have binding effect.

It is recommended in the light of all these factors that FE approve the general principle embodied in the attached paper, that Japan should not engage in any aviation activities (except narrowly restricted ground services for foreign airlines) during the occupation period.

II.

The effect of the second quoted provision would be to permit

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permit the Soviets to operate a civil air transport system into, through and away from Japan, "consistent with security and within the limits of the availability of facilities". (The contention that the Soviets do not possess a civil air service and hence would be excluded from the benefits of this provision has been denied by EE, which states that the Soviets do have domestic air lines which could be considered "civil" within the meaning of this paper.) In theory SCAP could always deny the Soviet airlines access for real or manufactured reasons of security or lack of facilities, but it would seem unwise to rely on this power if we really do not want the Soviets participating in aviation activities in Japan. Personally, however, I can see no great harm in a few Soviet planes flying scheduled flights into Japan with attendant ground services. SCAP would always have power to restrict or cancel the service if the privilege should be abused or come to constitute a security risk. While it would of course be desirable if possible to exclude the Soviets by the terms of the paper, this would remove all possibility of approval of the paper by the FEC and would constitute open discrimination against the Soviets.

We know from our experience over the technological missions issue that SCAP is extremely reluctant to allow more Soviet nationals into Japan. Mr. Draper also indicated doubts about the subject provision in a letter of a month or more ago. While it is questionable, therefore, whether the provision will receive ready Army concurrence in SANACC, my recommendation, in light of the above consideration, would be that it be approved by State.

III.

Regarding the third quoted provision, it would seem that the stipulation that the number and size of aerodromes be "strictly limited to those required for the purposes of the occupation" would, if approved, place the U.S. in a very embarrassing position if we were called upon, as we almost certainly would be, to explain the Misawa and other 6000-9000 foot airports we are building in Japan. We might worm out of it on the grounds that such airports were necessary to accommodate the ever larger land planes employed by our air services, but would be hard put to defend such a position, particularly in light of the full and accurate American publicity which these airports have been receiving.

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There would seem to be two problems involved, one substantive and the other procedural. The first is the sizable question of whether the construction of these airports is in accordance with United States policy. Preliminary informal inquiries of the Army Department tend to confirm the suspicion that they have been built primarily, if not entirely, on the decision and authority of the theater commander, and General MacArthur's statements on the advisability of complete withdrawal from Japan after the treaty lead one to believe the decision was basically General Eichelberger's. Without attempting to analyze all of the political-military aspects of the matter, it is difficult to see how we could defend and use these airports in the future except on the basis of an indefinitely continued military protectorate, involving the use of large forces, over Japan. In any other circumstances the aerodromes are likely to be of more value to the Soviets than to ourselves. If a long-term protectorate is not our long-range plan, as it certainly is not under the revised Kennan report, it would seem that an agreed U.S. Government policy on these airports consistent with official overall U.S. policy for Japan and the Far East should be communicated to CINCFE. There can be no question of the emphasis in the Kennan report given to reduction of the occupation burden on the Japanese, made up so largely of this type of project.

The procedural problem is one of adjustment to the answer to the above substantive problem. If we decide to continue building military airports in Japan, I doubt if we would wish to leave the above quoted provision in the aviation paper. We might move to delete the provision on the grounds that the Soviets have indicated it is unacceptable to them; -- they have proposed an even more restrictive provision which we have said is unacceptable to us. If we decide not to continue building military airports, and to destroy or shorten those we have built, we could accept the provision as presently written.

My recommendation would be that we attempt now to clarify the situation with respect to these airports with the Army and the JCS. If it appears impossible to arrive at an understanding on the problem in a fairly brief period of time, we might propose in the FEC that the quoted provision be deleted for the reasons given above, rather than remain too long without a position on a paper of this type.

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THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

UNITED STATES POLITICAL ADVISER

FOR JAPAN

ACTION
is assigned to
DW

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DEPARTMENT OF STATE
1948 JUN 4 PM 5 4
DOCUMENT
FACILITIES BRANCH

No. 316

UNCLASSIFIED

Tokyo, May 29, 1948.

AVIATION DIVISION
JUN 8 1948
DEPARTMENT OF STATE

Subject: Monograph by Japanese Foreign Office on Civil Aviation in Japan.

The Acting Political Adviser has the honor to enclose five copies of a monograph dated January 1948 by the Foreign Office of the Japanese Government concerning the problem of civil aviation in Japan.

As the preface to the monograph indicates, it is intended to give a brief survey of the handicaps which the Japanese people will experience as a result of their inability to have access to the facilities of civil aviation. The benefits to be derived from civil aviation, particularly with regard to agriculture and the relief of national disasters, and the problems that will arise if these services are not available to Japan after a peace settlement, are emphasized. It is not believed, however, that the enclosed monograph presents any cogent arguments which should induce a reconsideration of either current or long-term policy with regard to civil aviation in Japan.

Enclosure:

Five copies of monograph by Japanese Foreign Office, January 1948.

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SIGNED & RECEIVED IN SANACC 8/31/48

August 30, 1948

MEMORANDUM FOR THE SECRETARY, SANACC

894.796/8-1448

Subject: Policy for Civil Aviation in Japan
(Reference, SWNCC 379 Series)

In order to arrive at a course of action dealing with the question of Civil Aviation in Japan, a paper on which is before the Far Eastern Commission, the Department of State prepared and proposed for dispatch to CINCFE the cable set out in Appendix A. After consideration by representatives of the Departments of the Army, Navy and Air Force, it was dispatched to CINCFE 13 August 1948. A reply has been received, Appendix B, stating that CINCFE has no objection to the proposal and general content of the cable and stating that the Commanding General, Far East Air Force, concurs.

The Department of State, therefore, proposes that the U. S. adopt as its position regarding FEC 245/18, Policy for Civil Aviation in Japan, the paper set out at Appendix C, and that the U. S. Member of the Far Eastern Commission be instructed to approve a policy paper substantively equivalent to the paper set out at Appendix C. If this proposal is acceptable to the other members of the Committee, the Department of State will negotiate the paper with the member nations of the FEC, as set out in paragraphs 5 and 6 of the cable at Appendix A.

In order that this proposal may be discussed with the appropriate members of the Far Eastern Commission prior to the return of the Commission September 7, it is requested that this matter be handled as a matter of urgency and by informal clearance if possible.

SANACC 379/1, the proposed policy as presented by the State member prior to the exchange of cables at Appendices A and B, was referred to the Joint Chiefs of Staff for comment from a military point of view. This comment has not yet been received by SANACC. The proposal set out in Appendix C is different from the one made in SANACC 379/1 and has now been approved by CINCFE and the Commanding General, Far East Air Force. In order to permit the earliest action on Appendix C, it is suggested that the individual members of SANACC determine whether the proposal is unobjectionable to their respective Chiefs of Staff from a military point of view.

for Charles E. Saltzman
State Member

Attachments:
Appendix A
Appendix B
Appendix C

O:PPClaxton:br

DCR NE Unit
Analyst
Rev. Clark
Cat.
Dist.

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SECRET

August 26, 1948

MEMORANDUM FOR THE SECRETARY, SANACC

Subject: Policy for Civil Aviation in Japan
Reference, SWNCC 379 Series

In order to arrive at a course of action dealing with the question of Civil Aviation in Japan, a paper on which is before the Far Eastern Commission, the Department of State prepared and proposed for dispatch to SCAP the cable set out in Appendix A. After consideration by representatives of the Departments of the Army, Navy and Air Force, it was dispatched to SCAP 13 August 1948. A reply has been received, Appendix B, stating that SCAP has no objection to the proposal and general content of the cable and stating that the Commanding General, Far East Air Force, concurs.

The Department of State, therefore, proposes that the U. S. adopt as its position regarding FEC 245/18, Policy for Civil Aviation in Japan, the paper set out at Appendix C, and that the U. S. Member of the Far Eastern Commission be instructed to approve a policy paper substantively equivalent to the paper set out at Appendix C. If this proposal is acceptable to the other members of the Committee, the Department of State will negotiate the paper with the member nations of the FEC, as set out in paragraphs 5 and 6 of the cable at Appendix A.

SANACC 379/1, the proposed policy as presented by the State member prior to the exchange of cables at Appendices A and B, was referred to the Joint Chiefs of Staff for comment from a military point of view. It is assumed that in view of SCAP's reply (Appendix B) the Joint Chiefs of Staff will have no objection to the course of action set out in Appendix A and the policy statement set out at Appendix C.

In order that this proposal may be discussed with the appropriate members of the Far Eastern Commission prior to the return of the Commission September 7, it is requested that this matter be handled as a matter of urgency and by informal clearance if possible, and that the individual members of SANACC determine whether the proposal is unobjectionable to their respective Chiefs of Staff from a military point of view.

Attachments:
Appendix A
Appendix B
Appendix C

SECRET

Frank G. Wisner
~~P. P. Claxton, Jr.~~

NA OF OFD AJ L
Sma OPSW 1AK Thorp/Rc Mucker/Rc

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S E C R E T

COPY NO. 28

SANACC 379/2

30 August 1948

Pages 33 - 41, incl.

STATE-ARMY-NAVY-AIR FORCE COORDINATING COMMITTEE

POLICY FOR CIVIL AVIATION IN JAPAN
Reference: SANACC 379/1

Note by the Secretaries

The enclosure, a memorandum by the State Member, is circulated for consideration by the Committee as a matter of URGENCY.

H. W. MOSELEY

W. A. SCHULGEN

J. B. CRESAP

V. F. FIELD

Secretariat

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SECRET

ENCLOSURE

POLICY FOR CIVIL AVIATION IN JAPAN

Memorandum by the State Member

In order to arrive at a course of action dealing with the question of Civil Aviation in Japan, a paper on which is before the Far Eastern Commission, the Department of State prepared and proposed for dispatch to CINCFE the cable set out in Appendix "A". After consideration by representatives of the Departments of the Army, Navy and Air Force, it was dispatched to CINCFE 13 August 1948. A reply has been received, Appendix "B", stating that CINCFE has no objection to the proposal and general content of the cable and stating that the Commanding General, Far East Air Force, concurs.

The Department of State, therefore, proposes that the U.S. adopt as its position regarding FEC 245/18, Policy for Civil Aviation in Japan, the paper set out at Appendix "C", and that the U.S. Member of the Far Eastern Commission be instructed to approve a policy paper substantively equivalent to the paper set out at Appendix "C". If this proposal is acceptable to the other members of the Committee, the Department of State will negotiate the paper with the member nations of the FEC, as set out in paragraphs 5 and 6 of the cable at Appendix "A".

In order that this proposal may be discussed with the appropriate members of the Far Eastern Commission prior to the return of the Commission September 7, it is requested that this matter be handled as a matter of urgency and by informal clearance if possible.

SANACC 379/1, the proposed policy as presented by the State member prior to the exchange of cables at Appendices "A" and "B", was referred to the Joint Chiefs of Staff for comment from a military point of view. This comment has not yet been received by SANACC. The proposal set out in Appendix "C" is different from the one made in SANACC 379/1 and has now been approved by CINCFE

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and the Commanding General, Far East Air Force. In order to permit the earliest action on Appendix "C", it is suggested that the individual members of SANACC determine whether the proposal is unobjectionable to their respective Chiefs of Staff from a military point of view.

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S E C R E T

APPENDIX "A"

13 August 1948

SCAP

Number: WAR 87663

From CSGPO reourad WAR 84724, ourad WAR 85330, and urad CX 61890.

Subject is FEC Policy Paper on Civil Aviation in Japan. Your recommendations have been carefully considered here.

2. Change suggested part 2 (A) believed unnecessary since paper deals only with Civil Air carriers and grant of authority in paper to Civil Air carriers to utilize Japanese Nationals for ground service does not in any way limit existing authority of SCAP to use Japanese Nationals for his own purposes. Introduction in FEC of suggested amendment would result in unnecessary discussion and explanation which is preferable to avoid.

3. Change suggested part 2 (B) to limit Civil Air carriers to those "whose governments deal in free and open international reciprocal agreements", together with explanation your part three (B) have been exhaustively considered. Although purpose of suggestion full appreciated, Department of State has concluded that this suggestion states a condition beyond the legal competence of the Far Eastern Commission to prescribe. Thorough consideration has been given to possibility of other wording capable of laying down a policy exclusion which would make it unnecessary for SCAP to rely on administrative action to preclude development of Soviet Commercial service to Japan. No such provision has been found which is within the legal competence of FEC.

4. Conclusion here of State Department is to proceed from following principles:

(A) It is desirable to obtain FEC approval of our policy with regard to Civil Aviation in Japan, or majority approval prior to issuance interim directive.

(B) Recommendation one of NSC 15/1 sent you in WAR 85330, 7 July 1948, should be treated as intended to apply to Japan

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and it should be considered best to find some means of handling the question in the FEC that would not involve any relaxation of our policy as set forth in recommendation one.

5. In order to carry out principles (A) and (B) stated above, discussions will be held by State Department Officers and US representatives on FEC with Embassy Officers and representatives of other FEC members, looking toward acceptance of amendments already tentatively agreed to as part of US position sent you in WAR 84724, 25 June 1948, and the following introductory clause to paragraph three of the US position as sent you; "Upon a finding by SCAP that expansion of trade or economic or cultural benefits of mutual advantage to Japan and the United Nations countries would be thereby achieved in each case Civil Air carriers of United Nations Member States duly authorized by their Governments to operate to Japan should be permitted by SCAP on a nondiscriminatory basis consistent with security under standards of operation set by SCAP and within the limits of availability of facilities. . ."

6. If such negotiations indicate that the proposal is generally acceptable to the other FEC members or if a counter suggestion made by any of them is acceptable to the US and generally to the other members, the US would plan to adopt such position in the FEC and to issue an interim directive if the policy paper is not adopted in the FEC. If the above proposal is not generally acceptable to FEC members and if no counter proposal is acceptable to the US, then the US must decide whether it can accept an FEC policy paper with less rigid provisions or whether it is necessary to conclude that the US can not agree to any policy paper for Civil Aviation for Japan.

7. In connection with the proposed rewording of paragraph three, it is pointed out that the rewording, if accepted, would provide for administrative authority to SCAP to admit Civil Aviation on basis of criteria wholly within SCAP's competence

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and not directly related to aviation. This provision is regarded as completely within the competence of the FEC to adopt or the US to lay down in an interim directive. State is of opinion that it will allow SCAP the broadest and most unimpeachable discretion to control foreign Civil Aviation entering Japan. It is recognized as conceivable that any country, including the Soviets, wishing to send some Civil Aviation planes to Japan may bring sufficiently logical arguments to bear that such aviation is of mutual advantage to the expansion of trade or economic or cultural benefits to Japan and the United Nations that SCAP would find it impossible not to allow entry of some very small number of planes. It is expected in such cases that SCAP will have established and can administer and enforce such technical regulations as to keep such flights within reasonable bounds of security.

8. Prior to undertaking above mentioned program, your views requested regarding above proposals and particularly suggested modifying language for paragraph three. Exact phraseology not regarded as rigid and would appreciate any thoughts you may have for improvement along same line or suggestions for better approach within competence of FEC. Meanwhile Departments of Army, Navy, Air Force are studying State Department conclusions set forth in preceding paragraphs.

9. State most anxious to have US position in FEC ready by time it reconvenes first week in September. In view necessity early consultations with FEC member countries your reply by 20 August requested.

Note: CX 61890 is CM IN 84 (1 Jul 48)

CM OUT 87663 (Aug 48)

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S E C R E T

APPENDIX "B"

From: CINCFE Tokyo Japan

To: Dept of Army for CSCAD PG

Info: COMGENFEAF

Nr: CX 63252 24 August 1948

Subject is Civil Aviation in Japan. Reurad W 87663 dtd 17 August 1948.

SCAP has no objection to the proposal and general content of reference radio. Commanding General, Far East Air Forces concurs.

CM IN 4825 (24 Aug 48)

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APPENDIX "C"

PROPOSED U.S. POLICY ON NON-JAPANESE CIVIL AVIATION IN JAPAN

(1) Participation by Japanese Nationals in Aviation Activities

During the period of occupation, Japanese nationals should not be permitted to engage in flight operations, unless it shall be determined by SCAP that such flight operations should be permitted in the interests of furthering the objectives of the occupation and that such flight operations will not constitute a threat to the security of any member of the United Nations. However, SCAP may authorize civil air carriers to utilize Japanese nationals in connection with the maintenance and operation of aviation ground facilities and services, provided, that no Japanese national may be employed in any aviation related activity which will develop skills or experience dangerous from the security point of view. Both the job and the person to be used therein must be specifically approved by SCAP. All Japanese so employed should be engaged under employment practices which will minimize the labor turnover and the consequent spread of skills and experience in aviation related activities.

(2) Internal Air Transport Service

If at any time it seems desirable to the Supreme Commander for the Allied Powers to establish a civil air transport service between points in Japan he should so notify the Far Eastern Commission requesting a policy decision. If after the expiration of 60 days from the date of receipt by the FEC of said notification no policy has been approved by the FEC which would prohibit the establishment of a civil air transport service between points in Japan, SCAP may act to establish said service as required to meet the need as communicated to the FEC. In the meantime no internal civil air service should be operated in Japan.

(3) International Service to and Through Japan

Upon a finding by SCAP that expansion of trade or economic or cultural benefits of mutual advantage to Japan and United

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Nations countries would be thereby achieved in each case, civil air carriers of United Nations Member States duly authorized by their governments to operate to Japan should be permitted by SCAP, on a non-discriminatory basis and consistent with security under standards of operation set by SCAP, and within the limits of the availability of facilities to:

(a) Transit Japan.

(b) Make technical stops there en route to other countries when such transit and stops are necessary for efficient and direct route operation.

(c) Carry passengers, cargo, and mail into, through and away from Japan, but not from one place to another in Japan, over routes which they have been specifically authorized to fly by their respective governments. The proscription of this paragraph shall be in effect only so long as is the proscription in paragraph 2.

(4) Aviation Facilities

SCAP should control and supervise the installation, maintenance and operation of all aviation ground facilities, utilized in Japan by civil air carriers. Any use by civil air carriers of Japanese goods, services or facilities should be subject to appropriate and non-discriminatory payment in any foreign exchange useful for the purchase of imports for Japan or in local currency, in accordance with the laws and regulations in force in Japan. The number and size of aerodromes and the aviation facilities available in Japan should be strictly limited to those required for the purposes of the occupation including the needs of civil aviation determined in accordance with the provisions of this paper.

(5) Technical Regulations

Civil operations to and through Japan should be conducted within regulations established, administered, and enforced by SCAP.

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(6) The provisions of this paper should not apply to the means of air transportation serving the needs of the Allied Council for Japan and its personnel or to other official government flights which are non-commercial in character.

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1 September 1948

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STATE-ARMY-NAVY-AIR FORCE COORDINATING COMMITTEE

MEMORANDUM FOR HOLDERS OF SANACC 379/2

894.796/8-3048

POLICY FOR CIVIL AVIATION IN JAPAN

2485

Note by the Secretaries

Holders of SANACC 379/2 are requested to substitute the attached revised page 34 for the one contained therein and destroy the superseded page by burning.

H. W. MOSELEY

W. A. SCHULGEN

J. B. CRESAP

M. V. BROKAW

Secretariat

894.796/8-3048

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and the Commanding General, Far East Air Force. In order to permit the earliest action on Appendix "C", it is suggested that the SANACC determine whether the proposal is unobjectionable to the Joint Chiefs of Staff from a military point of view.

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FORM DS-323
7-18-46

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CLASSIFICATION

Department of State

RESTRICTED

NO. A-134

Washington,
Sept. 27, 1948

2502

2502

USPOLAD,

TOKYO.

894.796/9-848

694.0031/9-148

REURDESP 570 Sept 1. Assume last sentence para two above despatch does not repeat not refer to cabotage rights, the granting of which would be subject to provisions para two, Appendix "C" SANACC 379/2 pending final action by FEC on proposed policy governing Civil Aviation in Japan.

694.0031

894.796/9-848(A)

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