New Zealand’s Development of an Aviation Policy: The War Years

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Introduction

There are degrees of independence which can be measured by the extent to which the foreign policy of any country is concerned with the advancement of its own vital interests as opposed to those of others or to the pursuit of ill-defined and unattainable general aims.

For countries which have moved from colonialism to an independent political status within a short space of time there is usually a dividing line clearly marking the changeover from a situation in which responsibility for foreign policy is exercised by another state to one in which these matters come under the direct control of the country’s own government. For New Zealand, which accepted its political independence only gradually over more than a century, the significant steps are not so plainly defined and this has both hindered and compounded a clear appreciation and understanding of the country’s early attempts at formulating an aviation policy, one in which New Zealand’s involvement in World War Two proved crucial to its development.

There has always been a sturdy streak of independence in the New Zealand attitude to the rest of the world, even during its long period of tutelage by Britain,
but before the Second World War it was seldom pressed beyond the point where the British government indicated that persistence could lead only to embarrassment or displeasure. That this should have been so is not surprising. The British Navy guaranteed the security of New Zealand and the British market provided almost the sole outlet for New Zealand exports. Britain was the source of funds required for New Zealand’s capital development and of most of the manufactured goods which New Zealand could not produce for itself. The relationship was one of mutual benefit. Therefore it was of no real surprise when in 1948 the New Zealand government felt bound to buy British flying boats despite the world-wide aviation trend to revert to land-based aircraft, as were then operated by BCPA, QANTAS, and Pan American Airways. The British government were trying desperately to establish an airline manufacturing industry, and wanted support in this from the Commonwealth. And so New Zealand, against the world-wide trend, remained with flying boats.¹)

¹) Geoffrey Roberts, the General Manager of TEAL, in a seven-page memorandum to his Board in support of the Solent purchase, outlined the reasons for the company to continue using flying boats for a further five to seven years period. (Tasman Empire Airways Limited. Reasons Why TEAL Decided on Short Solent Flying Boats as Opposed to Landplanes, TEAL Memorandum from the Gen. Manager to the TEAL Board, 11 May 1948, Typescript copy).
international air services. Sovereignty remains the cornerstone of the modern regulatory regime in aviation and provides a country with the ability to influence air services into, out of, and over its territory whether there be an emergency or a commercial need for air services.

Great Britain and the US were the two main players at the Chicago Conference, the Americans seeking a more liberal approach to future aviation with its aviation industry being in a relatively strong position near the end of World War Two, while the British sought to protect its aviation industry which by war’s end had been considerably weakened. Thus at the Conference opinions differed over how negotiations for international aviation should be conducted. In any event attempts to create a multilateral agreement covering all traffic rights were unsuccessful. However countries negotiating international traffic arrangements adopted a bilateral approach, a practice that had operated prior to World War Two, the first having been established between France and Germany in 1913.  

At the Chicago Conference the Australian government supported a multilateral agreement on commercial rights as the best approach and supported the idea of fair and equal opportunity for carriers. In fact, Australia’s approach went further by supporting the establishment of an international air transport authority with full control and operation of international air services on trunk routes (for example, the trans-Tasman route), and the ownership of aircraft and equipment. Such an approach would have limited the concept of ‘nationality’ of airlines.

The Second World War had allowed for the development of an ad hoc situation in which extraterritorial navigation and questions of air space sovereignty

were fundamentally informal but dominant in any issues on air communications. And from the perspective of the British Commonwealth members, the old system was preferable. Under a war-time agreement between Churchill and Roosevelt, British aviation production had centred on the manufacture of bombers and fighters whereas American production had concentrated on long range heavy transport aircraft, resulting in the US possessing nearly all aircraft most suitable for civil aviation use. And realizing this overwhelming advantage to the Americans, Britain now put emphasis on utilizing her assets in the form of controlling and developing her Commonwealth territorial sovereignty. In this way Britain sought to counter the development of any American air domination. Under a system based on territorial sovereignty Great Britain was well aware she could influence the granting of landing rights around the globe thereby thwarting any American efforts to develop air routes where British and Commonwealth interests were already established. Further, Great Britain did see that the establishment of an “all red route” around the world as crucial in protecting her own aircraft production, one manifestation of which was the formation of TEAL.

Churchill and Roosevelt quarreled on numerous occasions over such matters, the British Prime Minister demanding that the US give a guarantee to supply Britain with civil aircraft under a lend-lease scheme. This resulted in the Americans being offended that any offer would only lead to unfair competition between the two powers. Roosevelt reacted to the British move by utilizing blackmail tactics as a means of forcing an agreement involving air rights.3) Churchill, incensed by this American tactic, counter attacked by refusing to buy American aircraft using the excuse of unfavourable exchange rates, a move which

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had a major effect throughout the Sterling bloc and also on the future development of British and Commonwealth aircraft production.

By the end of 1943 American aviation policy was based on relatively simple reasoning, namely that with the nation’s primary objective being based on military security, and with air power being central to this policy, the nation should have nothing less than air parity with any other country. The Congressional Aviation Policy Board of 1942 having formulated the concept that the military and civil elements were indivisible components of air power, advised Roosevelt through the Secretary of Commerce a year later that while there was a case for the establishment of a Federal system of air transport, the main objective was a policy of defence and therefore any division of air power between military and civil was not in the country’s best interests. The American government made no secret of this policy with Adolf Berle, the nation’s top aviation official, commenting that the only countries over-run during the war were those without any substantial or efficient aircraft industry and that the US therefore wished to foster a strong aviation industry as some form of compensation to those less fortunate countries.4) And to achieve her policy the US would employ what was termed ‘favoured regional instruments’ whereby the manner in which they operated was less relevant, but rather could succeed by way of either a monopoly or through competition; either way, they would receive government assistance up until the routes became viable5). The Americans perceived that the market could be loosely regulated with unrestricted transit rights, in order that the US may achieve optimal

4) Documents on Australian Foreign Policy 1937–1949, Vol 7, Doc 209, McVey to Bruce, 1/7/1944.
5) Dobson, p431.
advantage from her technological superiority.\(^6\)

They also saw that any development of American civil aviation should be self-supporting thereby demanding the use of not only the most efficient services and facilities but also the most modern and efficient aircraft. Berle saw this policy not only in terms of defence but also one which upheld the American principle of democracy and that any attempt to minimize this was in effect against the national interest and therefore would not pass Congress.\(^7\)

Despite already possessing both a dominant aviation industry and a large quantity of appropriate aircraft, the US remained more than concerned about Britain’s aspirations to develop an “all red “ global route. The US were ready to develop and extend their own global air power and were prepared to negotiate certain rights with Britain, such as the use of Hawaii in exchange for the use of NewFoundland. To the American government the British appeared obstinate and were difficult, and on occasion had been quite aggressive on such matters. On one occasion the British Under-Secretary for Air commented that at the conclusion of the war all extraterritorial aviation matters would cease and that as far as civil aviation was concerned, “all bets were off”.\(^8\)

The American government was particularly concerned about British efforts to not only dominate the European airline market but also with her plans to prevent any American involvement. When Lord Beaverbrook suggested in January 1944 that Britain may finance a Portuguese airline to commence operations on Mediterranean and African routes before the end of the war and thereby creating a monopoly, the US then deemed it necessary to settle their differences with the

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\(^7\) Ibid, Vol 7, Doc 209.

\(^8\) NZPD, Vol 262, p654.
British; the US government saw the importance of quickly resolving civil aviation sovereignty issues before any official United Nations conference could be held. As far as the New Zealand government was concerned, it feared an American domination of civil aviation in the Pacific region and was ever wary of American aspirations.

**A Sense of Insecurity**

In New Zealand there was growing resentment to an American military presence, sentiments that were epitomized in the infamous ‘Battle of Manners Street’ of 1943 in which servicemen from both countries brawled. In the New Zealand Parliament the subject of American air bases had been discussed after an American House of Representatives member had suggested that after the war the US should retain control of its bases in New Zealand. Although considered minor news, American comments of the such made the New Zealand papers and caused some concern, fuelling the growing resentment between each country. Perhaps the most famous of these remarks came from a Colonel McCormick of the *Chicago Tribune* who suggested that with the end of the war New Zealand would become “another star on the US flag”\(^9\). J.G. Coates, a former Prime Minister and then a War Cabinet Minister, related his concerns of an eventual American domination of air services in New Zealand and throughout the Pacific to Peter Fraser. Although most probably over-reacting to intermittent comments from American sources, Coates was genuinely convinced that the US was positioning itself with the ultimate objective of dominating the entire post-war Pacific air trade.

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9) Ibid, p221.
Although it was understandable in war time for the military to take over civil services, utilizing both marine and aircraft, Coates was concerned with the predominance of uniformed civil pilots operating services under the guise of military operations, fearing that the facilities and equipment available coupled with their regional experience by war’s end would easily facilitate a quick conversion to an established and efficient American-dominated air service. And as evidence of American post-war planning he cited the responses of various New Zealand experts on US policy who labelled dealings as “evasive” and “shrouded in mystery”. Coates was particularly concerned with the American use of such air fields as Whenuapai, Ardmore, Seagrove, and Tauranga, and advocated an urgent formation of a policy as it was “unclear what advantage the Americans might take of [New Zealand’s] generosity.”

Coates’ beliefs were to some extent corroborated by Air Commodore F.E.T. Hewlett - and also by the experiences of a New Zealand delegation to Washington - who saw Pan-American Airways’ adoption of the title NATS as a means of obtaining official backing for an aggressive post-war policy in the Pacific. And during conversations with NATS naval staff, the Commodore ascertained that the US did expect a “free run” in the Pacific at least as far as Australia for its post war civil services. The New Zealand government was now concerned that the US, through its NATS, was making arrangements with the British to secure and share a post war domination of Pacific air services without any consultation with Australia and New Zealand.

Meanwhile Japan’s rapid expansion throughout Southeast Asia had created an unprecedented threat to Australasian security. With Japanese land forces attacking

10) EA 1, 110/3/7, Memo from Coates to Fraser, 7/4/1943.
Hong Kong and taking in February 1942 the British base in Singapore, the Asian and European streams of war converged, and the conflict became truly global. Britain’s disinterest in turning Singapore into a major naval base in the 1920s and 30s had demonstrated that British interests in the region were starting to differ from that of both New Zealand and Australia; at the same time New Zealand and Australia had realized that when it came to national defence, their policies were in fact interdependent and should be considered as a strategic whole. This view was reinforced by the fact that no European nation with colonial interests in Southeast Asia had been capable of mounting anything more than token resistance to Japan’s advance, in part due to more pressing concerns and commitments both at home and abroad. The situation had caused particular concern to Australia who had traditionally viewed Dutch and Portuguese possessions in Timor as a cornerstone of her national defence.

By late 1943 the Australian government had decided to formulate views on a post war Pacific, an approach that the American government had already adopted earlier the same year. And with the immediate crises of the war now subsiding, attention returned to some extent to pre-war concerns. However, both New Zealand and Australia were well aware of the dangers as well as the opportunities in adopting a new policy. Throughout 1942 and the following year Australia became increasingly dismayed with Churchill’s and Roosevelt’s grand strategy as a promulgation of the war. When Japan invaded both Papua and New Guinea in 1942, Churchill had tried to dissuade Curtin, the Australian Prime Minister, unsuccessfully from withdrawing Australian forces from the Middle East to return to Australia, and New Zealand also expressed strong concerns about bringing her forces home to help defend the country. Both New Zealand and Australia were pressured by the British and the Americans to leave their forces in the Middle East,
and when New Zealand did finally agree to a leave a force in place, Curtin became angered. According to Australia, as Curtin pointed out, New Zealand had already agreed to a policy of interdependent defence and had not consulted her prior to making the decision.

Curtin would be further infuriated with both British and American concerns involving certain air rights and also over the matter of Portuguese sovereignty in the Papua-New Guinea region. When in 1941 Japanese troops entered Portuguese Timor, the Australian government without consulting anyone dispatched troops to the territory as it location was seen as strategically crucial to the military defence of Australia. The British were unhappy about the situation seeing the action as tantamount to an invasion. Portugal was not only a neutral nation but also as a result of an old treaty that had existed for about six hundred years and which was deemed still valid, that nation in effect and incredibly was Britain’s oldest ally. A neutral and friendly Portugal had helped to ensure the stability of the Iberian peninsula particularly with regard to the British base of Gibraltar. Further, the British had been conducting secret negotiations with Portugal concerning the granting of air landing rights in the Azores, in return for which Great Britain would help to safeguard the sovereignty of Portuguese territories. Both Curtin and Evatt treaded carefully avoiding making any open or direct claims of sovereignty over Timor as Australia was still in effect bound by the Atlantic Charter of 1941 which stipulated that Allied nations on their own could not make any territorial acquisitions without consultation with other nations after the war. They were in effect in agreement that a more soft and less abrasive approach was needed in order not to jeopardize any future opportunities of acquisition.

Australia’s security concerns and desire for extraterritorial privileges were not
only confined to Timor but also concerned Dutch New Guinea, the French possessions of the New Hebrides and New Caledonia, as well as a number of smaller British-controlled islands; and underlying this expansionist desire was a strong sense of disdain towards France, the Netherlands, and Portugal for their lack of any real war effort. Australia, like the US, doubted the merits of these nations’ post-war presence in the Pacific.

By now both the Australian and New Zealand governments were concerned at Britain’s lack of support in protecting Commonwealth interests in the Pacific; it now appeared to these two governments that Britain was acquiescing to American efforts to dominate the Pacific by continuously attempting to placate both New Zealand and Australian concerns. Australia saw that Britain could not guarantee any Commonwealth interests in the Pacific after the war, and thus initiated negotiations direct with the US on peace matters and arrangements without consulting other Commonwealth nations. New Zealand and Australia were irritated by Britain’s decision at the Cairo Conference to give back Formosa to China, a move that was seen as brusque, particularly as it concerned Pacific interests about which neither Australia nor New Zealand were notified. Britain was seen to be courting the US and conducting the war according to a strategy that placed her own security above that of the rest of the Empire, one that appeared not unlike that of the First World War, and which now favoured placating her European neighbours over her Commonwealth interests. In any event, in New Zealand Nash and Fraser became keen to guarantee the country’s involvement in any post-war Pacific settlements by pushing for the continual use of RNZAF aircraft in the Pacific war, a move which was eventually stymied by American interests which called for American combat forces when the front lines advanced north over the Equator.
At the beginning of 1944, less than three weeks before the Australia - New Zealand Conference in Canberra, Air Vice Marshall Arthur Nevill reported to Foss Shanahan on the results of discussions in London with the British Air Ministry. During discussions the British had pointed out that they were in no way willing to undertake any activity in civil form that may upset the Americans and consequently would not take responsibility to protect British commercial transport operations in the Pacific unless under the guise of military. The British suggested to the New Zealanders that to protect her aviation interests she should follow the British lead and establish a military-controlled operation of air services. New Zealand’s war-time responsibility to protect British air interests in the Pacific had been decided at the 1939 Civil Aviation Conference, and although this responsibility was specifically limited to the duration of the war, the British did approach the New Zealand government on her position for a regional service. In any event New Zealand did point out to the British government the possible repercussions of a lack of representation in the South Pacific.11)

After Nevill’s discussions in London, the British directed their High Commission in Wellington to arrange for the use of RNZAF services to meet their needs in the Pacific, as it was “undesirable” to be dependent on the goodwill of the “friendly” USA.12) This in effect was an indication that the British, although under-resourced, did have an interest in maintaining some authority in the Pacific but not to the detriment of upsetting the Americans. This attitude also intimates that the matter was on its way to becoming a moot point between Britain and the US. And now that the New Zealand government had assumed responsibility for

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12) Ibid, Secretary State Dominion Affairs to British High Commission, Wellington, 4/1/1944.
developing British aviation facilities east of 180 degrees, they also saw the need to cooperate fully with the US. With American forces advancing and pushing back the Japanese line, New Zealand saw the possibility that many of the already-established American bases and facilities may soon be demilitarized, relocated or even uprooted.

**Pacific Facilities**

Prior to World War Two colonial powers in the Pacific maintained sovereignty and possession by utilizing both naval and private craft. It was one function of the colonial representative or resident administrator to regularly visit their island territories by boat, a service that would now be carried out by more efficient or quicker means, namely by aircraft. As far a Britain was concerned, her High Commissioner for the Western Pacific, Sir Philip Mitchell, utilized the services of the RNZAF for official visits to her island possessions. The Department of Island Territories advised the New Zealand airforce on the anticipated requirements for administrative purposes, and this included fortnightly visits from Suva, Fiji, to Tonga and Samoa, monthly visits to Aitutaki, and six-monthly calls to the Tokelau islands.

New Zealand plans to operate an island service were accelerated by the knowledge that there would be an eventual need to compensate for a decrease in American troop and personnel assistance, a point that was visibly apparent with the Pacific theatre of war becoming ever more distant from New Zealand as the Americans advanced on Japan. New Zealand’s Department of External Affairs would have liked the service to have begun as soon as possible but saw it as undesirable to use RNZAF aircraft for such purposes when it was equipped with
American planes. The Department saw that there was in effect no real military need for an island service but at the same time saw it as necessary to preserve British post-war aviation interests. In short, the primary purpose of such a venture was to get a British service set up and operating as soon as possible. New Zealand saw the idea of raising civil aviation issues with the Americans as rather impolitic, which led to the description of such a service as being established “for official purposes.” It was hoped that by the end of hostilities in Europe, the RAF Air Transport Command would be operating in the Pacific and thereby helping to establish a North American route to Britain.

The New Zealand government viewed the American-built airfields and runways throughout the country, including modern navigational aids and radio systems, as essential for the establishment of her own civil aviation, and desired to retain as many as possible of these already established facilities. However, the Air Department was not convinced that these facilities would be appropriate but wished that with the war’s end they would remain in situ when their merits could be fully assessed for both RNZAF and civil use. The American State Department was agreeable to a tour by New Zealand officials but pointed out that there may be difficulty in attaining concurrence with the US Navy and Army.

In any event New Zealand did express her wish to purchase American facilities either through a lend-lease system or by cash.

There was no doubt in the minds of New Zealand officials that New Zealand was the appropriate authority to assume responsibility for the administering of the Eastern Pacific region; and it was generally recognized that the RNZAF was the

13) Ibid, EA to Secretary State Dominion Affairs, 11/1/1944.
14) Ibid, 110/3/7/2, EA Memo, 10/1/1946.
15) Ibid, 110/3/1, Air Dept. to F. Shanahan, 1/9/1944.
only appropriate body capable of operating a Pacific air service in the immediate post war years. Thus the Air Department, recognizing that it was under-staffed to deal with the planned service, decided to coordinate its efforts with the New Zealand airforce. Seeing the need for extra staff incorporated into new specialist divisions dealing with economics and policy, the Department advocated the establishment of a new branch, to be controlled and administered by the air force’s No 40 Squadron, itself responsible for Pacific transportation during the war. And personnel in this new unit would be trained in civil aviation in order that their services could be easily employed when the necessity arose.\(^{16}\) The New Zealand government also saw the need for better coordination between its departments, namely between Defence and Civil Aviation. All war time services outside the country (excluding the trans-Tasman route) had operated under the authority of the Air Board as these were considered Defence matters, and consequently the Controller of Civil Aviation had traditionally been excluded from discussions concerning future services and facilities.

Fiji was the island group that held the most interest for the New Zealand government, and it was proposed that both communications and weather facilities could be administered by a joint government bureau, particularly at the Nadi base which New Zealand had been involved in developing. Further east in the Cook Islands, the smaller base of Aitutaki also appealed to the New Zealand government. With basic equipment and facilities already established on the island, it was seen as only a relatively simple matter of establishing secondary facilities on other islands of the group to effect some form of consolidation and development. During the war the strategic position of Aitutaki was appropriate for military purposes and

\(^{16}\) Ibid.
a small base was established; it was also judged as being fit for future civil use, a fundamental mistake as the island lacked any substantial population or any basic infrastructure, two premises crucial to any development of civil aviation.

**Air Services and Sovereignty in the Eastern Pacific**

Both New Zealand and Australia were aware that Roosevelt had been discussing post war arrangements with the British since 1943, arrangements which included sovereignty in the Pacific whereby Japan would be the only nation to relinquish its Pacific possessions. It was agreed that the US would act as a mandatory power over former Japanese-held territory with no right of any eventual claim to sovereignty. However, Roosevelt was quietly prepared to entertain the possibility of American sovereignty of certain Pacific possessions. In discussions with Roosevelt Walter Nash had made clear New Zealand and Australian interest in developing a Pacific air service, and together they explored the possibility of alternative air routes across the Pacific. And as a follow-up, the American President in August 1943 arranged for a naval expedition, under the command of the former Antarctic explorer Admiral Richard Byrd, to survey the Marquesas and Tuamotu island groups to explore the possibility of establishing future commercial air bases and facilities. Roosevelt was hesitant in returning these possessions to France stating that they were now of significant strategic and international importance and at least should be administered by a UN body, or failing that, may be “traded” to the US in return for American finance in France’s post war reconstruction.

At the thirty third meeting of the Pacific War Council, which amongst other

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17) ANZAG DOC, No 32, New Zealand Legation, Washington, to Fraser, 31/3/1944.
18) Ibid
things discussed post war development in the Pacific, the American President stated that he was opposed to any French consolidation in the Pacific at war’s end, particularly in matters concerning the development of commercial air routes and services. He was quite adamant that the French should not be involved, arguing that they did not have the technology or infrastructure to develop any air route. Prior to the Second World War a Pacific route to North America through the Marquesas and Clipperton Island had not been viable due to the long distances involved: in 1939 the maximum range of any commercial aircraft was almost one thousand miles but by 1943 had doubled to just over two thousand. In fact, Roosevelt had predicted that by war’s end the rapid development of technology would allow for a non-stop route of 2,500 miles to be comfortably serviced by commercial aircraft, that distance being the maximum of a planned Pacific route.

Roosevelt’s attitude was domineering and assertive, but also progressive. Believing that the French possessions in the Pacific represented an “irretrievable situation”, he stated that any exclusivity to landing rights was “absolute nonsense” and that air bases around the world should be shared internationally on an equal basis. He described the French colonies in the Pacific as akin to the British possessions in the Caribbean, of no commercial or financial value and were simply “an out-of-pocket loss”. Although he believed the French could still fly the Tricolour over their possessions, he did not believe in any French consolidation and in fact would not permit them to do so.19)

As far as New Zealand was concerned, the collective approach that Roosevelt advocated to the War Council members was reassuring: it recognized New Zealand’s war effort and its right to participate in post war Pacific aviation matters

calling for a new sense of cooperation that would end the pervading climate of distrust that had been long felt by colonial powers. However, although the President’s reference to the use of United Nations aircraft and the right of all nations to use certain bases was in keeping with New Zealand’s policy on aviation matters, the New Zealand government was concerned with Roosevelt’s apparent disregard of already established colonial sovereignty, particularly when it involved a potentially viable asset. Roosevelt’s interest, for example, in the uninhabited Clipperton Island and apparent lack of knowledge that the French had laid claim previously, harked back to earlier years of deceit and mistrust amongst colonial powers. The same President who prior to the war had challenged British sovereignty in the Pacific was now appearing to revert to his old ways.

Realizing that if Roosevelt’s scheme was adopted and approved by the American government, New Zealand saw as inevitable that the US would contest sovereignty issues, including landing rights, on certain New Zealand-administered Pacific islands. The development of the Marquesas route for example, involving the Cook Islands and Niue, was seen as an attractive proposition, not only as it was of national interest to New Zealand, but the government saw that the continuance of French participation in the Pacific would have a balancing effect, thereby denying any American domination of a Pacific air route. Realizing that the route to Britain and Europe, via the West Indies, could be flown landing exclusively on French and British territory, New Zealand also understood its position in negotiating with the Americans over landing rights in Hawaii and San Francisco could be significantly strengthened. For this very reason New Zealand did not support any American effort or interest in taking over French Pacific territories. Some years after the war when the British Secretary of State for Foreign Affairs suggested to the New Zealand government that in exchange for a
reduction in lend-lease debt to the US, it could allow for US sovereignty of some of her Pacific possessions, the New Zealand Prime Minister Peter Fraser immediately dismissed the proposal. The New Zealand government was adamant that that there would not be any American domination of Pacific air routes in a post war era. In fact the issue of sovereignty involving New Zealand’s Pacific interests were never resolved with the American government, issues and contentions which continued well into the 1960s\(^{20}\). For New Zealand, the problem lay in American insistence that ownership was a completely separate issue to that of air rights allowing thus for any sovereign to not take responsibility for the development of the territory. Great Britain had maintained that the situation was the obvious result of the interdependence of the two.

**The 1944 New Zealand - Australia Agreement**

Quite early in the Second World War, realizing the growing significance and importance of the aeroplane, the major Western nations began to give serious thought to the need to establish some form of international regulation for post war civil aviation. In January 1942 in London, a secret report entitled ‘Internationalism of Civil Aviation’ was leaked, and it was not until a year later when high officials in the Canadian government were shown a copy in strictest confidence. There can be no doubt that the substance of the document was made known also to both Australia and New Zealand. The British Director General of Civil Aviation, Sir Francis Shelmerdine, advocated the total internationalization of civil aviation via an institution established to oversee and manage all aspects of international air travel. And while there is no precise indication of the New Zealand attitude to

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this view, the Labour government in Wellington was committed to socialist 
policies in many commercial activities and aviation was one that was allied to this 
policy attitude. There would have been no major disagreement in Wellington 
with Shelmerdine’s view and there are references, in documents of the time, 
showing that there was indeed a Commonwealth position on the subject.

Late in 1943 the Chairman of the United States Civil Aeronautics Board 
made a statement on the subject which indicated that the Americans believed that 
air travel should be open for development by free enterprise. These attitudes 
clearly represented the two extremes of the debate that was to develop later in 
Chicago. And when Churchill and Roosevelt met in Quebec City in August 1943, 
the subject of international civil aviation in the post war world was for the first 
time prominent on the agenda. The same subject was again discussed later at the 
Tehran Conference when the two met Stalin.

Then in October of the same year a British Commonwealth Conference in 
London refined its stance on the matter, and a document known as the Balfour 
Paper on civil aviation was produced which provided the United Kingdom with 
strong support for its forth-coming discussions with the United States.

A month later in Washington, Roosevelt revealed the American stance in great 
detail, which in simple terms seemed clearly aimed at a world of civil aviation 
where *laissez faire* was to be the rule. This position clearly came from a nation 
that already saw itself as a victor in the world conflict and a leader in world 
aviation. This attitude spoke of having a very free exchange between states 
concerning the use of airspace and the simple grant of landing rights in all 
situations.

The Canadian view was believed to lie somewhere in between the stance 
taken by the two major players, and the Canadian politician, Lester Pearson, and
the Washington team met on a number of occasions. In short, the Canadian stance was not completely in agreement with the Commonwealth position as was exemplified three years later when proposals for the South Pacific airline were being decided in Wellington.

On October 21, 1943 the Australian Attorney-General and Minister of External Affairs, Dr. H.J. Evatt, proposed discussions on a range of matters between the Australian Prime Minister, John Curtin, and his New Zealand counterpart, Peter Fraser.21) Although future defence and security of the Pacific region were the main points of discussion, high on the agenda was the matter concerning the future development of civil aviation. These preparatory discussions resulted a year later in the Australia - New Zealand Conference which took place in Canberra in January 1944.

The Australian and New Zealand delegates to the Conference, believing that the main threat to their future security came from Asia, desired a strong American presence in the Northern Pacific region of Micronesia. With relatively smaller populations than the collective Asian populations to the north, Australia and New Zealand feared an eventual “invasion” from over-populated Asian communities desiring a better lifestyle than in their traditional homelands, and they saw that an American presence would act as a buffer creating what was hoped to be a sphere of friendly influence between the Dominions and Asia. And also noting that the US had desires to claim further territorial sovereignty in the Pacific region, through “piecemeal” arrangements such as the Cairo Declaration, at the same time they wished to adopt the principles of Article Five of the Four Power Moscow Declaration which contemplated the use of other nations in regional policing.

21) ANZAG DOC, No 36, High Commissioner to Australia to Minister External Affairs, 21/10/1943.
schemes. It was understood that under this article both nations could maintain bases in regions seen as vital for defence purposes. To Australia, this meant an arc of islands stretching from the Netherlands East Indies across to New Zealand, and for New Zealand, an arc running through the Solomons, Nauru and the Ellices, to the Cook Islands in the east, the northern most point of which was almost 4,000 miles from Auckland. In order to properly administer and control this vast region, the New Zealand government saw it desirable to maintain a permanently manned base at either Fiji or Western Samoa.  

The stance of both New Zealand and Australia, to the embarrassment of Great Britain, was one of belligerence towards the US. Well aware of American intentions in a post war Pacific, they openly condemned the American delegates resulting in a sense of anger from the US government. And while the Conference’s general attitude was dominated by a combined Australia and New Zealand point of view causing the British some concern, Britain did not question the right of both Dominions to make declarations in their own right on matters of colonial policy; however, Britain was very perturbed as to the likely results of the procedures that the two Dominions suggested.

This Conference was significant in that it was the first time New Zealand, as signatory to an international agreement in her own right, had acted without contacting Britain. New Zealand, together with Australia, decided that Roosevelt’s intention to dispose of French interests in the Pacific were totally unacceptable, and stated that American possession of war time bases and facilities in the Pacific in no way guaranteed any future claim of sovereignty. More specifically, they decided there was to be no American input or influence in New

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23) Ibid, No 99, Secretary of State for Dominion Affairs to External Affairs, 24/11/1944.
Britain, New Ireland, the Solomons, New Caledonia, or the New Hebrides. Although New Caledonia was seen as a vital link in an air route within the Australian - New Zealand sphere of influence, the New Zealand Prime Minister was against ousting the French from the territory on the grounds that the move may lead to an eventual American occupation.24)

Although united in one sense against American interests in the Pacific, New Zealand and Australia did disagree over certain claims each nation had within their respective spheres of influence. Australia’s interest in taking over all of Melanesia, and specifically turning New Guinea into a single mandate, as well as agreeing to an Anglo-American Condominium over the Line Islands, was not shared by the New Zealand delegates. New Zealand, stressing that a fundamental principle of her Pacific policy was that British-held possessions should remain British, pointed out to the Australians that the Line Islands (comprising both Fanning Island and Christmas Island) should remain British. New Zealand saw Fanning Island as an important stop-over point on an “all-red” cable route and Christmas Island, with an already established air base, had future commercial potential. Although not agreeing to any Condominium arrangement concerning the Line Islands, New Zealand did agree to British desires to purchase either part or whole of the New Hebrides Condominium, a territory that was not far geographically from either Australian or New Zealand spheres of interest. New Zealand saw that an established British interest in this island group would counter any American move.

Both New Zealand and Australia were committed to international control and supervision of their respective areas of interest, and the guiding philosophy behind

24) Documents on Australian Foreign Policy 1937-1949, Vol 7, Doc 8, D’Alton to Evatt, 8/1/1944.
their joint approach at the Conference was to coordinate their activity so as to ensure their participation in a post war settlement, one that was expected to give each country a pre-eminent position in their regions. The New Zealand Labour government, having committed itself to a policy of internationalization before the war when it had adopted a “moral foreign policy” through its representation in the League of Nations, continually expressed such an attitude at the Conference, and central to this philosophy was a belief in the use of regional organizations that were answerable to a world body.

For civil aviation purposes, this meant that Australia and New Zealand wished not only for international cooperation on aviation matters, but also for the complete ownership, operation and control of international trunk routes. And under such a proposal, all international flights would be conducted under the flag of an international organization. The idea behind the proposal was that international control would remove a major source of tension between nations while at the same time depriving any belligerent state of a powerful strategic weapon. The Four Powers had already agreed that under any peace settlement it would be essential to deprive Germany and Japan of establishing any international air services. The other advantage as far as the two Dominions were concerned, was that it would prevent the US from dominating civil aviation in the Pacific. In taking this approach, neither Dominion was prepared to become dependent on any other nation for its external air services.25)

Under this approach to internationalism, regional services would be protected from competition by any nation that did not have a territorial interest in the region, a concept that was first introduced in 1932 by the French delegation to the League

of Nations, and one that would be explored in detail by a specific panel established within the Conference. Australia and New Zealand would be included in one regional panel that was answerable to a governing body, the responsibility of which would be to organize trans-national services within the region. Both New Zealand and Australia desired that as far as practicable this region should be coincidental within their joint defensive zones and would cover all territory which “fell within the particular area of security, trade, communications and development of each country”26). In any event New Zealand could not agree to endorse the Australian desire to operate exclusive local services to Timor, the New Hebrides, and to New Caledonia, an approach that was most likely as she herself could not endorse the principle of extraterritorality in any form due to her own circumstances. As lofty and high-minded the principles of internationalism may be, as far as the Australia - New Zealand Conference was concerned, they were of a very useful and practical nature. Both Dominions realized that their joint philosophy would be eventually met with stiff opposition, the Americans having already objected to any Australasian proposal, and Britain, careful not to upset the Americans, were relatively non-committal. In this atmosphere New Zealand and Australia drew up a plan of contingency that would call for the establishment of an “all red” Commonwealth route across the Pacific, one which the New Zealand delegates saw as an opportunity to also develop a nationally-owned air service.27)

When in February 1944 the American government established tripartite talks with Britain and Canada on civil aviation, Australia and New Zealand were concerned. What compounded this concern was the stance taken by the

26) ANZAG DOC, No 45, Australia-New Zealand Conference. Findings of Joint Committee on points of substantial agreement.
27) EA 1, 110/3/7 pt 1, Prime Ministers’ Conference, 1944.
Canadians which was closer to American policy than to that of Commonwealth members, one which was understandable given their geographical proximity. Both New Zealand and Australia realized the significance of the Canadian attitude, particularly as to establish an “all red” route through to Britain, any Canadian agreement would strengthen their case for landing rights in Hawaii and San Francisco, as stepping stones on to Canada and beyond. From the West Coast of Canada all stops to Britain could be made on Commonwealth territory.

The Chicago Conference

The two main players at the Chicago Conference which convened in December 1944 were Great Britain and the US, the Americans seeking a liberal approach to future aviation while the British sought to protect its weakened aviation industry. While the United States by this time was a clear world leader in civil aviation development and production, Britain and the Commonwealth had concentrated their strength throughout the war years on designing and building military machines. Accordingly in this weakened state, Britain was determined to prevent the United States from achieving a “free skies” policy by which they would dominate global aviation services. Within a few minutes of the opening of the Conference, the tensions between Lord Swinton and Adolf Berle, the respective heads of the British and American delegations, were obvious. And debate between the major parties throughout the Conference remained acrimonious.

For New Zealand and Australia, who jointly supported a multilateral agreement on commercial rights in international aviation, the Chicago Conference was of extreme importance. The New Zealand delegation was led by Daniel Sullivan, a Labour Minister, who was well versed in socialist dogma, and who in his opening remarks made a significant contribution by drawing to the attention of
all delegates the critical nature of the work that lay ahead. He spoke of the reality of the ruthless struggles that resulted from competition in the field of domestic commerce and said that the assembly should strive to free international air commerce from such passionate battles. He went on to label the economic benefits of minimum competition in international air services and the non-discriminatory utilization of air routes, before tabling a resolution to discuss the internationalization policy issue.

The Australian delegates supported and seconded Sullivan’s resolution. Not surprisingly France had given New Zealand encouraging support for her proposal and even took the opportunity to inform the Assembly that the highly moral concept behind the New Zealand proposal was in fact French. Apart from France and Australia, the only other nation to strongly support the proposal was Afghanistan. The distrust and uncertainty felt amongst various nations during the war years lay behind the hesitancy to relinquish strategic air power to any one organization.

During proceedings Brazil declared that it was in no position to support the Australasian proposal, whereupon it lapsed into obscurity28). Brazil, which had entered the war on the Allied side in 1942, had close relations with the United States and was a major trading partner. The Americans had been active in trying to rally international support in South America as a foil to feared Commonwealth and Soviet blocks of votes in United Nations assemblies. In fact, Brazil was one of the few countries that would have benefited a great deal from a policy of internationalism as the country had no international airline but possessing a domestic line that could have developed relatively easily into an overseas operation.

28) AJHR 1945, A-9 “Report by New Zealand Delegation to ICA Conference 1944”.
The Atlantic allies had met several times during the previous twelve months to identify the intricate matters of law and practice that would need to be considered in settling the rules for world-wide aviation. Although agreement on the first conference objective - the need to establish common operational and technical standards - was achieved with little difficulty, the second issue concerning airline routes and flight frequencies, with its associated political and economic overtones, proved to be highly contentious and the debate was long and bitter. The American proposals related to a free environment, and if an international authority was to be created, they believed it should be given only an advisory or consultative function.

However the United Kingdom took the view that an international authority should have the power to allocate routes and determine flight frequencies and in their view, airlines could be owned by either governments or private enterprise. The Canadian view, while it leaned generally towards the latter opinion, was not as positive and could be said to be somewhere between the stances taken by the two major protagonists. Canada thus became cast in something of a role of power-broker.

In all, the Chicago Conference lasted for thirty two days during which Berle and Lord Swinton scarcely spoke to each other. To what extent the difficulties throughout this Conference proceedings were attributable to the clash of personalities between Berle and Swinton can only be surmised but underlying this was the differing stances taken by the various parties attending the Conference.

To the New Zealand government, the Chicago Conference was a disappointment and it was hoped that there would be another conference in the future whereby both Australia and New Zealand could better put their views. New Zealand also felt that most member nations of the Conference had not grasped the
fundamentals of the particular issues concerned, that a policy of internationalism for aviation development for the world was “for the well-being and advancement of mankind”\(^{29}\). In such a climate the New Zealand delegation now put aside the rhetoric, and from that point concentrated on their contingency policy of establishing an ‘all red’ route about the globe.

Until such a time when a general agreement could be reached, international air transport was essentially governed by the same principles as laid down in earlier times; the Chicago Conference in effect merely reaffirmed and minimally redrafted the declarations made in Paris in 1919 and later in Havana in 1928. With the closure of the Conference, Canada invited all Commonwealth delegations to attend a meeting in Montreal in order to further discuss some of the determinations of the Chicago Conference.

When the Commonwealth delegates met in Montreal to further discuss aviation policy matters, New Zealand was in a unique position, being the only member that did not have major shares in its national airline. Other members either had several airlines at least operating international services in and out of their territories, or an airline that was based within the nation concerned. Whereas other nations had generally “broken the bonds” with the mother country and had the means then available to advance and develop their aviation interests, New Zealand was still ties to an identity of being “British”, the country never having formally ratified the Statute of Westminster. In this context the government’s “Pacific policy” demonstrated a desire to remain “British” rather than pushing an interest in developing any policy independently.

When Commonwealth members met in October 1943 to discuss post war

\(^{29}\) Ibid.
civil aviation, Lord Beaverbrook suggested that as strong competition from the United States was expected, Commonwealth nations should adopt an “all red” policy. This attitude was taken with the realization that even if a United Nations body did decide upon a loosely regulated system of aviation control, the collective strength of a united Commonwealth on these issues could limit the development of American aviation interests. Under the existing regulatory system, with the granting of the five freedoms of the air being dependent upon the generosity of the sovereign nation, Commonwealth cooperation in denying the United States traffic rights could be effected legitimately, on the grounds that regional services needed to be protected. Such was the attitude taken in the operation of the Tasman route between New Zealand and Australia. It was seen that, at least in theory, a potential Commonwealth control of the world’s air routes was feasible, one which would deprive any substantial expansion from any foreign airline and at the same time give clear advantage in the Commonwealth members’ united strength in the granting of rights, and avoiding any unnecessary duplication of services. However, there was a difference of opinion between New Zealand and other Commonwealth members on what actually constituted “cooperation” in civil aviation, the term being interpreted differently in varying degrees by different members who met in Montreal.

Although a major Commonwealth member, Canada, unlike New Zealand, did not rely or depend on Great Britain in general matters of policy; her trade and defence interests were more closely associated with American interests, due not only to her proximity to the United States but also as the substantial French population of Canada felt no traditional bond with Britain. In effect, the Canadians had no desire to establish or operate an airline service or services with
any other nation, but did not rule out the possibility of being involved in the development of an “all red” route, one in which they saw a specific involvement in a service to and from Hawaii, a route that was already in existence. Australian interests in the future development of aviation, with its emphasis on internationalization, were very much in common with that of New Zealand. However, as a nation she was much more assertive, particularly in her dealings with Britain. Whereas New Zealand still felt a strong bond with Great Britain in being “British”, Australia was developing a more independent stance in matters of foreign policy, and her occasional outbursts of protest towards Britain on post-war settlements demonstrated that she was now seeing the former “mother country” more as an equal partner than a parent state. With a growing sense of national identity, Australia on understanding the Canadian interest in joint ownership operations, approached the Canadian delegation to discuss the possibility of operating parallel trans-Pacific services.

New Zealand representatives at the Conference still regarded any development of an “all red” service, particularly across the Pacific, as essentially a British interest, one in which New Zealand would play an active supporting role. This attitude was in part based on a traditional perception that the country was too small to develop any overseas airline service independently. And with various Commonwealth members now expressing more independent views rather than a united front against American interests, New Zealand’s concerns escalated. New Zealand objected to Britain’s BOAC 31) and Australia’s QANTAS agreeing to pool

31) Imperial Airways, nationalized in 1941, operated in Europe as British European Airways (BEA), while other overseas services were operated by British Overseas Airways Corporation (BOAC).
resources on the Kangaroo route\textsuperscript{32}, which would have put New Zealand in a weaker light with no direct involvement beyond the Tasman in the development of an “all red” route to Britain. New Zealand insisted that any trans-Pacific air route involving Commonwealth nations should be under the joint control of Great Britain, Australia, and New Zealand\textsuperscript{33}.

In the event Australia’s expressed desire to now develop its own route to North America was a stunning blow to the New Zealand government. Whereas on paper it had already been agreed that any development of a trans-Pacific “all red” route would pass through New Zealand utilizing the existing Tasman route, Australia’s new assertion to develop its own route went totally against all previous dealings on aviation matters between the two Commonwealth nations. New Zealand’s uncharacteristic reaction in saying that they were now prepared to grant fifth freedom rights on the Tasman route to Pan American Airways, New Zealand’s traditional foe in aviation policy matters, only served to demonstrate to the Australian delegation New Zealand’s weakened position, one which would jeopardize the future of TEAL. The Australian delegation believed that the main problem with New Zealand’s policy lay in her foremost desire to try to please everyone.\textsuperscript{34}

The crowning success of the Chicago Conference was the opening for signature in December 1944 of the document known as the Chicago Convention on International Civil Aviation and it is this document that has led to the stabilization of civil aviation throughout the world. Its preamble listed the targets of “safety, sound and efficient operation and economy” as the prime objectives for


\textsuperscript{33} Ibid.

\textsuperscript{34} Ibid.
the international body which today is known as the International Civil Aviation Organization (ICAO) with its head office in Montreal, Canada.

New Zealand, as a founder signatory of the Convention, took its role seriously and from the very start its post-war administrators targeted the regulatory objectives for its aviation development along the lines that were being promulgated by the Montreal body. The New Zealand Parliament passed the International Air Services Licensing Act in 1947 covering amongst other things matters of air route rights. And on August 26 the following year the Civil Aviation Act was passed which gave effect to the Chicago Convention which the New Zealand delegation had signed in December the previous year.

Conclusion

American interests and involvement in the Pacific both prior to and during the Second World War proved significant to New Zealand’s development of an aviation policy. In anticipation of a Pacific war, the US had built numerous air strips and bases on numerous strategically-based Pacific islands, the utilization of which New Zealand saw as crucial in its own development of a post war trans-Pacific air service. At the same time New Zealand was also concerned with the threat of eventual competition from an American civil air service in the post-war Pacific.

The immediate post-war situation saw a limited response to the changed strategic situation in the Pacific. If the fall of Singapore in 1942 had shattered the myth of Britain’s imperial defence supremacy, New Zealand sought to adjust to this by recognizing that the United States was now clearly the great Pacific ‘protector’. The Canberra Pact of 1944 illustrated joint Australia/ New Zealand doubts about the consequences of US supremacy, but, despite this, Australia and
New Zealand felt compelled to seek a US guarantee against any future Japanese revival. Defence interests, motivated by fears of a resurgent Japan, were predominant. If New Zealand argued strenuously for the rights of small nations at San Francisco in 1946, this was more in hope than in anticipation of a more equitable world order. Not only were defence links with Britain reaffirmed in the ANZAM arrangements but the formal arrangements with the United States to underwrite these guarantees became the main diplomatic goal. With Britain desperately short of food, trade raised few problems, so that the defence issue was to remain uppermost until the conclusion of the ANZUS alliance in 1951.35)

In terms of the development of New Zealand’s aviation, the Second World War had been beneficial in a number of ways. The huge number of men serving in the armed forces, and the regular use of New Zealand as a war-time base by the Americans, resulted in what was probably a more effective system of communications with other countries that would have been available under normal peace-time conditions. For New Zealand, and in fact for most countries, the war had been a great “forging house of experience”: it had ensured that aircraft reliability and speed, if not comfort, had advanced in leaps and bounds. Without it New Zealand could never had acquired the aeronautical skills which stood it in such good stead in the subsequent years. The war proved crucial to New Zealand’s development of an aviation policy.

By the early 1950s the development of an independent stance consistent with New Zealand’s interests was well under way. As we have seen, the process was sometimes painful, particularly in war-time situations where those interests had to

35) In effect, for a decade after the conclusion of the Second World War, both Australia and New Zealand continued to view the Pacific in fundamentally pre-war terms, with New Zealand even undertaking to supply troops to the Middle East again. (Beyond New Zealand, p18).
be asserted in opposition to what British commanders saw as the larger tactical or strategic aims. And at the San Francisco Conference of 1945 which led to the creation of the UN, the vigour with which the New Zealand delegation advocated the development of a system of global security untrammelled by a great power veto was another sign of a growing independence of outlook.

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