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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

EXTENSION

NO.

DATE

20 AUG 69

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.	SA/DDS	22 Aug		
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APPROVED FOR RELEASE
 DATE: 21-Oct-2009

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20 August 1969

MEMORANDUM FOR THE RECORD

**SUBJECT: Telephone Conversation with Mr. James Ennis,
FSO-1**

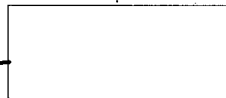
1. At approximately 0900 hours 20 August, I received a telephone call from Mr. James Ennis, U. S. State Department. Mr. Ennis is currently assigned to the State Department bureau concerned with civil aviation and apparently is directly involved with civil aviation matters affecting South Vietnam. (Mr. Ennis' immediately preceding assignment was as Civil Air Attache, American Embassy, Saigon.)

2. Mr. Ennis asked three specific questions:

a. Is Saigon Station keeping FE Division informed on Continental Air Services' decision to pull out of Vietnam? I replied affirmatively and added that we also had been advised by Continental Air Services management of their plans. Mr. Ennis appeared to have no interest in specifics of the information we received.

b. Is Air America and FE Division interested in having Air America take over the CASI/RMK business in Vietnam? I replied that I had been informed by Air America that they had received a request for a proposal on the RMK business and that they intended to submit a proposal. Further, FE Division had no objection to Air America's performing these services since Air America had considerable excess capability at this moment, but we did not believe that Air America should acquire new equipment to meet the RMK requirement. Although the RMK business is of considerable importance to the USG, it appears to be of short duration.

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c. Is FE Division interested in having Air America replace Continental Air Services in a joint venture rig with Air Vietnam? I replied that no policy decision had been made on this matter. Mr. Ennis then remarked that he had been directly involved with the Agency's problems accruing from similar attempts in [] and he felt that widespread knowledge of Air America's CIA relationship would assure that any Air America/AVN joint venture effort would result in greater problems and greater costs to the USG than the [] problem. He then remarked that the Department had been advised by Flying Tigers representatives that they had some interest in attempting to develop a joint venture relationship with Air Vietnam.

3. Mr. Ennis then remarked the failure of CASI and AVN to reach agreement on a joint venture arrangement was in large part due to the activities of Pan American, specifically in "raising the ante." He stated that Pan American is attempting to manipulate the situation in South Vietnam to prevent entry of other carriers into the local relationship, specifically, Continental Air Lines and Flying Tigers, and is attempting to delay formulation of a new USG/GVN civil aviation bilateral agreement. I did not comment on his statements concerning Pan American activities.

[]

DDP, []

Distribution:

- Orig - []
- 1 - []
- 1 - CFE
- 1 - VNO
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