

oyer Miller.

(thro' ~~Asst.~~)

7/11 - 1/39  
92

*Waller*  
*7/2*

As Pan American Airways have failed to fulfil their contract with the New Zealand Govt, I don't really see why we should be so 'squeamish' about persuading the N.Z. Govt to terminate it, especially as in other directions, the new International Communications branch of the State Department is taking the line that private arrangements between U.S. Aircraft Operators with foreign Governments must now be supplanted by Inter-Govt agreements. Clearly the most logical means of obtaining landing rights for ourselves in Hawaii is to deny terminal landing facilities to U.S. operators in New Zealand and Australia, unless reciprocal facilities are given us in Hawaii and the U.S. And I have no reason to believe that the Australian and New Zealand Governments would want to take a different line. While therefore I agree that if we can avoid taking this line we should do so, I really cannot see any other possible course, as U.S. operators now have an adequate number of intermediate refuelling bases between San Francisco and New Zealand. Of course the excuse the Navy always give for their attitude in regard to Hawaii is that they would like to grant us facilities at Hawaii, but that if they do so, they must grant similar facilities to the Japs. I have never been able to discover whether this is a genuine belief inspired by the State Dept or merely a convenient excuse.

As regards intermediate stops for us in the Pacific, I don't think that the U.S. attitude is of the

*W.R.*

(M2440) 15454/205  
800m 10/81 700  
G & S 116 510  
(REDIMINT)  
Code 5-34-0

INDEX

[OVER.]

'dog in the manger' type. They want, from a defence point of view, to have a chain of naval (air) bases from Unalaska through Midway, Johnston and Canton to Samoa so as to spread their reconnaissance screen as far to the westward as possible and thus prevent the Japs from launching attacks against Hawaii. These potential naval bases should also be adequate for any U.S. commercial air service operating in the Pacific; and if we play our cards properly, I do not see why they should object to us having the necessary facilities at Christmas Island or Hull Is.

But I think it is most important to keep the two questions (viz Hawaii and other intermediate stops) quite separate. Otherwise we may well be worsted in the argument.

February 11th.

*V.C. Price*

Air Attache.