

MEMORANDUM OF INSTRUCTIONS FOR THE  
UNITED KINGDOM REPRESENTATIVES.

Question 1(a).

This question is covered in the separate Aide Memoire issued by the Foreign Office.

Question 1(b).

This question is covered in the separate Aide Memoire issued by the Foreign Office.

Question 1(c).

In this event the course of action should be to intimate to the United States Government that in the circumstances the Australian and New Zealand Governments would have to re-consider their attitude towards the activities of Pan American Airways involving the grant of facilities in their respective territories.

Question 1(d).

This question is covered by the Aide Memoire of the Foreign Office referred to above.

Question 2.

If the United States Government should again take forcible action as at Canton pressure could, it is considered, best be exercised in the first instance by the New Zealand Government which possess the right in default of the service being re-established within a specified period to cancel the existing Contract with Pan American Airways. While in present circumstances it might be undesirable to proceed to this extreme, the implications of a refusal on the part of the United States to participate in the suggested Conference while yet continuing to over-ride British Sovereignty claims would, it is suggested, justify that measure.

Question 3.

In the event of the United States Government on the one hand making no advance towards the Four Party Conference and on the other hand making no unforeseen move in regard to other Pacific Islands the selection of the moment to press again for such a Conference would depend upon the completion of the steps for the consolidation of the British title to Hull and Christmas Islands and upon the progress made in the formulation of definite proposals (operational and financial) for the establishment of a British Trans-Pacific service.

Questions 4 and 7.

It is contemplated that British and American air services should be established on a reciprocal basis as regards the provision of facilities and operated in close collaboration. Pan American Airways should enjoy landing rights in New Zealand, the British Company landing rights in the United States, en route to Canada, and both Companies "open rights" in the intermediate islands, where facilities are necessary for the operation of the services. (In the note on Question 7 the word 'intermediate' should be inserted before the word 'island' in the phrase "open right on all the islands.")

Question 5.

It seems desirable that, subject to satisfactory progress being made with regard to the points raised in questions 2,3 and 8, an application through diplomatic channels should be made without delay on behalf of a British Company to be nominated by the British Governments for landing rights in San Francisco

Question 5 (contd.), and Honolulu so that aircraft may be built for the purpose without any doubt that permission to use them on the route would subsequently be forthcoming. The British Company selected should also lodge an application with the American Civil Aeronautics Authority after the United States Government have agreed, in principle, to the grant of such rights.

Question 6.

If the United States Government refuse the application the course recommended in Question 2 above should be taken.

Question 8.

The Australian and New Zealand Governments might be in a position to suggest, in the light of the action already taken on Hull and Christmas Islands, what further steps should be taken to strengthen the British claim to these Islands, having regard also in this connection to the point of view of defence.

Questions 9 and 10.

(It is presumed that separate instructions have been issued with regard to matters of defence which will embrace these points).

Additional question.

Nature of Trans-Pacific Service and constitution of Joint Operating Company.

It is essential in these proposals to avoid a financial burden disproportionate to its interests in the service falling upon the United Kingdom Government.

A suggestion to utilise Trans-Tasman Airways, when formed, as the instrument to operate the service may arise. Present constitution of this Company is not however suitable and lengthy negotiations would inevitably be involved in reaching an agreed modification of its form.

The operational difficulties presented by the Trans-Pacific route are formidable and only an organisation of proved technical and operational ability could expect to overcome them successfully. Of British Operating Companies the necessary experience is possessed in a unique degree by Imperial Airways. It cannot, however, be expected that this Company will be prepared as in the case of the Trans-Tasman Company to put their operational and technical experience at the service of an organisation in which they do not have operational control. It is considered that the service in its experimental stage should be operated by Imperial Airways on behalf of and at the joint cost of the four Governments for a definite period, during which time the Governments should discuss and decide upon the nature of the organisation to which the services should eventually be entrusted, and the Governments should also share on an equitable basis the cost of any ground facilities required elsewhere than at the terminal points for both experimental and permanent operations. It would be desirable to secure that the operational control in the permanent arrangements should continue to be vested in Imperial Airways.

In this connection reference might be made to the formation of the Corporation which is now in train merging the interests of Imperial Airways and British Airways and to the conception of the development in due course of this Corporation into the wider strength of an Empire Corporation fully representative of Dominion interests. Such an organization while being in a position to take

advantage of the technical and operational experience of the two Companies mentioned would adequately safeguard Dominion interests in the service.