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D.C. C. (AIR) 2.

DEFENCE CONFERENCE 1939.

Parliament Buildings,

WELLINGTON, C.1.

S E C R E T.

20th April, 1939.

MEMORANDUM for:-

D.C.C. (Air) 2.- Notes of Proceedings of the Committee  
set up to discuss "policy in relation to the Trans-Pacific  
air route and United States activities in the Pacific."  
(Second Day, Tuesday, 18th April, 1939.)

With reference to the above paper which has  
already been forwarded to you, I have to inform you that this has  
been replaced by a final edition which is forwarded herewith.

I shall be glad, therefore, if you will destroy  
the copy of the first edition in your possession.

*W. J. Stevens*  
Secretary,

Defence Conference 1939.



D.C.C. (AIR) 2.

**FINAL EDITION.**

COPY NO. 2. 48

20th April, 1939

DEFENCE CONFERENCE, 1939.

It is requested that special care may be taken to ensure  
the secrecy of this document.

**SECRET.**

NOTES OF PROCEEDINGS

OF

COMMITTEE SET UP TO DISCUSS

"POLICY IN RELATION TO THE TRANS-PACIFIC AIR  
ROUTE AND UNITED STATES ACTIVITIES IN THE PACIFIC."

(SECOND DAY - TUESDAY, APRIL 18, 1939)

PRESENT:

Hon. P. Fraser - Chairman.  
Group Capt. Wilkes  
Sir Harry Batterbee  
Air Marshal Sir Arthur Longmore  
Capt. Johnston

Paymaster Capt. Tottenham  
Mr. Barrow  
Sqd. Ldr. Gibson  
Mr. Ashwin  
Dr. Barnett  
Mr. Vaskess  
Mr. Boyd Shannon

Sqd. Ldr. Grundy.



Notes on the Meeting of the Committee held in Room 61,  
Parliament Buildings, on the 18th April, 1939, to discuss:

"POLICY IN RELATION TO THE TRANS-PACIFIC AIR  
ROUTE, AND UNITED STATES ACTIVITIES IN THE  
PACIFIC."

1. Opening the proceedings the Chairman, the HON. MR. FRASER, said that there were several corrections to be made to the notes of the previous day's meeting. These were discussed and it was decided to issue revised notes.
2. SQUADRON LEADER GIBSON then asked if it was the intention of the committee to consider the establishment of land plane bases as of secondary or as of equal importance to the establishment of flying boat alighting areas.
3. THE CHAIRMAN replied that the Committee should bear in mind that they should endeavour to grapple with what was immediately practical, at the same time keeping their eyes on the future. He considered that the deliberations of the Committee to date had not prevented the eventual employment of land planes, but had rather tended to facilitate their use.
4. The Committee then considered the following points -
  - (1) The establishment of a complete British Air Service, running side by side with an American Service from Australia via New Zealand, the Western Pacific Islands, Hawaii and San Francisco to Canada.
  - (2) A proposal, emanating from Australia, for the operation of a service from Australia via Auckland to Fiji or Honolulu, or some other intermediate point, from where all traffic should be transferred to an American Service.
5. CAPT. JOHNSTON raised the point as to what would be the position in wartime of one of the Islands held jointly by the U.S.A. and Britain in the event of one country being at war and the other neutral.
6. SIR ARTHUR LONGMORE said this was a difficult question, but he did not think there could be any objection to a civil air route. There might be objections to the use of such Islands as a base for operating service machines. In certain circumstances it might be an advantage to have the joint arrangement.



THE CHAIRMAN said that as far as Fanning and Christmas Islands were concerned, New Zealand had objected to their being included in any offer of arbitration because it was desirable that British Sovereignty should be firmly established there. He thought that if we came to a reasonable understanding with the United States in regard to Honolulu, it might be quite advantageous to us to allow them to land on and use these as well as other Islands. He thought that this might be the basis of a splendid agreement.

8. CAPT. JOHNSTON said it was not so much a matter of bargaining one island against another, as bargaining for our route to go through to the American mainland. If we owned all the Islands but were not allowed to land at Honolulu, the service could not go through, and similarly, if the United States owned all the Islands but were not allowed to land in New Zealand or Australia, their service could not go through. He suggested that the first and immediate step to be taken was for the British interests concerned to apply to the American Government for permission to operate a service to Honolulu, notifying them that that would be our terminus temporarily, but that we intended to go on to the American mainland shortly thereafter. If they agreed the problem would be solved. If they did not agree, or hedged, then New Zealand should take advantage of the powers she possessed under the Pan-American Airways-New Zealand agreement and give notice of termination. He realized that this might be difficult to do politically, and therefore suggested that at the same time we should give them notice that we were prepared to meet them half-way if they were not prepared to agree to our going over their section as we have agreed to their American Company going over our section. It could still be a joint service, meeting half-way at Fiji or some other point - the actual point was not important at the moment. In any event, he thought we should proceed immediately with the preparation of the New Zealand-Hawaiian service as far as lay



within our power. We should be in a position to operate as far as Hawaii, or somewhere short of that, in the near future. There were no operational difficulties in the way, and no great period of time was necessary to prepare the route or to obtain suitable aircraft. In that way only would we be likely to get any real progress. The real crux of the matter was the permit to land at Honolulu and the American continent, and it was only by making an application that the matter could be brought to a test. If America would not agree, our only redress was against Pan-American Airways, and even if we gave notice of termination now it would not become operative for another fifteen months. He therefore considered that there should be no delay in lodging the application with the American Government for a permit to go through. These were his own views, and he could not say that they were fully accepted by the Commonwealth Government, but broadly speaking, the view of the Government was that some step should be taken to press an application. The suggestion that we meet half way was partly a real proposal and partly a threat to the United States interests in the hope that it would give us even more than the half-way junction we asked for. His suggestion was aiming at a British service and an American service, both running right across the Pacific. But if America would not let British interests use Hawaii - as they might not - then, rather than let the Americans run down to New Zealand and we not run at all, we should put forward the proposition to meet them half-way.

9.

MR. BARROW said that we could not stop Pan-American Airways from running to Noumea because they could do it through their own islands. Also, he doubted whether it would be wise to serve notice of the termination of their agreement on Pan-American Airways as a threat. He felt that the more we encouraged the interests of the American Government and the American people in the Pacific area, the better the British Commonwealth would be served, and the use of the Pan-American agreement as a bargaining point was really putting ourselves at



a disadvantage if the ultimate effect was going to be to drive the Americans out of this area. He would certainly favour an approach to the American Government for the use of Hawaii, and if necessary would let them go through to Australia. But to use the threat of cancelling their service to Auckland when they could simply go to Noumea, was, he thought, not the wisest of tactics. If, by approach to the American Government, we could get permission to land at the Hawaiian Group and then continue on to San Francisco and up to Canada, any concession we could give the Americans in the Pacific area would be of the utmost value to the Empire in defence because of the supply of war materials coming down to both Australia and New Zealand from the United States over that route. He would agree with Capt. Johnston, except that he did not think it should be used as a bargaining point.

10.                   CAPT. JOHNSTON pointed out that a service to Noumea was of no value in itself. It would still have to get to Australia, and that would be dependent on Australian permission or an Australian company operating.
11.                   SIR ARTHUR LONGMORE thought the Committee should have regard to the aspect that we should stand out at all costs for the route from Australia via New Zealand to America and subsequently on to Canada, however it was finally arranged. That was definitely the feeling of the Air Ministry on the subject. Capt. Johnston's proposal really envisaged two stages, one the stage when permission was obtained to go as far as the Sandwich Group or Honolulu, and second, a further stage to come which envisaged passage right through to San Francisco en route to Canada.
12.                   CAPT. JOHNSTON said he put forward the idea of stopping at Honolulu because we were in a position now, or at very short notice, to operate as far as that.
13.                   SIR ARTHUR LONGMORE suggested that in the negotiations with the United States permission should be sought to go the whole distance and that it should not be stated that



we were not yet ready to go further than Honolulu. If they knew that, America might say that they would consider the further stage later on. Any negotiations should be on the basis of the route right through.

14. CAPT. JOHNSTON agreed that our rights to go right through to America should be established from the beginning, but he would just raise the consideration that it might not be the best thing psychologically to attempt to hide both from the American and our own people our inability to do all that we were asking to be able to do. He thought it might be better to say frankly that we were only prepared to go half-way at this stage. It was to meet the possibility of the United States refusing that we put forward the proposal of the half-way junction, which would be better than a continuation of the present one-sided position.
15. SIR ARTHUR LONGMORE thought that part of it should not be raised until we had definitely been given a complete refusal. He thought the point raised by Mr. Barrow was extremely important, and he thought it was for the Committee to recommend that the negotiations should proceed on the basis of obtaining from the United States Government permission to go right through.
16. CAPT. JOHNSTON still thought that the United States should be told that we proposed to do it in two stages. He considered it was only because of the delay in the British service that the Noumea proposition had been put forward, and he pointed out that it would be extremely difficult for Australia to continue to refuse permits for an American service to run direct if the British service did not seem to be getting anywhere.
17. SIR HARRY BATTERBEE wondered whether the Noumea project was seriously meant by America or whether it was merely meant as a tactical move.
18. SIR ARTHUR LONGMORE said that he understood that the Americans had had permission to use Noumea since 1937.

19. SQUADRON-LEADER GIBSON said if they began work at Canton it would mean they were committed to Noumea.

20. CAPT. JOHNSTON said the main point he wished to stress was that something should be done immediately about running a service at least part of the way.

The Committee adjourned at 4.10 p.m. and re-assembled at 4.30 p.m.

(Continued on Page 7.)



21. After the adjournment CAPTAIN JOHNSTON pointed out that the ultimate idea of Pan American Airways was to run through to Australia, and that any agreement to that plan, except on a reciprocal basis, would ruin the chance of the Trans-Tasman service being a success. He also suggested that in any possible conference or despatches the Americans might put forward the view that New Zealand was to be compared with Honolulu, and if we wanted to go beyond Honolulu they would want to go beyond New Zealand.
22. MR. FRASER thought they probably took the view that New Zealand was just a stepping stone on an American world route, and he raised the point that the United States could declare Honolulu-San Francisco passengers as coast-wise traffic as they had done with the steamers, but the same conditions could be applied to trans-Tasman passengers. He continued that a conference with America would be most desirable, but British representatives should not be tied down to any one limited definite project. We should be prepared to give and take over the matter of reciprocal landing rights.
23. CAPTAIN JOHNSTON considered one of the reasons why America would not agree to have a conference was that they did not know what was going to be put forward, and he stressed the view that we should come into the open and offer a fair and equitable proposal so that they could see that it was intended to serve them as well as ourselves. He pointed out that at the conference three years ago they had talked of cancelling the Pan American agreement but nothing had yet been done.
24. MR. FRASER replied that though it was disappointing to find that nothing had been done in that respect in the three years it would have been worse if the wrong thing had been done.
25. MR. BARROW moved that a drafting committee should be set up to prepare a statement, and the motion was unanimously carried.
26. SIR ARTHUR LONGMORE. said that while everyone was agreed as to the objective, they were not in accord as regards the course to be pursued. There was a political issue to be taken into consideration and it was not a question of selecting the islands, but



of deciding on the method of approach to the United States Government and the ultimate arrangements would have to be made by the Home Government through the usual diplomatic channels.

27. MR. FRASER was in favour of asking America for the through reciprocal rights as he considered the policy of bringing up the alternatives before the through rights were refused would show a broken front.
28. SIR ARTHUR LONGMORE said that one of the most important decisions that had been reached was that the Pacific route should run from Australia via New Zealand. MR. FRASER said that this meant that the New Zealand Government would have to inform Pan American Airways that it was not agreeable to their varying the route and going to Noumea. CAPTAIN JOHNSTON assured the committee that his endorsement of that view would be concurred in by the Australian Government on the understanding that the route would be started in the near future. He considered that an application should be made for through rights immediately.
29. MR. FRASER said it would have to be a genuine application and not one for tactical purposes and we would have to undertake that we would take advantage of the sanctions if granted, within a definite time. CAPTAIN JOHNSTON went further and stated that survey flights, at any rate, should begin this year. He had certain alternatives in connection with the method of approach and gave an undertaking to produce them in writing in the morning.
30. SIR ARTHUR LONGMORE doubted whether the committee was called upon to discuss the argument as to the ownership of the various islands in the Pacific. MR. FRASER was of the opinion that the Committee should reach an understanding on the matter, though it would be a matter for the respective Governments to discuss if they met the United States in conference. He read two cablegrams, dated 23rd March 1939, from the Secretary of State for the Dominions to the Governor-General.



31. CAPTAIN JOHNSTON read a letter from the High Commissioner for the United Kingdom in Australia to the Minister of Defence for the Commonwealth, dated the 20th March 1939. (See Appendix A).
32. SIR ARTHUR LONGMORE thought it would be practical to approach the United States through the usual diplomatic channels and indicate that we had the intention of establishing a through route via Hawaii and San Francisco to Canada on the basis of reciprocal rights, naming all the islands on the route. If they questioned our claim to any of the islands it would open up the opportunity for a Conference. Immediate action along those lines might stop the Noumea project.
33. MR. FRASER stressed the point that the matter of holding a Conference with the United States was of more importance than even the Pacific air route, because the closer that the British Commonwealth and the United States kept together the better for the British countries in the Pacific. Even if we had a Conference on such a minor matter, and in the scheme of world affairs a trans-Pacific air route is a comparatively minor matter, the Foreign Office would be pleased.
34. MR. FRASER asked Squadron-Leader Grundy, as secretary to the Committee, to draft with the assistance of Mr. Boyd-Shannon, a report setting out the conclusions that the Committee had reached with regard to the proposed route and reciprocal arrangements with the United States of America.
35. The Committee adjourned at 5.30 p.m., to resume at 2.30 p.m. on Wednesday, the 19th April, 1939.
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APPENDIX B.

COPY B.

OFFICE OF THE HIGH COMMISSIONER  
FOR THE UNITED KINGDOM,  
CANBERRA,

20th March, 1939.

S E C R E T.

My dear Minister,

I have now received the views of my Government on the proposals which you recently discussed with me that (i) item (j) should be omitted from the agenda of the forthcoming Defence Conference in New Zealand and (ii) an endeavour should be made to reach an agreement with the United States Government on the basis that the United States should control the portion of the trans-Pacific route north of the Equator, and that British interests should control the portion south of the Equator.

2. As regards (i), the position as seen by my Government is as follows:-

While they fully share the desire to press on with the establishment of a trans-Pacific air route as rapidly as possible, they consider that the best way of making positive progress would be by inducing the United States Government to co-operate for the purpose. As yet, however, the United States Government have abstained from accepting repeated invitations to enter into a four-party conference to discuss the settlement of the problem on a practical basis of reciprocal air facilities. Instead they have sought to secure for themselves control over intermediary links in the chain of trans-Pacific aviation by advancing a claim to Pacific Island hitherto regarded as British and have recently renewed their proposal

for/

The Hon. H.V.S. Thorby, M.P.,  
Minister of Civil Aviation,  
CANBERRA, A.C.T.



for discussions designed to regulate the status and use of the islands in dispute. As the Commonwealth Government are aware from the draft reply to this proposal, in which they have concurred, my Government, though not excluding the possibility of a discussion of the status of individual islands as a secondary matter at the four-party conference when it materialises, are opposed to the United States solution, which brings the difficult question of sovereignty into the foreground and assumes that the ownership of such islands can be determined independently of their value as part of a general system of air navigation. Moreover, it seems to them that the attitude of His Majesty's Governments concerned towards the question of ownership cannot be determined without reference to the importance of the islands concerned in connection with plans for colonisation and defence. In their opinion, the forthcoming conference in New Zealand offers an exceptional opportunity for co-ordinating the available information concerning the use of outlying Pacific islands for the above-mentioned purposes and of formulating recommendations as to the most practical method of ensuring that the problem of trans-Pacific navigation can be settled with due regard to the various interests involved. They therefore earnestly hope that the Commonwealth Government will withdraw their proposal to omit item (j) from the agenda, especially as the forward policy of the United States Government has rendered the consideration of this subject a matter of urgency.

3. As regards (ii), my Government see considerable difficulties in adopting the Commonwealth Government's proposal to sectionalise the trans-Pacific air route. The main objection, in their view, is that the proposal would not be in accordance with the policy of the open door and complete reciprocity in the Pacific which they desire to see established. My Government's plan contemplates the operation of United States and British Commonwealth services in close co-operation right across the Pacific, with reciprocal landing rights in the American Continent and New Zealand respectively, open rights at intermediate stopping places, common use of ground organization and

mutual/



mutual consultation regarding time-tables and frequency. The Commonwealth Government's scheme would involve abandoning the above principles and sectionalising operations.

4. Other objections seen to the scheme are that:

(a) it involves abandonment of the idea of a direct British Commonwealth air link between Australia, New Zealand and Canada;

(b) it would restrict the general development of Imperial communications and prevent the completion of a trunk route round the world;

(c) as a bargain it would be too completely one sided.

It would mean, on the one hand, that we surrendered reciprocal rights in United States territory which we are entitled to claim, and, on the other hand, that we granted rights in Christmas and other British islands north of the Equator without compensating advantages. We already possess suitable intermediate air ports in the South Pacific, rights in which could properly be exchanged for reciprocal rights in the United States islands, particularly Hawaii.

5. My Government appreciate that it may be argued that the Commonwealth Government proposals are intended only as a short term policy pending the conclusion of a later arrangement for full through service on the basis of reciprocity. It seems to them, however, that the proposed sectionalisation would prejudice rather than facilitate a subsequent development on the lines we desire. Moreover, as regards the actual operation of the route, British flying boats which will fly the North Atlantic this summer have the range necessary for the trans-Pacific service and there is no reason why the development of the latter service by British Commonwealth interests should be regarded as a remote contingency.

6. For these reasons, my Government would be unwilling to adopt the Australian scheme, involving as it would the acceptance of the position that the United States air service would alone provide the important part of the link between Australia, New Zealand and Canada.



7. In these circumstances, it seems to them that the forthcoming conference in New Zealand would provide an excellent opportunity to discuss the matter further; and they hope therefore that the Commonwealth Government will not press the proposal to omit item (j) from the agenda.

8. I have sent copies of this letter to the Treasurer and the Minister of Defence.

Yours sincerely,

(Sgd.) Geoffrey Whiskard.