University of Canterbury

A history of TEAL. The origins of Air
travel and air transportation, 1940-1968

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A HISTORY OF TEAL.

THE ORIGINS OF AIR NEW ZEALAND

AS AN INTERNATIONAL AIRLINE.

1940-1967
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Preface

Flying as a means of travel is no more than another step forward in man's impulsive drive to discover and explore, to colonize and trade. The ship, the railway and the automobile have already made their contributions toward these ends, that of the aeroplane is currently being made. However, in the field of air transport, progress has been so rapid and comprehensive that the aeroplane may possibly represent the last step; for, short of the development of travel by ballistic methods, long-distance journeys are becoming more and more the prerogative of the international airlines. On shorter stages too, air journeys of less than 200 miles appear to be accepted as both practicable and reasonable, even in areas where surface transport is highly developed. Airlines and aircraft are today as much a part of our world as the metropolitan bus and the suburban train. Fifty years ago airline life was just beginning; today suspension of its activity would inconvenience millions.

Consequently the time has long passed when aviation was a subject exclusively for the enthusiasts and pioneers; today it is a subject which is of
interest to everyone for it concerns everyone. New Zealand's concern with commercial aviation is probably greater than that of most nations since her geographical remoteness and exceptionally large volume of overseas trade combine to make the country dependent on air and sea transport. It is, therefore, hard to understand why successive governments in a country which has been so much to the fore in conceiving and developing its extensive social services and export pastoral industries failed to realize the importance of controlling New Zealand's export shipping.

Fortunately, the grim circumstances of war revealed to New Zealand's policy-makers that this mistake could not be allowed to repeat itself in the field of commercial aviation, and so today New Zealand owns and operates its own external airline - Air New Zealand. Like every one of the hundreds of companies which now form the airline world, Air New Zealand possesses a personality of its own and has had to solve a pattern of problems peculiar to its own environment.

The aim of this thesis is twofold. Firstly, it attempts to trace and record the development of TEAL, the predecessor of Air New Zealand, trying
throughout to explain the causes and effects of various lines of development. Secondly, it endeavours to show why New Zealand ownership of an international airline was deemed essential and advantageous. I would like to stress that this is a study of the origins of New Zealand's international airline, not a study of New Zealand in international aviation, for the latter must, of necessity, include a treatment of all the airlines operating into New Zealand, and in addition an examination of New Zealand's attitude to international aviation as expressed at various conferences and in membership of various organisations.

In the course of my research into TEAL's history, I came across few insurmountable difficulties in obtaining material, although I was surprised at the apparent lack of concern with the past on the part of the airline, a situation that seems to have ended with New Zealand's acquisition of total ownership. Nevertheless the company placed a great deal of information at my disposal and its staff revealed a pleasing willingness to recall events of the past with which they had been associated.
Reference should be made to three extremely useful items in the company's possession - an untitled outline history, a chronological outline of the company's operations and a monthly news-sheet. The first of these is a typewritten manuscript which outlines the growth of the airline and also discusses specialised agencies such as maintenance and catering. This work which has no title, is divided into a number of sections and is footnoted as TEAL, [untitled outline history], with chapter and page numbers. The second work provides a chronological outline of the airline's history between the years 1940 and 1961. As its pages are not numbered, it is footnoted as TEAL, Operational History, followed by the date of entry. The third work is a monthly news-sheet which was issued from 1940 until 1954 when it was superseded by a monthly bulletin, Tealagram, the name of which was changed to The Air New Zealander in 1965. This item has been footnoted as TEAL, Report for the Month.

The other major primary source for this thesis has been the metropolitan newspapers, principally The New Zealand Herald and The Press. They were of particular value for their editorials and articles by aviation correspondents which, if not always impartial,
were valuable guides in assessing the attitudes of the time. Mention should also be made of the information contained in the files of Whites Aviation, Auckland. This company has, through the interest of its founder, seemingly assumed the role of archivist for New Zealand aviation and has in its possession a great deal of valuable information, concerning not only TEAL but all aspects of civil and military aviation in this country.

Secondary material is not abundant; most of the references so classified in the bibliography deal with a much wider picture into which TEAL and Air New Zealand fit as one small part. However R.E.G. Davies' work *A History of the World's Airlines* (1964) is extremely valuable for, not only is it a source of reference, but it also provides a world-wide picture into which New Zealand developments can be placed and with which New Zealand can be compared.

In compiling this thesis, two major difficulties were experienced. Firstly, I considered it necessary, in order to present a full picture of the airline's change to an international operator, to continue the period under consideration up to the end of 1967. This is the point where history becomes the present and the present becomes history, and it means the
inclusion of a period in which I had a personal interest in the development of aviation in New Zealand. This, I hope, has not been allowed to interfere with the assessments and judgements which I have passed.

Secondly, in the treatment of a topic which spans more than a quarter of a century, many subjects must of necessity be summarily dealt with and others excluded altogether. Many of these concern specialised agencies, maintenance, catering, cabin services, and are undoubtedly important in themselves; however, this importance usually diminished when the item was included in the whole and reluctantly these factors were excluded. To have given them the attention they deserve would greatly increase the length of this study and would also demand an intimate knowledge of these agencies which is to be gained only through a more considerable association with the airline than I, regrettably, was able to experience.

* * * * *

During my research I have incurred many debts of gratitude. Undoubtedly my greatest debt is to the
staff of Air New Zealand, in particular Messrs V. Mitchell, P. Davidson and D. Findlay; Mrs N. La Hood; and Misses J. Oliver and G. Laloli of the Information Services department, who not only accommodated me in their office for almost two months but answered every question and met my every request with patience and enthusiasm.

I wish to thank the many librarians who have tended my numerous demands, in the Auckland Public Library, the General Assembly Library, the University of Canterbury Library, and I would especially like to extend my thanks to Mr R.C. Lamb and the staff of the New Zealand Room, Canterbury Public Library, Christchurch. I am also grateful for the help of Mr D.P. Woodhall of the Aviation Historical Society who provided a number of the illustrations and valuable information on the various aircraft used by the company. Thanks are also due to a great number of people who have contributed, directly or indirectly, to the compilation of the information presented in this thesis. They are too many to name individually but my thanks are no less because of this.

I owe a special debt of gratitude to my supervisor, Professor W.D. McIntyre, for his suggestion of what has proven to be an extremely
interesting topic, and also for his supervision and guidance throughout my preparation of this study.

Finally, to my sister, Miss Pam Thomson, I must express my grateful thanks, not only for her patience and forbearance in accurately transforming my written script into a more legible typescript, but also for her help in the checking and correction of the manuscript.
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Airline Names: in the case of an acronym where the initials or syllables of a company's name form a pronounceable word, e.g. TEAL, no stops are used. Where the initials are themselves pronounced individually, e.g. B.O.A.C., full stops are inserted.

Currency: in July 1967 New Zealand adopted a decimal system of coinage. However, in order to preserve uniformity, the old £.s.d. system has been used throughout this study. As $2 = £1 this is easily converted to decimal currency value.
CHAPTER 1    FROM VISION TO REALITY

On 30 April 1940 the first scheduled commercial flight of Tasman Empire Airways Limited commenced when the flying-boat "Aotearoa" lifted off Auckland Harbour and set course for Sydney, 1,300 miles away across the Tasman Sea. Airlines, however, are not evolved overnight and this fledgling had been no exception. In the preceding years a series of official discussions examined the feasibility of linking Australia and New Zealand with a commercial air service, whilst pioneer airmen demonstrated that such a link was possible. Consequently, the flight of the "Aotearoa" was the culmination of some twelve years of endeavour aimed at establishing an air link between New Zealand and the outside world, in particular, with her near neighbour Australia.

Such a link had been envisaged at the end of the First World War by no lesser person than Major-General Sir Frederick Sykes, Controller-General of Civil Aviation in Great Britain. In the course of an address delivered to the Royal Geographical Society in 1920, Sykes revealed that in June 1918
he had prepared and read to the Imperial War Cabinet a paper in which the policy of uniting the various parts of the Empire by air was discussed.\textsuperscript{1} Sykes' paper of 1920, in most part a descriptive outline of such a network, contained a proposal to link Australia and New Zealand by air. The Australian terminus was to be at Sydney, New Zealand's at either New Plymouth or Wellington.\textsuperscript{2} New Plymouth never became a base for such a service and thirty years elapsed before Wellington was incorporated into the external air network of New Zealand.\textsuperscript{3} The scheme is worthy of note, however, in that the linking of Australia and New Zealand in 1940 was the final extension of another Empire air scheme originating in Great Britain.

The implementation of a scheme such as that envisaged by Sykes was not beyond the realms of possibility. The probability of such an event in the early 1920's was slight however as was revealed by an examination of the scheme within

\begin{itemize}
\item[2.] Ibid., pp.241-62.
\item[3.] The first external commercial service from Wellington was flown 3 Oct 1950.
\end{itemize}
the context of civil aviation of the day. Only seventeen years had elapsed since the Wright Brothers' successful flight in a heavier-than-air machine, and Bleriot's crossing of the English Channel had taken place as recently as 1909. The First World War, in employing aeroplanes as weapons of attack and defence, provided an impetus to aircraft development, and the abundance of aircraft and airmen after the cessation of hostilities provided a suitable base from which civil aviation could, and did, develop. Within most major European countries, and also in the United States, airlines were formed and regular services commenced. In 1924 the struggling competitive services within Great Britain were combined into one company, Imperial Airways. It was intended that this organisation compete with the airlines of nearby continental countries, at the same time planning for more distant flights, with mail and passengers, along routes that would link the countries of the Empire. Thirteen years later, in 1937, an Imperial Airways' flying-boat carried out an experimental flight across the Tasman, gathering data for the proposed Tasman service.
Australia, although far from the major aircraft suppliers, followed overseas trends and in the four years 1921-24 three airline companies commenced operations. The most important of this trio was the company Queensland and Northern Territory Aerial Services Limited for it was this firm which in 1934 joined with Imperial Airways to form Qantas Empire Airways Limited and this latter organisation was responsible for establishing the Empire Air Mail Scheme between the United Kingdom and Australia. Commercial operations across the Tasman were envisaged as a further extension of this scheme and consequently suffered by the delays which occurred before the England-Australia service was opened.

In 1928, six years before the formation of Qantas Empire Airways, the second attempt to fly the Tasman Sea had succeeded. Preceding years had shown that the aeroplane could cover long distances by means of a succession of short flights. In June 1919 Ross and Keith Smith won a prize of £10,000 offered by the Australian Government for the successful completion of a flight of less than thirty days between England and Australia. In the
same year Alcock and Brown conquered the Atlantic. The Pacific's turn came in 1928 when Kingsford Smith crossed from California to Brisbane by way of Honolulu and Fiji. Sooner, or later, as this shrinking of the globe continued, attention was certain to focus on the Tasman, as yet uncrossed, and in 1928 the first of the twenty crossings undertaken over the next eight years commenced. Ironically, the first attempt was destined to be the one flight in twenty which failed. In a small monoplane named "Aotearoa", the same name as that given twelve years later to one of the regular Tasman service flying-boats, Lieutenant J.R. Moncrieff and Captain G. Hood made their bid to be conquerors of the Tasman. Leaving Richmond, some forty miles from Sydney, on 10 January 1928, they headed eastward hoping to land at Trentham. Shortly after twelve hours flying-time had elapsed radio contact with the airmen was lost. They were neither sighted nor heard from again and the wreckage of their aircraft remains undiscovered.

Despite the tragic ending of this initial attempt others were ready to try and in September 1928, just eight months after Hood and Moncrieff's
attempt, the "Southern Cross", with a crew of four - C.E. Kingsford Smith, C.T.P. Ulm, H.A. Litchfield and T.H. McWilliam - completed the first aerial crossing of the Tasman Sea, in a time of 14 hours 25 minutes. Another link in the airways of the world was forged and, in Australia and New Zealand, the time could be visualized when mail and passengers would travel the distance between the countries above, rather than on, the Tasman Sea.

Time was obviously needed for the complete development of a service but the arrival of "Southern Cross" at Wigram Aerodrome was a practical demonstration that the limitations suffered by New Zealand as a result of the country's isolation were on the way to being overcome. The significance of the event was not lost upon the politicians of the day. New Zealand's Prime Minister, J.G. Coates, announced a grant of £2,000 to the party as an encouragement to such efforts - "not with the view of anything spectacular, but of the possible growth of trade and passenger services by air."\(^1\)

\(^1\) **PD**, ccxix, 120.
H.E. Holland, Leader of the Opposition, saw the flight as "the forerunner of important air services between New Zealand, Australia, and other countries"\(^1\), and in similar mood the Australian Prime Minister, S.M. Bruce, expressed the hope that the flight might "inaugurate a new era in the means of communication between our two Dominions."\(^2\) A Christchurch newspaper was even bolder. In a leading article it acknowledged the fact that a regular Tasman service was still a long way off, but went on to say, "in less than a decade the growth of public interest and confidence in the new method of travel will have made material advance."\(^3\)

One month and three days later, 14 October 1928, Kingsford Smith and his crew flew "Southern Cross" back to Australia. This return flight lasted nearly twenty-three hours but this double crossing clearly foreshadowed the establishment of a regular air service across the Tasman. How long that would take and the type of aircraft best suited for such a service were questions which demanded answers. The flights of "Southern Cross"

1. PD, ccxix, 120.
2. Bruce to Coates, telegram, 11 Sep 1928, quoted in NZH, 12 Sep 1928.
3. Lyttelton Times, 12 Sep 1928.
had shown that men were available: adequate finance was now required in order that the most suitable type of aircraft might be obtained.

Ulm summed the matter up;

At present we know of no type of aircraft in production which is ideally suited to such a service but we are thoroughly convinced that such a type can, and will in the comparatively near future be developed ... . However, in my opinion before such a service is put into operation at least a year, or probably two years, of work is ahead in research and preliminary organisation. 1

Others were to follow in the path of the "Southern Cross", G. Menzies (1931), F. Chichester (1931), W.M. O'Hara (1935), Jean Batten (1936) and L.E. Clark (1936) to name but a few. 2 Each flight contributed in some way to the growing fund of knowledge necessary before regular commercial operations could be attempted. Furthermore, they demonstrated that the ill-fate which terminated the attempt of Moncrieff and Hood was an exception to, rather than the rule of, flying conditions across the Tasman. Some of these flights were more spectacular than others.

1. NZH, 15 Oct 1928.
2. For further details on these pioneering flights see L. Jillett, Wings Across the Tasman, 1928-1953, chaps II-XV.
Menzies finished upside down in a swamp near Hari Hari on the West Coast. Chichester made his journey from New Zealand to Australia even more hazardous than necessary by halting at Lord Howe and Norfolk Islands. Jean Batten's Tasman flight was only the last stage of a marathon England–New Zealand journey, completed in ten days. The activities of these aviators must not be allowed to overshadow a number of other Tasman flights taking place over the same period. Between January 1933 and July 1934 Kingsford Smith made four Tasman crossings and over the same period, his companion during the 1928 trip, Ulm, performed six trans-Tasman flights. The significance of these flights is examined in greater detail later in this chapter.¹ At this point it may be noted that both men had made public statements concerning the establishment of a regular Tasman service and on some of these trips mails were carried.

At the same time as this activity in the Tasman area, further development in the field of

¹. See below, pp. 11-13.
civil aviation was taking place overseas. Indeed it was the combination of overseas development with local activity which finally led to the establishment of a Tasman service in 1940. Providing the impetus for this development were two principal factors. The size of aircraft was increasing and this allowed for either greater range or payload and, in some cases, a combination of both. The second factor was that by the end of the 1920's the aeroplane was so well developed as a method of transportation that the Postal Union found it necessary to regulate its use for carrying mail and an Air Mail Convention was adopted by the Postal Union Congress which assembled in London in 1929. Under its provisions airmail fees were to be payable by ordinary postage-stamps and registration of correspondence sent by air was to be available if desired. The Congress also decided upon a system by which air and sea mails could be distinguished. In future mail for despatch by air was to carry, on the upper left-hand corner of the front of the envelope, a blue label with the words "By air mail."\textsuperscript{1}

\textsuperscript{1} AJHR, 1930, F 1, p.23.
New Zealand airmails intended for England crossed the Tasman by ship and were then carried on by air, where such a service was established. In the latter part of 1930 Imperial Airways and the Dutch airline K.L.M. were engaged in a competitive drive to establish a route into South-east Asia, and in April 1931 Imperial Airways undertook the carriage of experimental mails to Australia. With the help of two Australian airline companies, Qantas and the original Australian National Airways, this venture proved highly successful. In the same year K.L.M. opened a regular passenger service between Amsterdam and Batavia. 1 The air link between Great Britain and New Zealand and Australia was gradually coming closer. It appeared, however, that some form of regular service on the section between England and Australia was required before the establishment of a Tasman service could be justified.

The ten flights made by Smith and Ulm in the nineteen months between January 1933 and July 1934 demonstrated that operation of a Tasman service was

1. Batavia is now named Jakarta.
a practical proposition. However, both agreed that a more suitable type of aircraft was an essential requirement of any such service. In 1934 Smith, in predicting a regular service as being some five years distant, confessed that it was very difficult to talk of a regular service when there were few machines capable of performing such a task satisfactorily.¹ In the course of these flights airmail crossed the Tasman for the first time. On 17 February 1934, Ulm carried the first airmail from New Zealand to Australia. In March Smith carried mail from Kaitaia to Sydney and during the following month Ulm transported mail in both directions. At the time the desire for a regular airmail service between New Zealand and Australia provided the driving force behind the advocation of a Tasman service. It was too early to expect consistent passenger support for any service. Both countries were in the process of emerging from the Depression and a suitable type of passenger aircraft had still to be found. Airmail therefore appeared to offer the best prospect of support for any regular service that might be

¹ NZH, 15 Jan 1934.
established. In the course of four flights these two airmen transported some 123,000 letters weighing more than 1,600 lbs across the Tasman.\footnote{AJHR, 1934-35, F 1, p.14.} It seems astonishing that their activities did not lead more speedily to the inauguration of a regular Tasman service. A possible reason may lie in the fact that within fifteen months both had lost their lives in flying accidents in other parts of the world.

In 1935 the commemoration of twenty-five years of the reign of King George V provided a fitting occasion on which to attempt an air-link between Great Britain and New Zealand. Kingsford Smith was to fly the Australia-New Zealand section and return, and, upon the arrival of the New Zealand mail, special flights were to be despatched from Brisbane to connect with Imperial Airways at Singapore. At last it seemed as if New Zealanders could despatch airmail to England in the knowledge that not just part but the entire route would be traversed by air. Ill-fortune, however, ended this visionary enterprise. Four hundred and fifty
miles from Sydney one of the three motors on "Southern Cross" failed and as the stricken craft, another engine ailing, limped back to Sydney the Jubilee Mail was reluctantly jettisoned. New Zealand's Prime Minister, G.W. Forbes, at the time in London attending King George V's jubilee celebrations, expressed relief at Smith's escape from a "desperate situation" and ventured the opinion that the episode had revealed that the right type of machine to make regular mail and passenger crossings a practical proposition had still to be found.¹ The leader writer of a Christchurch daily newspaper thought otherwise. The Prime Minister's attempt to draw a moral from an unsuccessful flight was deemed "regrettable" whilst the opinion he had ventured could "scarcely be regarded as authoritative or useful."² By 1935 a number of aircraft had been produced, in comparison with which the "Southern Cross" appeared both painfully slow and relatively small but apparently none of these aircraft fulfilled the Prime Minister's requirements.

¹. Press, 17 May 1935.
². Ibid.
Kingsford Smith was undaunted by the failure of the Jubilee Mail attempt and within a month of that venture had formed and registered a developmental company - the Trans-Tasman Development Company Limited. He explained that the company was formed "for the purpose of co-ordinating the knowledge that has been gained by our previous crossings of the Tasman, dating back to 1928, together with investigations into the operating of a regular service."¹ It was, of course, impossible to inaugurate such a service almost immediately. After the Jubilee flight Smith had forecast 1937 as the earliest possible date, warning that it was important to determine whether there was yet a demand for such a service. What was needed, he added, was a company which could offer the public a perfectly organised and entirely efficient service, and was also able to pay for itself. Necessities for successful operation he deemed to be punctuality, regularity, safe operation and a readiness to link up with Imperial Airways.²

¹. Press, 6 Jun 1935.
². Ibid., 28 May 1935.
Smith himself lost little time in moulding his company along such lines. Less than one month after its formation he submitted a comprehensive scheme for a Tasman service to the Federal Government of Australia. The scheme provided for the experimental operation of a Tasman service over a period of three to six months, using either flying-boats or land aircraft. It was suggested that the Governments of Australia and New Zealand purchase the machines and then, when the service was firmly established, sell them to a permanent contractor who would continue to operate the service. New Zealand was to contribute sixty per cent., and Australia forty per cent., of the necessary funds, Smith reasoning that New Zealand had most to gain by the scheme.¹

It was fortunate for Smith that the man before whom his proposals were placed was the Australian Minister for Defence, R.A. Parkhill, for he personally wished to see the Tasman air-service established as an Australian and New Zealand enterprise.² Parkhill gave the proposals a warm reception, as was to be expected, but asked for further information and an estimated cost of such a scheme. In less than a

¹ Press, 20 Jun 1935.
² Ibid., 13 Jul 1935.
fortnight the required information was presented: a company with a capital of £260,000 and operating Sikorsky flying-boats with a speed of 150 m.p.h. would make two trips in each direction weekly. The company would provide the machines but a subsidy would be required, and it was suggested that New Zealand contribute sixty per cent. of the required amount. Smith's proposals were never put into practice but when Tasman Empire Airways Limited was formed, New Zealand did in fact become the major shareholder. This position New Zealand enjoyed until 1953, then, for eight years ownership was shared on a joint basis with Australia, until finally in 1961 the company became entirely New Zealand owned.

When Cabinet endorsement was received for Parkhill's approval of the scheme, Kingsford Smith focussed his attention upon the politicians of New Zealand. For New Zealand the advantages of a Tasman air service were great - an end to isolation, tourists could stay longer and spend more and long-range aircraft and skilled personnel would be available for defence purposes. Furthermore, a

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service of this type would be needed if New Zealand was to share in the advantages which would follow the proposed speeding up of the England-Australia service.

On 24 July 1935 Smith met New Zealand's Cabinet Ministers at Parliament House. If he could obtain their approval of his scheme the way was clear for him to complete necessary details of equipment and operation. Full details of the Conference were not disclosed but it was understood that Smith outlined two proposals to the Cabinet. He offered a flying-boat service making two trips a week and requiring a subsidy of £80,000, New Zealand to contribute half or, alternatively, a service with Douglas landplanes, these carrying mail only and requiring a smaller subsidy of £60,000, New Zealand again to contribute half the amount. Either service, if established, would also require protection for a period of six years.1 Unfortunately for Smith, the New Zealand Government was less enthusiastic than its Australian counterpart and gave only an undertaking to consider the proposals and notice of its intention to communicate with the Australian and

Imperial authorities in regard to their contributing some of the cost.

It is worthy of note that a change had taken place in the financial side of the scheme during the journey across the Tasman. New Zealand was no longer required to contribute sixty per cent. of the subsidy, fifty per cent. was the new figure she would have to pay. Two months later a Sydney report indicated that an application had been lodged by Smith's associates with the Federal Director of Postal Services seeking permission to carry airmail between Australia and New Zealand. The service was to use Sikorsky flying-boats on a twice-weekly schedule and the commencement date, provided approval was granted, was given as July 1937.1 The application contained no mention of a subsidy. Smith had apparently decided the service did not need to rely upon a Government subsidy in order that it might be run as a commercial proposition.

The prospects of the Trans-Tasman Air Service Development Company, as the organisation was now

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1. CS, 7 Sep 1935.
known, operating a Tasman service suffered a serious setback in November 1935 when Smith lost his life in the course of an England-Australia flight. Lady Kingsford Smith decided that the company should continue its work and promised the backing of her own resources. She herself occupied the seat on the board of the company previously held by her late husband. The plans were to be continued but the driving force behind them had gone. This fact, combined with the reluctance of both the Australian and New Zealand Governments to commit themselves definitely to the proposals, virtually ended the first attempt to establish a commercial air service across the Tasman. In 1936 the company tried again, placing proposals before both Governments. The proposals were unchanged - Sikorsky flying-boats, a three month trial period, two return flights a week, one Sydney to Auckland, the other Sydney to Wellington.

1. The change in the name of the company by addition of the words 'Air Service' to the original title seems to have occurred about the time of Smith's death in Nov 1935. The company was given its original title in a report in The Christchurch Star Sun, 18 Dec 1935 but the new title appeared in reports in the same paper 17 Jan 1936, and also in The Press, 7 May 1936 and Wings, 5 Feb 1936.

2. Wings, 5 Feb 1936, p.12.
The attitude of the New Zealand Government also remained unaltered. Desiring joint control by the Australian and New Zealand Governments of the proposed service and committed to the extension of the Empire Air Mail Scheme to New Zealand, the New Zealand Government declined to make a decision. Upon the failure of these negotiations with the two Governments, the company concerned abandoned the project. Four more years were to pass before a commercial air service crossed the Tasman Sea.

Much of the New Zealand Government's opposition to the Trans-Tasman Air Service Development Company Limited's scheme arose from the Government's interest in the proposed extension of the Empire Air Mail Scheme across the Tasman. As a result of this outlook the establishment of a Tasman service was clearly going to be held up every time a delay occurred in the inauguration of the England-Australia section of the route. Delays on this section not only occurred, they were numerous and lengthy and this, in addition to the fact that the scheme was not intended to reach Australia until 1938, gave little hope for the early establishment of an aerial link between New Zealand and Australia.
The Empire Air Mail Scheme, devised by the Board of Imperial Airways, envisaged the carriage of all first-class mail by air, and, as well as providing an excellent way of expanding the field of the company's activities, was a workable way of linking various Commonwealth countries with Great Britain. The Bill establishing it passed the House of Commons on 20 December 1934 and proposed linking London and India in two days, London and South Africa in four days, with a similar time for a journey from London to Singapore by way of India. When extended to Australia the time for the journey was to be seven days and one further day would be needed to extend the service to New Zealand. The carriage of all first-class mail by air on these routes was provided for, the British Post Office proposing a letter rate of 1½d a half ounce although Governments of participating countries were free to fix their own charges. Clearly though the scheme would benefit greatly if charges were uniform throughout the whole system. The British Post Office also reported that it did not expect to introduce the new rate before 1937.¹

¹ Details of the Empire Air Mail Scheme are given in Deb. H.C., 5th ser., ccxcvi, 1328-31.
Not only did the scheme promise to be of great value in the transportation field, it was also vastly important for British prestige and in securing Empire cohesion through active leadership by the Mother Country.

It was the intention of Imperial Airways to operate the scheme with flying-boats since this type of machine would not require elaborate aerodromes to be constructed and maintained along the routes. Accordingly, a fleet of twenty-eight Empire flying-boats was ordered from Short Bros. The boldness in this action of placing a large order for an aircraft not yet designed or flown is revealed by the protracted evaluation programmes which precede the re-equipment of an airline today. It was, however, an action in keeping with the character of a scheme subsequently described as "one of the most bold and successful measures ever taken in the history of air transport." ¹

In the same month the airmail scheme was made public, a regular mail service was opened between Australia and England, enabling mail to travel from

¹. W.H. Fysh, *Qantas at War*, p.45.
England to New Zealand in seventeen or eighteen days, depending, of course, upon a good connection being made with a trans-Tasman steamer at Sydney. Realising the importance of this extension of the England-India air route to Australia, the New Zealand Government agreed to contribute £5,000 per annum toward the cost, on the understanding that suitable connections with trans-Tasman ships would be maintained at the Australian end. The £5,000 was to be divided in the proportion of three-fifths to the Government of Great Britain and two-fifths to the Government of Australia, the basis of division coinciding with the distance of the sections served by those countries on the extended service.¹ Association with this scheme facilitated the speedier delivery of mail between London and New Zealand but it was clear that little reduction of the time taken could be obtained by the continued use of ship and aeroplane, even though the performance of both was constantly being improved. What was needed was an extension of the London-Australia air service across the Tasman to New Zealand.

¹ AJHR, 1934-35, F 1, p.4.
Prospects for such a service appeared promising after representatives of Britain, Australia and New Zealand met at Sydney in February 1935. The conference was convened in order that the representatives of Australia and New Zealand might be given a detailed briefing on the Empire Air Mail Scheme, and an exhaustive examination of this scheme took place. More significant, from New Zealand's point of view, an air link across the Tasman was discussed, and was reported to be "within the realms of practicability."¹ Such a service, operating twice-weekly, would allow mail to travel from New Zealand to Great Britain in a transit time of eight days, a reduction of fifty per cent. on the ship and aircraft method. Tentative agreement regarding the financial structure of the service provided for Great Britain contributing fifty per cent., Australia twenty-five per cent., and New Zealand twenty-five per cent. of the total cost. Both the Australian Controller of Civil Aviation and members of the British delegation were to investigate and report on suitable type of aircraft for the operation.

¹ Details of the Sydney Conference were given in a statement by the Postmaster-General, PD, ccxli, 287-88.
of the route. At this stage however, it was not proposed to discuss the establishment of a passenger service across the Tasman. It was with some justification that the Postmaster-General wrote in his annual report;

Progress recently in the development of aviation as a means of long-distance transport over land or sea has been such that there is every prospect that by 1937 all letters from Great Britain to New Zealand will be conveyed by air twice weekly in the remarkably short time of eight days.¹

The New Zealand Government was obviously committed to the idea of extending the Empire Air Mail Scheme across the Tasman and consequently withheld approval of the plans put before it later in the year by Smith's company. No doubt the British Government contributing fifty per cent. of the cost of extending the Empire scheme appeared a much more attractive proposition than that proposed by the company under which Australia and New Zealand would each contribute fifty per cent. of the subsidy required to operate an independent service.

New Zealand support for the scheme was not without critics. Captain P.G. Taylor, pioneer

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¹ AJHR, 1935, F 1, p.8.
aviator and associate of Kingsford Smith complained about the possibility of an English company directing the service. New Zealand and Australian airmen had performed the pioneering work across the Tasman and they should, upon procurement of the right type of aircraft, be allowed to commence a service. Controversy on such a point reveals that the future inauguration of a service was at last regarded as an established fact; henceforth the point of issue would be one of operation. Who, in fact, was going to operate the service when it was established?

There are interesting points in an attempted answer. Almost certainly both the Trans-Tasman Air Service Development Company and Imperial Airways would have required some form of subsidy in order to operate the service, at least over the early years. If such a subsidy was granted by the Governments of Australia and New Zealand then it was almost just as certain that, in order to protect their investment, they would take some form of control. On the other hand there existed no really valid reason why an

1. NZH, 17 May 1935.
efficient service could not be operated by Australians and New Zealanders. There would have been no need to worry about close co-operation between such a service and the England-Australia service for the best interest of the company, as well as public demand, would have seen to that point. An important factor in favour of a New Zealand-Australian enterprise was that financial benefits of operations would come to New Zealand and Australia, whereas dividends earned by Imperial Airways if they operated the service, would pass to the company's shareholders in Great Britain. The rejection of Smith's plans later in the year revealed that the Government favoured an extension of the Imperial Airways network rather than a local service, even though it could not be established before the end of 1937 at the earliest.

However, so frequent were the delays in the development of the Empire scheme to Australia that it began to appear as if the date of late 1937-early 1938 might have been rather too optimistic. It was not until 1937 that the Australian and English authorities reached agreement on the basic outline of the service with details still to be
determined. From the start Australian officialdom appears to have been against the scheme. The use of flying-boats operating round the long Australian coastline did not fit in with current defence plans, the cost - not only that incurred in operating the service but in establishing and maintaining flying-boat bases - caused alarm, and Australian control of the Singapore-Australia section was desired. Consequently, on 31 January 1936 the Australian cabinet rejected the Empire scheme.¹ The remainder of 1936 passed in argument and attempts to resolve the differences between the United Kingdom and the Australian authorities. Much valuable time was lost and all the while the establishment of a Tasman service seemed to fade further into the background.

The announcement in January 1937 that agreement had at last been reached on the Empire Air Mail Scheme did not end the opposition. Further delay was occasioned by the attitude of one section of Sydney's population to the choice of their suburb as base for operations. Taking into account

¹ CS, 1 Feb 1936.
Sydney's population, industrial importance and geographical position in relation to Australian settlement as a whole, its choice as terminus appears a logical one, even more so when Sydney's position as a point of entry for the proposed trans-Tasman and trans-Pacific services is considered. The residents of Rose Bay, the local inlet chosen for the base by H.G. Brackley, Air Superintendent of Imperial Airways, thought otherwise and, in the words of Hudson Fysh of Qantas Empire Airways, "a most extraordinary outcry arose"\(^1\), the residents protesting strongly against the establishment of a flying-boat base in their suburb. Their protests were harshly criticised by a local newspaper:

The storm in a teacup over Rose Bay as an airmail base would be as ridiculous as it is trivial if it were not that it is holding up preparations for the commencement of the new Empire air service next year ... . Already we have had enough dilly-dallying with the Empire air service, and there should be no more avoidable delays. The Commonwealth Government should make up its mind and get on with the job ... . It is a matter of parish-pump politics against the broad vision of national and Imperial progress. Which is to come first, Rose Bay or the Empire?\(^2\)

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A second expert commissioned by the Australian Government confirmed Brackley's selection of site. In fact there was only one alternative, Botany Bay, but the swell from the open sea experienced there would have necessitated a long and expensive breakwater. Despite the opposition of the State Government, the local Council, and the residents, the Federal Government went ahead and declared Rose Bay the Sydney base. Minor details remained to be attended to and a year passed before the Empire Air Mail Scheme commenced operation between England and Australia in July 1938.

The desire to establish a trans-Tasman air service had not been forgotten during the struggle to open the Empire Air Mail Scheme as far as Sydney. "We are not simply waiting for something to turn up - we are trying to make something turn up", the New Zealand Prime Minister, M.J. Savage, stated. Having rejected the plans of Smith's company the New Zealand Government devoted its attention toward an effort to establish the Tasman service on the same day as the Empire flying-boat service opened.

1. CS, 19 Feb 1936.
This action was almost certainly spurred on by the activities of Pan American Airways in the Pacific area, for this company had, in 1935, sent a representative, H. Gatty, to New Zealand to negotiate for the establishment of a San Francisco-Honolulu-Pacific Islands-New Zealand service. Such a service would, if established, go a long way toward ending doubts as to the necessity and success of a Tasman service. The Australian-England dispute was bound to have repercussions on the establishment of a Tasman service and the proposals reported as "quickly taking shape"\(^1\) in October 1935 had by May 1936 "broken down",\(^2\) whilst in the opinion of the Australian Minister for Defence, R.A. Parkhill, it was "premature" to deal with the proposals until the matter of the Britain-Australia airmail had been dealt with.\(^3\)

In an attempt to overcome the deadlock which had developed, representatives of the three countries concerned met at Wellington in September 1936.

No official announcement was made on the outcome of the conference but The Press reported that it understood finality had been reached on a number of points which were to be submitted to the Governments concerned for ratification, an observation subsequently verified in the Report of the Postmaster-General.¹ A further six months went by with no appreciable advance being made toward establishment of a service. As the apparently never ending negotiations continued it was reported that the original proposal of the service being operated on a direct subsidy basis with Britain contributing half and both Australia and New Zealand a quarter of the total cost, had been abandoned. It was now expected that an operating company, modelled on Qantas Empire Airways and that organisation's operation of the Sydney-Singapore route, would be formed, the new company containing interests of Imperial Airways, Qantas Empire Airways and Union Airways, a domestic operator of New Zealand.² It was not until July 1937 that agreement on operation of the service was announced.

2. SMH, 13 Mar 1937.
The service would be operated by a newly-formed company in which each Government would be represented by three directors. Subject to revision every three years New Zealand was to bear thirty-nine per cent of the payments to the company, the United Kingdom thirty-eight per cent., and Australia twenty-three per cent. The company was to be granted mail contracts and receipts from the company's earnings were to be divided in similar proportions.\(^1\)

At last the question of operating the service had been settled but the means of settlement were open to question. The original intention of extending the England-Australia route to New Zealand with Imperial Airways controlling and operating the service would have simplified the administrative side of the venture and reduced the capital cost. The new company, under the control of three authorities rather than one would almost certainly suffer some loss of efficiency. Moreover, the arrangement adopted seemed to make further progress dependent on agreement among the three governments concerned, agreement which had in the last two years been singularly difficult to secure. Indeed, the numerous

\(^1\) Press, 31 Jul 1937.
delays of the past years seemed to dampen the news of agreement. The Press warned against excessive enthusiasm and optimism in a leading article which said, "The pettifogging obstinacy of the Australian and New Zealand Governments over minor issues has so long delayed the inauguration of an air service across the Tasman that no one will be rash enough to assume that the agreement ... finally removes all obstacles."¹ Such a warning appeared justified when New Zealand's Prime Minister confessed that he did not know when the air service across the Tasman would be inaugurated, adding that decisions on many matters, including the type of machine to be used, had yet to be made.²

Prospects brightened when the Empire flying-boat "Centaurus" conducted an experimental Tasman flight late in 1937. Under the command of Captain J.W. Burgess the craft completed the crossing in just over nine hours, arriving at Auckland shortly after 3 p.m. on 27 December 1937. This, the first crossing of the Tasman by an aircraft capable of operating a commercial service, was an historic event.

2. SMH, 14 Sep 1937.
"Since it is the first practical step toward the establishment of a regular flying service across the Tasman, it marks an epoch in the relations between the two countries" wrote the Australian Prime Minister, J.A. Lyons.\(^1\) "Another step towards the establishment of a regular air service between our two Dominions" was the opinion of H.V. Thorby, the Commonwealth Minister for Defence.\(^2\)

Historic though the occasion was, it could not be overlooked that when "Centaurus" arrived at Auckland the Pan American Airways' flying-boat "Samoan Clipper" was already riding at anchor on Auckland Harbour. The Press quoted a report from the "News-Chronicle" which read, "what is certain is that a full service cannot possibly be operated till the next summer, yet a bi-weekly service between America and New Zealand is being opened to-morrow. How is this for 'cementing the bonds of Empire'?"\(^3\) Unfortunately the "Samoan Clipper" and her crew were lost on a southward voyage in January 1938. Services were suspended and did not

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1. Lyons to Savage, letter, quoted in Press, 29 Dec 1937.
2. Thorby to Jones, letter, quoted in CS, 27 Dec 1937.
3. Press, 7 Jan 1938.
resume until September 1940, operating successfully from then until the Japanese thrust into the Pacific necessitated their cessation until the end of hostilities.

The delay in the establishment of a Tasman service was even less tolerable in view of the fact that the agreement of July 1937 provided a framework upon which a service could be built. All that was required was the formation of the operating company, construction of bases and the acquisition of suitable aircraft. Curiously the determination to move ahead appears to have been the missing yet vital factor. Consequently a statement by the Australian Prime Minister that the service would probably begin simultaneously with the new flying-boat service from Sydney to Britain appears both premature and optimistic.¹ In order to establish a service by that date the New Zealand Government would have needed to abandon its demands for New Zealand retaining direct control of the operation of the company and its equipment, and accepting instead the British and Australian idea of a joint Government

1. SMH, 29 Dec 1937.
organisation exercising general control of policy whilst an operating company conducted the service. With Qantas Empire Airways already possessing the equipment necessary for the service, the latter course provided the only means of establishing a service quickly since for a newly formed company, with three governments as partners, to procure such equipment would possibly have taken at least a year. Further time would be needed for the installation of radio and navigation equipment and the establishment of meteorological facilities, all essential requirements of the service.

By the end of 1938 the proposed service seemed to be little closer to establishment. Negotiations had continued throughout the year and tentative dates for the inauguration of the service, ranging from Christmas 1938 to Easter 1939 had been given.¹ Progress during the year was not made any easier by the constant bickering between New Zealand and Australia, each party blaming the other for the recurrent delays. Headlines such as "New Zealand Causes Delay" and "New Zealand Is Not Responsible"²

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2. CS, 30 May, 31 May 1938.
were commonly found in newspapers when the proposed service came under discussion. More revealing was a statement by the Australian Minister for Defence: "There is no question of delay, because no time has been fixed as to when the service should, or could commence."¹

It would however, be unfair to suggest that no progress at all was made during 1938. In May Qantas Empire Airways was appointed to represent Australian interests in the joint operating company. The United Kingdom having already nominated Imperial Airways, it only remained for the New Zealand Government to nominate their representative to complete the tri-party structure of the new company. At the end of May New Zealand announced that it proposed to put forward Union Airways as its nominee. Not until August, however, did the Prime Minister announce the signing of an agreement between the New Zealand Government and Union Airways, providing for the latter to act on behalf of the Dominion in the formation of a company to operate the Tasman service, that company probably to be known as

¹. CAPD, clvi, 1909.
Tasman Empire Airways Limited and having its initial New Zealand terminal at Auckland.\(^1\) Union Airways, a subsidiary of the Union Steam Ship Company was one of New Zealand's internal airline operators prior to the nationalisation of internal airlines during the 1940's. Early in the history of the company its chairman, N.S. Falla, had indicated that the company would be prepared to attempt a Tasman service\(^2\), and in 1935 Falla had actually approached Imperial Airways in an effort to get them interested in extending the Empire air route across the Tasman.\(^3\) It was particularly fitting therefore, that this company received the Government nomination to participate in the Tasman scheme.

The ultimate determinant of the inaugural date of the service was, of course, the availability of a suitable aircraft. The range of the ordinary Empire-class flying-boat of which "Centaurus" was an example, was insufficient for this type of machine to operate the Tasman service economically.

2. Ibid., 26 Jul 1935.
Consequently a long-range version of this craft was required and, although this was past the design stage early in 1938, there was little hope of it being available before 1939. At the same time the Australian Minister for Defence made it quite clear that there would be no service before these particular aircraft were available and Australia would, under no circumstances, co-operate with New Zealand in establishing a temporary landplane service. 1

The inauguration of the Tasman service would, it appeared, henceforth be governed by the supply of the necessary aircraft, but in the meantime work could proceed on the base facilities required by the service. Within New Zealand there were no objections to the choice of a base such as had occurred at Rose Bay, Sydney. On the other hand, New Zealand centres had competed with one another in an effort to secure the terminal. Nelson, New Plymouth, Wellington, Auckland and Invercargill all put forward claims to have the base located in their area, whilst in Christchurch the possibility of using the Estuary as a flying-boat base was given consideration.

From the start, however, Auckland appeared the logical choice: Pan American Airways had already established a base there and the possibility of linking the trans-Pacific and the trans-Tasman services at that point almost certainly tipped the scales in Auckland's favour. With the official announcement of Auckland as New Zealand terminal work could proceed, but it was not until December, four months later, that a contract was let for the provision of the necessary buildings at Mechanic's Bay, the site chosen within Auckland. In addition, orders were placed for two launches, an essential feature of a flying-boat base. One was to be thirty-seven feet in length, the other thirty-three feet and both were to be capable of twenty-five knots. It was expected that the buildings at Mechanic's Bay would be completed by the end of May 1939, the installation of a Brady pontoon, for use during embarkation, and other berthing and mooring equipment completed early in June, and the launches delivered about the same date. Although this date was in fact met, the provision of these facilities meant that the service would remain inoperative until mid-1939, provided the installation of radio and meteorological facilities was completed by then.

1. AJHR, 1939, H 37, p.11.
In December 1938 a conference was held at Melbourne to discuss this aspect of the service. It was decided that meteorologists should travel on trans-Tasman merchant vessels and that, besides base radio stations in Australia and New Zealand, radio equipment would be placed on Lord Howe and Norfolk Islands. The need to install this equipment before the service began meant a further delay and the new inaugural date became September 1939 as it was unlikely the ground organisation, including radio and meteorological services, could be installed and tested before that time. The delay in the provision of these services was accentuated when, in February 1939, the first of the flying-boats for the Tasman service entered the last stages of construction at Short Bros.' factory. It was expected to be launched near the end of February, followed within six weeks by its two sister-ships. However, it was not until after the last flying-boat had actually been launched that a tender was let to Amalgamated Wireless (Australasia) for the supply of equipment. Manufacture and transport of the equipment was expected to take about five months.

1. Press, 7 Jan 1939.
A new date was fixed for the commencement of a regular twice-weekly service, 1 October, although in making the announcement the Australian Director General of Civil Aviation confessed that the Australian Government still had to consider minor points in the agreement. "It is to be hoped", commented The Sydney Morning Herald, "that this expectation [i.e. the date of 1 October] will prove to be better founded than many similar hopes held out during the past eighteen months. ... The long continued delays suggest that some or all of the Governments concerned have been repeating that petty haggling which was responsible for the constant postponements of the Empire flying-boat service between England and Australia. Such behaviour argues a strange blindness to rapid modern technical advance in aviation transport. No more time should be lost in signing the agreement and pushing forward with the ground organisation. ... any further postponement will arouse doubts whether the official heart is in this venture."  

In August 1939 "Aotearoa", first of the flying-boats for the service, arrived at Auckland, and

1. SMH, 31 May 1939.
2. Ibid.
October gave way to November as the possible starting date, by which time the other two flying-boats, "Awarua" and "Australia", should have arrived. Throughout the intervening period "Aotearoa" carried out survey and training operations, preparatory to commencing the regular service. The aircraft made flights to Fiji, Tonga and other Pacific Islands as well as many unofficial flights across the Tasman. In the course of such journeys the Deputy-Prime Minister, P. Fraser, was flown to Sydney on his way to important war talks in London in December 1939, whilst early in 1940 Lord Willingdon, His Majesty's representative at New Zealand's Centennial celebrations, was flown from Australia to New Zealand and return.

The way was still not clear however and a further delay was occasioned by events currently occurring on the opposite side of the globe. In September 1939 the Second World War began and at once it became doubtful whether the two remaining flying-boats would be delivered and so enable the service to commence. A mishap to "Australia" while in use by Imperial Airways added a further complication. Fortunately, Peter Fraser was aware that the service was as important to New Zealand in time of war as it would be in times of peace, especially when the
impressment of merchant ships into service as armed merchantmen, troop transports, and hospital ships, threatened to disrupt the shipping links binding New Zealand to the outside world. Consequently, when he attended a war conference in London in December 1939, Fraser pressed for, and obtained, the release of "Awarua" to assist in establishing the Tasman air service. On his return to New Zealand Fraser revealed that both Britain and Australia had favoured postponing establishment of the service until the end of the war, but had agreed, after discussion of New Zealand's point-of-view, to co-operate in establishing the service on a modified scale.¹

Despite this, the almost inevitable delays continued to occur and cartoonists had fun at the expense of the service so long predicted. One, published in the Sydney Daily Telegraph depicted a featherless parrot looking toward New Zealand from its perch in Australia and squawking "I'll fly! I'll fly!"² The operating company, Tasman Empire

1. Press, 26 Dec 1939.
2. Whites Aviation, Dec 1947, p.3. A reproduction of the cartoon appears in the same periodical, May 1960, p.3.
Airways Limited, had still to be formed, although once the Governments reached agreement on their financial responsibilities the registration of the company and appointment of directors was little more than a formality. Finally, in March 1940, New Zealand's Prime Minister announced that the three parties had agreed to commence a service of one trip to and from Australia weekly some time in April.  

Slowly events were moving to a conclusion. Early in April "Awarua", the second flying-boat for the service, completed its delivery flight and on 17 April the directors of the company were announced; A.E. Rudder and N.S. Falla were to represent the United Kingdom, F. McMaster and W.H. Fysh Australia, and T.A. Barrow and C.G. White were to look after New Zealand's interests.  

Disagreement over matters of finance continued to hold up final settlement. Imperial Airways wanted estimates based on a ten per cent. profit which would enable a reasonable dividend to be declared. The New Zealand Government, on the other hand, did not favour any dividend and it was not until 25 April 1940 that a financial formula was agreed upon. This provided for a dividend

1. Press, 8 Mar 1940.
2. Ibid., 17 Apr 1940.
no greater than six per cent. and this was to be restricted to three per cent. in the early years of the company's operation. ¹

The following day Tasman Empire Airways Limited was registered as a company with its head office in Wellington and a capital of £500,000, consisting of 500,000 £1 shares. The original issued capital was £250,004, contributed as follows:

- Qantas Empire Airways : 57,500 or 23%
- British Overseas Airways Corporation : 95,000 or 38%
  (which had taken over Imperial Airways)
- Union Airways of New Zealand : 97,500 or 39%

A.E. Rudder, W.H. Fysh, C.G. White and C.G. Rose each held one share. ² The New Zealand Government had decided in 1938 that private enterprise, in the form of Union Airways, would not hold the majority of New Zealand shares in the company, and proposed that the Government hold twenty of the thirty-nine per cent. ³ This division was subsequently adhered

¹. W.H. Fysh, Report to Qantas Empire Airways Board, 16 May 1940, quoted in W.H. Fysh, Qantas at War, p.105.
². Mercantile Gazette of New Zealand, 8 May 1940, p.422.
³. PD, ccli, 602.
to when the original allotment of shares was made in 1940. Union Airways was appointed as the managing agent for the company and their general manager, Maurice Clarke, became manager of TEAL, as the company was popularly known, that concern having no general manager of its own in the early years. On the last day of April the flight of "Aotearoa" brought to a conclusion negotiations begun by Smith and Taylor in 1935 and resumed in 1936 when representatives of the British, Australian and New Zealand Governments decided to conduct a Tasman air service under their own supervision. A vision had become reality.
CHAPTER 2 THE FLYING-BOAT ERA

"We have all looked forward to this very moment for a long time" said New Zealand's Minister of Aviation, F. Jones, at a ceremony prior to the departure of "Aotearoa" on 30 April 1940. Appreciation of this, TEAL's first scheduled Tasman crossing was no doubt made the keener by the fact that it had been preceded by so many years of negotiation that the difficulties had at times appeared insuperable. "Rarely has a service been started with such difficulty, but which is also fraught with such possibilities, as the one today inaugurated" wrote TEAL director W. Fysh, a passenger aboard "Aotearoa" as it sped toward Australia. TEAL was flying but the shadow of war hung over the company's operations and initial development was somewhat stifled by the prevailing international situation.

England had been in the grips of the 'phoney' war for six months whilst German armies were on the march in the neighbouring European continent.

1. NZH, 1 May 1940.
2. W.H. Fysh, Qantas at War, p.108.
Plate I: S.30 flying-boat "Aotearoa" moored in the Brady pontoon, Auckland.
Consequently it is not surprising to find news of the inaugural flight of the Tasman service taking second place to headlines such as "Fierce Resistance in Norway" and "Mediterranean Now Closed to British Ships" in the daily newspapers.\(^1\) Events on the international scene were not able to dampen local enthusiasm, however, and a cartoon of the day depicted a jubilant New Zealander who, having substituted a sign "Australia 7 hours" for an earlier one reading "Australia 1165 miles", was waving his hat at the flying-boat passing overhead.\(^2\)

As commercial aircraft, the "Aotearoa" and her sister-ship "Awarua" were incredibly small by today's standards, with a seating capacity of only nineteen. Moreover, passenger capacity was affected by a number of factors, such as the weight of mail and freight and the strength of the expected headwind, so that the number of passengers actually carried was often less than nineteen. The two aircraft were Short S.30 flying-boats, a long-range version of the S.23 type which had been designed for use by Imperial Airways on the Empire Air Mail Scheme.

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1. Press, 1 May; CS, 1 May 1940.
2. NZOb, 1 May 1940, p.3.
Late in 1937 Imperial Airways lodged an order for a further eleven of these aircraft, some to be long-range versions. The last three of this batch were originally intended for Qantas Empire Airways but were redirected to TEAL and named "Aotearoa", "Australia" and "Awarua".  

As negotiations for a Tasman service were still proceeding when the aircraft were completed, Imperial Airways retained them for use on the Southampton–Karachi service, the intention being to work the aircraft through to Sydney by September 1939 in order that the Tasman service might commence on 1 October 1939. "Aotearoa" was duly delivered to New Zealand but the "Australia" met with an accident and after repairs rejoined the fleet of B.O.A.C. It being impracticable to operate the Tasman route with only one machine, the inauguration of the service

1. The three aircraft (serial numbers S884-886) were originally registered G-AFCY, G-AFCZ, and G-AFDA and bore the Qantas names "Captain Cook", "Canterbury" and "Australia". When passed to TEAL the aircraft were re-registered and renamed and became ZK-AMA "Aotearoa", ZK-AMB "Australia" and ZK-AMC "Awarua".

2. On 24 November 1939 an Act providing for the merger of Imperial Airways and British Airways into one State-owned Corporation, the British Overseas Airways Corporation (B.O.A.C.), came into force. The new Corporation took over the assets of the two companies involved on 1 April 1940.
was of necessity postponed until "Awarua" joined "Aotearoa" at Auckland in April 1940, after which these two machines, comprising as they did the TEAL fleet, operated the Tasman service for more than six years before being replaced.

It took "Aotearoa", under the command of Captain J.W. Burgess, slightly less than nine hours to complete the journey, about three times as long as today's jet airliners. Aboard the aircraft were some 41,000 letters, a crew of six and nine passengers — Messrs Fysh, White and Rudder (TEAL directors); Mr E. Johnston, Assistant Director-General of Civil Aviation in Australia; Misses J. Hewitt and P. Dromgool; and Messrs H. Browne, T. Webster and H. Turner, the latter having booked his seat three years earlier. Later, Miss Dromgool, who was making her first flight of any kind, recalled the event, noting the comfort and compactness of the flying-boat's interior, the use of foot and hand muffes for warmth during the journey, the pleasant breakfast after which the passengers played quoits and the "delightful" pantry in which specially constructed racks held crockery in safety through any weather and large thermos flasks contained the food
and beverages prepared in Auckland prior to the aircraft's departure.¹

Today the meals served aboard the company's aircraft continue a reputation for quality established in April 1940 when to serve meals aboard an aircraft was no easy matter. The S.30 flying-boats contained no galley as do modern aircraft, and from the small galley which was installed, breakfast, lunch and early- and mid-morning tea were served. There were no facilities for keeping food hot, hence the reliance on large one-and-a-half gallon thermos flasks. Such conditions were no barrier to quality meals, as the menus from the inaugural flight reveal. For breakfast the passenger enjoyed a choice of grapefruit, cornflakes and hot milk, scrambled eggs, sausages and bacon, grilled tomatoes, cold ham, and bread with jam, marmalade or honey. Tea, coffee, or hot chocolate, was also served. Equally impressive was the luncheon menu; tomato soup, asparagus mayonnaise, roast chicken, potato salad, ham, luncheon sausage, veal-and-ham pie,

¹ P. Dromgool, "Flying to Sydney", NZOb, 8 May 1940, p. 14.
fruit salad, cheeses, biscuits and coffee. All meals were served by a steward for it was not until 1946 that flight hostesses took their place in company aircraft.

Two days after the successful inaugural flight the "Aotearoa" completed a somewhat unusual flight back to Auckland, thus concluding the first round trip of TEAL's trans-Tasman operations. Ten minutes out from Sydney the aircraft encountered hail and snow and patterns of ice began to appear on cabin windows, then, halfway across the Tasman, the "Aotearoa" was shaken by two violent bumps, one of which shot the aircraft upwards at an extremely fast rate. Soon afterwards the aircraft flew into scattered cloud and bright sunshine, conditions which prevailed for the remainder of the journey. The first return Tasman service was completed and many more were flown during the war years. The company found however that it could not escape from the environment in which it had been created and its aircraft were required to undertake missions in aid of the war effort as well as continuing a commercial service.

1. A set of menus used on the inaugural flight is on file at Whites Aviation Ltd, Auckland.
A chronology of the company's operational history notes, "During the year ended March 31st, 1942, TEAL undertook several special charter and reconnaissance flights to Noumea, Fiji, Tonga, Samoa, and as far afield as Honolulu, to assist the war effort."¹ Details concerning these operations are limited by the circumstances in which they were performed, but subsequently information on a number of incidents has been released.²

The involvement of the company's aircraft in wartime missions was no doubt due to the fact that in 1940 the Royal New Zealand Air Force had no long-range military aircraft in its possession, the Government having handed an order of Vickers Wellington aircraft back to the Royal Air Force. Consequently arrangements were made with TEAL for the two flying-boats to be used on long-range sea reconnaissance and during these operations 500 lb bombs were carried and personnel of the Royal New

1. TEAL, Operational History, entry for 1942.
2. Information on the wartime activities of TEAL is derived in large part from two works of the War History Branch of the Internal Affairs Dept; S.D. Waters, The Royal New Zealand Navy, chaps IX-X.
  J.M.S. Ross, Royal New Zealand Air Force, ch. VI.
Zealand Air Force supplemented the company's flying-crews. The need to utilise the TEAL aircraft in this way appears to have ended late in 1941 or early in 1942 by which time re-equipment had allowed the Royal New Zealand Air Force to form its own reconnaissance squadrons.

Little time elapsed before the aircraft assumed their new role for in June 1940 "Awarua" carried out a search of the area about the Kermadec Islands after the vessel "Niagara" was mined and sunk off the New Zealand coast. Later in the same year the activities of German raiders in the seas about New Zealand provided a further opportunity to use the aircraft in their wartime capacity and on 21 and 22 August the "Awarua" took part in an unsuccessful search for the raider "Orion" which had sunk the "Turakina" in the Tasman Sea. In November 1940 both the "Aotearoa" and "Awarua" were engaged in searching for the raider "Komet", that vessel having intercepted and sunk the 546 ton "Holmwood" and the 16,712 ton "Rangitane". On 27 November "Aotearoa" left Auckland at 11.11 a.m., arrived at the search area shortly after 2 p.m. and searched, unsuccessfully, until 6 p.m., when it returned to Auckland; "Awarua"
on arrival at Auckland on a commercial flight from Sydney, was refuelled and sent off to join the search. Arriving at the search area about 4.30 p.m. the aircraft searched until dusk but saw nothing. It was probably "Awarua" which was sighted by the German raider in the course of the search. The "Orion's" war log noted that, "as no radio activity followed ... it was presumed that the aircraft, in spite of good visibility ..., had not seen the ships against the dark surface of the sea."¹ The following day the "Awarua", which had been ordered out a second time, sighted an oil-slick and flotsam - all that remained of the "Rangitane". Two flights were also made between New Zealand and the Chatham Islands in an effort to locate the missing "Holmwood" but nothing was sighted.

As well as carrying out reconnaissance duties, the two aircraft also made a number of special flights carrying statesmen and heads of services to important overseas conferences, a task no less exciting or dangerous. This point is borne out by a trip made

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¹ Quoted in S.D. Waters, The Royal New Zealand Navy, p.139.
by "Awarua" under the command of Captain J. Burgess in January 1942 when the Hon. Walter Nash was taken to Honolulu as the first leg of a journey to Washington. Not only was "Awarua" the first Commonwealth flying-boat to land at Pearl Harbour after the Japanese attack of December 1941, but on the return voyage was mistaken for a Japanese flying-boat reported to be in the area and fired upon by an American pilot. Fortunately the pilot's aim was bad and one hole in the "Awarua's" wing was all the damage received before identification was established.

Necessary as such war missions undoubtedly were, TEAL's more important contribution to New Zealand's war effort was in the maintenance of a regular service across the Tasman throughout the war period, for as fewer and fewer ships remained on the Tasman route the great value of the airlink was emphasised. The new airline, in fact, found itself providing New Zealand's only regular and reliable link with the outside world and, despite the fact that the civilian passenger list was restricted by wartime regulations which gave travel priority to service and diplomatic personnel, the demand for seats continued to grow.
By August 1942 bookings were being accepted as far ahead as November with almost 400 reservations on the books, whilst early in 1945 it was reported that because passages across the Tasman were limited almost entirely to members of the services and civilians on Government business it was practically impossible for a civilian to obtain a seat. In addition to carrying passengers the flying-boat service was invaluable in other ways; great quantities of mail were carried, much of it destined for New Zealand troops overseas, and the regular communication between Australia and New Zealand was instrumental in keeping commerce moving. So great was the value of the flying-boat operations to the war effort that security representatives and the police kept unceasing vigil at Mechanics Bay during the war years.

In the course of these wartime commercial operations, several noteworthy achievements in the company's operational history were attained. On 17 May 1940 "Aotearoa" completed the first scheduled night crossing, after a technical defect had delayed

the aircraft's departure from Sydney until almost midnight, and in October of the same year "Awarua" carried a stretcher patient across the Tasman.
Later in the war, in May 1944, the two aircraft arrived at Auckland within twenty minutes of each other although neither had sighted the other during the trip; for this to occur a further two months had to elapse until during July the two aircraft flew within sight of each other for several hours.
The most significant achievement of these years was almost certainly the completion of 1,000 Tasman crossings by the company's aircraft and appropriately the 1,000th crossing was flown by "Aotearoa", the craft which had inaugurated the service in April 1940.
No longer was the journey one of glamour and adventure, now it was only an accepted comfortable and fast way of crossing the 1,300 odd miles between Australia and New Zealand.

The value of this fast and regular service is revealed by operational figures for the war years. The frequency of the service varied throughout the period, the original one return flight a week being increased to three per fortnight in order to link with Pan-American Airways' Pacific service at Auckland,
the new frequency being maintained until the American company suspended its service in December 1941. By 1944 three return flights a week were being operated and in October and November of that year nine trips were flown each fortnight. A brief period of four return flights a week was operated in mid-1945 but the general operational frequency was three flights weekly. All of these operations were flown by the two original flying-boats, a fact made the more impressive by statistics of the period which indicate that in just under five years these two machines airlifted 14,449 passengers, 584,113 lbs of mail and 210,438 lbs of freight across the Tasman.¹ Equally impressive was the regularity of a service which pessimists had predicted would be adversely affected by Tasman weather conditions: of 957 scheduled flights, 946 were completed.²

The return of peace in 1945 offered little respite to the company's two flying-boats. Shipping took a long while to return to a peace-time basis and the demand for travel, repressed during the war years, reasserted itself. TEAL, its aircraft aging

1. See Appendix A, p.221.
2. Press, 30 Apr 1945.
and in need of replacement, continued to be the main link with the outside world. The pressure upon the company in the period immediately after the war is shown by the fact that 6,100 passengers were carried in the year ended 31 March 1946 as against 1,959 carried in the first full year of operations (1941-42), whilst the weight of freight and mail carried over the same periods tripled and increased by half respectively.¹ In spite of this increasing demand the need to reorientate the aviation industry into meeting civilian demands meant that not until late 1946 was a change of aircraft possible.

Changes other than aircraft occurred within the company in the immediate post-war years. An important step was taken in June 1946 when G.N. Roberts was appointed General Manager of the company. Until that time TEAL had operated without a chief executive, functional management having been in the hands of Union Airways, based some 500 miles away in Wellington. Now with its own manager located in Auckland, the heart of company operations,

¹. See Appendix A, p.221.
things augured well for the future. Roberts was the first of the two general managers who served the company and during his term of office the transition from flying-boats to landplanes was accomplished. He retired in 1958 and his position was taken by F. Reeves, during whose term of office TEAL became a New Zealand owned, jet equipped airline operating over a vastly increased network of routes under the new name, Air New Zealand.

Another significant post-war change was the alteration of the financial structure of the company. At the Wellington Civil Aviation Conference, February-March 1946, it was decided to make a modification of the proportionate contributions each of the three Governments made to the company. In future New Zealand would contribute fifty per cent., Australia thirty per cent. and the United Kingdom twenty per cent., this arrangement coming into operation on 1 March 1949.¹ New Zealand's Minister of Finance, Walter Nash, subsequently stated that the reorganisation came about because it was thought too much was being taken out of the company's profit by income tax, it being intended that the company

would be more fairly operated from a financial point of view than it had been in the past. ¹
Strange as it seems to find a Government concerned about receiving too much income tax, Nash's statement is borne out by company figures which show that of the £739,000 income tax paid to the New Zealand Government by the airline in twenty-seven years of operation, over £91,000, or slightly more than twelve per cent., was paid in the first six years. ²
In 1948, in order that new aircraft could be purchased, unallotted capital was called up and the total capital of the company increased to 750,000 £1 shares. New Zealand made the following purchases of shares:

- 118,997 shares of unallotted capital
- 14,001 shares of United Kingdom holding
- 125,000 shares of newly created capital.

In addition to these acquisitions the New Zealand Government had acquired, as a result of the nationalisation of the internal airlines, the entire

1. PD, cclxxviii, 507.
2. These figures were obtained in an interview the author had with Air New Zealand's Secretary, A.A. Watson, in Auckland, 8 May 1968.
New Zealand shareholding in the company. This totalled 117,002 shares, an increase having apparently been made in the allotted capital prior to this occasion, and this amount combined with the newly acquired stock, detailed above, to give New Zealand a total holding of 375,000 £1 shares.

A more difficult task was the replacement of the two S.30 flying-boats but as larger craft were clearly needed to cater for the demand for trans-Tasman passages, a choice had to be made. It was not an easy time at which to have to make a decision for the British civil aviation industry was at a difficult stage in the immediate post-war years and an interim period was needed before new British aircraft which the company was committed to use, became available. However, after the Wellington conference it was reported that the company proposed continuing the service with three S.25 Sunderland aircraft, capable of carrying thirty passengers at a greater speed than the original S.30's.

1. The New Zealand National Airways Act was passed in 1945 and N.A.C. commenced operations under its own licences on 1 April 1947.
2. AJHR, 1949, B 1 [Pt.II], p.32.
Plate II: Tasman-class Sandringham flying-boat.
These aircraft, powered by Pratt-and-Whitney motors, were expected to cross the Tasman in about seven-and-a-half hours and the establishment of a daily service (Sundays excepted) between New Zealand and Australia was proposed.

So it was that in July 1946 TEAL obtained, on hire from the British Ministry of Supply, three MK IV Sandringham flying-boats, a four-engined aircraft, the basic airframe of which differed little from the wartime Sunderland of which it was a civil conversion. Modifications were confined to secondary structural details and rearrangement of the interior to provide for passenger accommodation. The bow and tail, sites of gun turrets on the Sunderland, were, of necessity, redesigned in a fashion similar to the S.30 craft which the Sandringhams succeeded. These machines, which operated for TEAL under the class name 'Tasman', arrived in New Zealand during July, August and September 1946. A fourth Sandringham was acquired in October 1947 and the Sandringham fleet remained in service with TEAL until December 1949. Operations, of course, could

1. These aircraft bore New Zealand registrations and were given individual names: ZK-AMB "Tasman", ZK-AMD "Australia", ZK-AME "New Zealand" and ZK-AMH "Auckland".
not begin immediately delivery was taken, a
shakedown period being required for crew
familiarisation.

With the acquisition of new aircraft TEAL's
original fleet was retired. "Awarua" was withdrawn
from service in June 1947 and in the following
November "Aotearoa" suffered a similar fate when,
after flying the last S.30 operation and completing
its 442nd Tasman crossing, it too was withdrawn.
These two aircraft, which in seven years had
transported more than 30,000 passengers, were
subsequently broken up, although "Aotearoa" did
spend a number of years as a tearoom at Mission Bay.
It is a matter of regret that neither of these
splendid machines was preserved as a memorial to the
early years of the Tasman service.

Although only regarded as a temporary fleet
until post-war civil aircraft became available, the
Tasman-class aircraft provided a much needed increase
in the passenger carrying capacity of the TEAL
fleet, for in acquiring these machines TEAL had
replaced two aircraft with a capacity of thirty-eight
by four with a capacity of 120. Despite the
increased passenger capacity of the aircraft and the
operation of a more frequent service, public demand continued and in November 1946 some 800 people were reported to be awaiting transport from Sydney to New Zealand. The density of traffic thrust upon the airline was intensified when in January 1947 the trans-Tasman steamer "Wanganella" went aground in Wellington Harbour and was put out of commission. At the time there was little indication that any other of the pre-war vessels would return to the service until late 1947 and, as the only vessel plying the Tasman was the former New Zealand inter-island ferry "Wahine", the airline was forced to carry the large proportion of the trans-Tasman traffic, a task for which it was not designed. Consequently the new aircraft made little impression on the waiting list even when the scheduled frequency was raised to seven return trips a week. One source complained that it was impossible to secure non-priority bookings at less than two months' notice; indeed so great was the demand that a number of charter flights were made by Skymaster aircraft of Trans-Australia Airlines in an attempt to clear the backlog.

1. CS, 4 Nov 1946.
2. AJHR, 1947, H 2, p.3.
The difficulty encountered by the company in endeavouring to operate a service to meet the expanded demand was accentuated by technical troubles experienced with the Sandringham fleet. In October 1946 the noise factor on these aircraft assumed serious proportions and investigations to rectify the trouble were carried out. About the same time, comprehensive airtesting of the flying-boat "Australia" to determine the performance which could be expected from Tasman-class aircraft, revealed that apart from the advantage of a greater payload the new aircraft were no better in performance than the original S.30 machines. 1

An incident of more serious proportions occurred on 3 December 1947 when the flying-boat "New Zealand" was forced to return to Sydney on three engines, two hours after departing from that point on a flight to Auckland. Because of squally weather, the aircraft, with twenty-nine passengers and a crew of six on board, had been flying at a low altitude when one of its four engines failed. The decision was made to return to Sydney but the air speed began to decrease and the machine continued to lose height until it was only fifty feet above the sea. In an effort to

1. TEAL, Report for the Month of October, 1946.
maintain height luggage and freight were jettisoned: 1,500 lbs of baggage, 600 lbs of freight including drugs, radio and electrical equipment and stationery, and thirty pounds of company stores splashed into the Tasman in order that the "New Zealand" could limp back to Sydney. The engine fault was corrected in a few hours and the "New Zealand" completed her journey the next day but in view of this rather alarming incident a restriction on the all-up weight was imposed pending exhaustive tests and not until 22 December did the aircraft return to normal loading conditions.

Such a decision would suggest that the testing procedures had revealed no major fault in the aircraft or its motors, a conclusion reinforced by the fact that for a further two months a regular service was operated at the original all-up weight limit. Consequently, it was rather surprising when, in February 1948, the Minister of Civil Aviation, F. Jones, announced the decision to suspend the service indefinitely, a decision described by TEAL's

1. Press, 4 Dec, 5 Dec 1947.
2. Ibid., 15 Dec, 22 Dec 1947.
manager as one made by the company "in accordance with its [TEAL's] established and proven policy of subordinating all other factors to safety." ¹

It was an unfortunate time at which to suspend operations for the demand for passages across the Tasman was still heavy and the one ship on the service, "Wahine", was fully booked up till 14 May, her last scheduled trip. Obviously the air service could not be suspended indefinitely and so arrangements were made for the Government-owned Trans-Australia Airlines to provide an interim service.

The decision to suspend the Tasman class flying-boat service was both courageous and strange. It was a courageous decision to make affecting as it did a service which had been operated for eight years without injury, but no doubt this decision, reflecting as it did caution and strict adherence to the maxim of 'safety first', reflects the attitude which resulted in TEAL being awarded the Cumberpatch Trophy in 1952 as a recognition of

eleven years' safe operation. Almost certainly public confidence had been shocked by the forced return of "New Zealand" to Sydney and the circumstances surrounding that event, and in this respect the suspension appears a prudent measure. On the other hand if the suspension was a sequel to that unhappy incident it seems surprising that it should have been delayed so long.

As a result of the decision to use charter services to maintain an interim service Skymasters of Trans-Australia Airlines and Australian National Airways operated the Tasman route between February and June 1948. It was not possible, however, to keep to the frequency of the flying-boat service as the Australian operators had other commitments to meet with their aircraft. This was especially so with the internal demand for air travel over the Easter vacation period and the Tasman service came to a halt, no charter aircraft being available.

1. The trophy, awarded by the Guild of Air Pilots and Air Navigators, is presented to organisations whose record over a period has made a notable contribution to safe flying, in TEAL's case the period covered being the first 11 years of operations. Only three other companies - Wrightways Ltd, No. 3 Line B.O.A.C., and Aer Lingus - had won the trophy prior to its award to TEAL.
During April, Australian National Airways became the main operator across the Tasman but at first was only able to offer two flights a week and the Sunderland "Matahua" of New Zealand's internal airline, N.A.C., was chartered for one crossing during this period.

At the end of April the publication of the report of a Commission appointed to inquire into the incident foreshadowed the end of the flying-boat as a commercial aircraft across the Tasman. The report exonerated the captain and crew, criticised certain administrative lapses, and included a recommendation that pressurised aircraft be used upon the route as soon as possible.¹ In view of the difficulties inherent in pressurising the hull of a flying-boat, this recommendation gave added emphasis to the proposal to utilise landplanes on the Tasman service. A number of factors combined, however, to stall the landplane for a number of years.²

On 17 June 1948 the Sandringham fleet resumed regular Tasman services, although the imposition of

1. Press, 30 Apr 1948.
2. See below, ch. 3.
operational limitations necessitated a reduction in the aircraft's passenger carrying capacity. All was not right with the aircraft, however, and when, on 14 September 1948, one of the Sandringhams was forced to return to Sydney it was the fifth occasion on which this had occurred since the resumption of the service in June. The company's pilots, aware that the crossing was an unusually long one devoid of any refuge, rightly preferred to err on the side of caution but the high incidence of these failings almost certainly had an adverse effect on the public's peace of mind. Such misgivings were in no way alleviated by the Royal Commission's questioning of whether the Tasman class aircraft possessed a sufficient margin of safety on three engines to be used safely on the trip. "Exclusive use of the far faster and more modern landplanes now providing part of the Tasman service would seem to be the right remedy for the present unsatisfactory situation", wrote one newspaper.¹ There was, however, no guarantee that unpressurised landplanes, such as the Skymasters, would be any safer in similar circumstances.

¹. SMH, 15 Sep 1948.
Consequently, when a new aircraft was ordered to replace the troublesome Sandringhams, the choice fell upon the Short Solent and the flying-boat era continued.

In 1947 it had been reported that TEAL was considering expending £900,000 in order to purchase four Short Solent flying-boats. The decision to procure further flying-boats appears a logical one when it is considered that flying-boats had until then served the company faithfully, the Sandringham trouble having not yet occurred. Furthermore, the airline possessed all the equipment needed to operate flying-boats, the TEAL staff were trained in the operation and handling of this type of machine, and the close proximity of the company's bases to the heart of the terminal cities was a further advantage in the flying-boats' favour. Consequently it was no surprise when the order for Solents was confirmed and a contract for their purchase completed.

It seems however that the choice of a flying-boat as the replacement aircraft was not a unanimous one,

1. NZH, 1 Jul 1947.
and at a meeting of the South Pacific Air Transport Council in Wellington in May 1948 the advisability of adhering to the Solent deal came under discussion. It was a difficult matter to deal with, the Australian representatives apparently favouring the dropping of the Solent deal as they were not entirely in favour of the continued use of flying-boats on the Tasman service. On the other hand, the New Zealand point-of-view, besides maintaining that it was a matter of honour to accept an order already placed, was that there was no alternative British aircraft offering with better performance. "Our faith in the British aircraft industry and our belief in British enterprise naturally lead us to prefer British aircraft. We hold that, while a thoroughly efficient and competitive British aircraft particularly suited to the transtasman route is available, there is little justification for spending dollars on the purchase of American aircraft", said TEAL's assistant-general manager. The New Zealand outlook prevailed and the Solent order was not withdrawn. But it was a hard victory, made the more

1. NZH, 18 May 1948.
2. CS, 18 Oct 1948.
difficult by the support given the Australian viewpoint in the decision of Qantas Empire Airways and British Overseas Airways Corporation to partially re-equip with American Constellation aircraft. So it was that for a further period flying-boats performed the major portion of the company's operations. Although the factors outlined above no doubt supported the wisdom of the decision at the time, its wisdom may be questioned retrospectively since a review of their operational history reveals that in three of the six years in which Solents formed all or part of TEAL's fleet, the company operated at a loss.¹

The delivery of the new aircraft was delayed by difficulties encountered in the testing programme in England but finally, in the last quarter of 1949, the four Short Solents ordered by the company arrived at Auckland. As was now the custom each was given an individual name, "Aotearoa II", "Ararangi", "Awatere", and "Aranui", the "Aotearoa II" having

¹ Figures supporting this point were shown the author in the course of an interview with the company secretary, A.A. Watson, 8 May 1968.
Plate III: High and dry: Solent flagship "Aotearoa II".
been christened by H.R.H. Princess Elizabeth in a ceremony at Belfast on 26 May 1949. A fifth aircraft, a Solent Mark III delivered to TEAL in September 1951, was given the name "Aparima". The Solent, like its predecessor the Sandringham, was a conversion from a military aircraft, in this case the Short Seaford, which in turn was developed from the Sunderland Mark III. B.O.A.C., having used a Seaford for evaluation purposes, decided that it was a better proposition for development for civil use than the Sandringham and secured the help of Short Bros. in producing the Solent, which was intended as a high performance flying-boat specially suitable for operations on long-range overseas routes.

TEAL's aircraft, the only Solent Mark IV's produced, were a long-range version of the basic design. Fitted with more powerful Bristol Hercules 733 engines, and able to carry forty-five passengers on two decks, the Solent's ability to cross the Tasman in less than seven hours meant that it was

1. The Mark IV aircraft had the serial numbers SH 1556-59 and bore the registrations ZK-AML "Aotearoa II", ZK-AMM "Ararangi", ZK-AMN "Awatere" and ZK-AMO "Aranui". The Mark III Solent "Aparima" had the serial number NJ 204.S 1296 and bore the registration ZK-AMQ.
now possible to fly to Australia and back in one day. The Solents, with their two decks, small efficient kitchen fitted with utility ovens, and comfortable and spacious seating, ushered in an era of great passenger comfort. Like most aircraft the Solent of course had its faults. The high noise of the Bristol Hercules engines, the comparatively slow speed, although the Tasman was crossed in less than seven hours, and the unpressurised cabin which made it necessary to fly through weather avoided by today's high-flying jets - all were points against the Solent when compared with modern aircraft. However they were able to provide a twofold extension of the Tasman service in that a daily service could now be operated and their passenger carrying capacity of forty-five was a considerable increase on that of the Sandringhams which in the latter period of operation were restricted to carrying only nineteen or twenty passengers.

With the acquisition of the Solents to replace the interim Sandringham fleet TEAL was in a better position to reorganise its services. Solent operations began on 14 November 1949 when the aircraft were introduced on the company's only service, Auckland-Sydney. Operation of the Sydney-Auckland
service by Solent, which occurred the following day, began on rather a comical note when the aircraft was recalled as it taxied out to its take-off position in order that three passengers who had been left behind in the passenger launch might be put aboard. The last Sandringham service was flown by "New Zealand" from Sydney to Auckland on 19 December 1949 and a most troublesome period in the company's history was brought to an end. Subsequently, "New Zealand" and "Auckland" were sold to Ansett Airways for use on that line's Sydney-Lord Howe Island service, whilst "Tasman" and "Australia" joined the fleet of Qantas Empire Airways and served the Sydney-Noumea-Fiji service. With the Solents now in full operation, eight return flights a week were scheduled whilst on 11 January 1950 "Aotearoa II" inaugurated a regular night crossing from Sydney to Auckland. This was a particularly useful service as its arrival in Auckland about breakfast time enabled travellers bound for other New Zealand centres to connect with internal air services without having to spend a night in Auckland. Appropriately the same aircraft,

1. SMH, 16 Nov 1949.
"Aotearoa II", flew the tenth Anniversary flight on 30 April 1950 under the command of Captain C. Griffiths who had been first officer on the delivery flight of "Awarua", TEAL's second flying-boat, in April 1940. Questioned regarding the number of times he had flown the Tasman, Captain Griffiths confessed that he had lost count. ¹

As well as increasing the frequency of its services, TEAL was now able to introduce other centres into its network. After concentrating solely on the Tasman crossing for ten years, route expansion began in June 1950 when the company took over the Auckland–Suva route previously operated by N.A.C., the 1,330 miles on the trip being flown between midnight and breakfast. ² The change of operator on this route took place because TEAL had better facilities to run this service economically and, as well as allowing TEAL to effect a greater fleet utilisation, relieved N.A.C. of the obligation to maintain and operate an orphan Sunderland flying-boat. An extension of this new Pacific Island service was opened by TEAL between Suva and Lambassa

1. NZH, 1 May 1950.
2. TEAL, [untitled outline history], ch.5, p.1.
and return but this was discontinued in December 1951. Two other services were opened in 1950; in October Wellington-Sydney services commenced and in December a service from Auckland to the Chatham Islands via Wellington was established. Christchurch was also incorporated into the company's network in June 1951 but as this service was operated with chartered landplanes it is dealt with elsewhere.¹

The Wellington service, contemplated in 1948 and originally intended to commence in April 1950, was delayed by a hold-up in the provision of facilities at Evans Bay, the site chosen in Wellington for a flying-boat base. The Commissioner of Works blamed the delay upon the company's tardiness in submitting firm proposals regarding base requirements but TEAL's chairman denied this, stating that the company was anxious to operate the service when necessary facilities were available. Lighting, buildings, anchoring buoys and service launches were some of the items which the company deemed necessary. There were three factors involved in operating commercial air services, said TEAL's chairman, safety of the passengers and aircraft, economics of operation

¹. See below, ch. 3.
and amenities to which the travelling public were entitled. Any attempt to operate a regular service between Wellington and Sydney without passenger, technical, and operational facilities at Evans Bay, was, he predicted, foredoomed to failure. The service finally began on 3 October 1950 when the flying-boat "Ararangi", with twenty-eight passengers aboard, left Evans Bay for Sydney, this flight inaugurating a twice-weekly return service. The "Ararangi" carried only twenty-eight passengers due to the weight of a 'first flight' mail issue which the aircraft was carrying, but the next three flights to Australia were fully booked with waiting lists whilst all flights from Sydney to Wellington were booked out till 17 October. Indeed the prediction by a Wellington newspaper that the day might not be far off when patronage of the Wellington service would outstrip the Auckland-Sydney service seemed possible, moreso when the frequency of Wellington operations was increased to four return flights a week at the end of October.

1. NZH, 25 May; 26 May 1950.
The introduction of the Wellington-Sydney service gave rise to a debate on whether or not TEAL flying-boats should operate an internal service between Auckland and Wellington, and it was reported that such a proposal was the subject of preliminary investigations by the airline. Most of the drive for this idea was derived from the fact that flying-boats for the Wellington-Sydney service were, in the early days of that service, flown empty between Auckland and Wellington. This occurred for only one month, after which the aircraft flew an Auckland-Sydney-Wellington and return service, never flying directly between the two New Zealand cities. There were a number of factors against the establishment of such a service; TEAL's Solents were long-range aircraft and to operate them on the Auckland-Wellington service would hardly have been economic. Further the passenger capacity of the Solents (45 seats) would have demanded higher fares if the service was to pay. In fact the only points supporting such a service were the desirability of utilising the aircraft rather than having them

1. NZH, 3 Oct 1950.
standing idle and the possibility of chartering the aircraft to N.A.C. for the trip at a figure which covered only the direct operational costs, a highly improbable situation. With the change of route to Auckland-Sydney-Wellington proposals for a TEAL-operated internal service were abandoned.

The Wellington service provided a number of incidents. The first occurred just two weeks after the opening of the service when on 17 October 1950 the "Ararangi" was struck by a four foot wave on Evans Bay and one float and wing damaged. Fortunately none of the passengers aboard suffered injury. One year and a day later the same machine was caught by a sudden fifty-five knot gust of wind while landing at Evans Bay. The starboard float of the machine was ripped off and three starboard windows at the after end of the lower deck were smashed in; again none of the forty passengers were injured.¹ Despite these mishaps the Wellington service continued to be operated by flying-boats until 25 June 1954 when the last Solent service out of Wellington was flown. As TEAL was re-equipping with landplanes and Wellington possessed no

international airport, the New Zealand capital relinquished its place on the company's international services and was not reinstated until 26 July 1960.

The third extension of services undertaken by the company during this period was the operation of a service from Auckland to the Chatham Islands via Wellington. Undertaken at the request of the Government, who provided a subsidy for this service, this route was operated on a frequency of four return trips a year, the single fare being £11. The first flight over this route took place on 15 December 1950 when "Ararangi" took forty-eight passengers to the island and returned with seventeen passengers. In 1952 TEAL applied for, and was granted, a five year licence for a non-scheduled passenger and goods service to the Chatham Islands. However this was not fully utilised for this service, like that to Wellington, came to an end when the company changed to landplanes and the last TEAL flight to the Chathams was flown by "Ararangi" on 7 April 1954.

The TEAL service was extremely popular with the islanders as it provided a fast link with New Zealand, and it was reported that nearly one-third of the
island's inhabitants were present at Te Whanga lagoon to greet "Ararangi" on its inaugural flight. ¹ It took only three hours to complete the journey from Wellington to the Chatham Islands and this meant that perishable goods could be transported to the islands. Indeed the aircraft must have resembled flying grocery shops as they carried, amongst other things, oranges, tomatoes, sausages and ice-cream on nearly every trip. Aboard the Solent on the last flight of the service, for example, there were 610 lbs of sausages, a large quantity of ice-cream and twenty-one cases of tomatoes.² One of the Chatham flights, that flown on 28 January 1953, was full of interest as the hull of the aircraft was holed by the service launch and on the return journey an engine failed and the aircraft was struck by lightning.³

In May 1951 the company announced that it would extend the Auckland-Suva route to British Samoa, the Cook Islands Group and Tahiti, and would at the same time procure another Solent.⁴ This, the fifth Solent in TEAL's fleet, arrived on

¹. Dominion, 16 Dec 1950.
². Ibid., 8 Apr 1954.
³. TEAL, Report for the Month of January, 1953.
⁴. Press, 17 May 1951.
15 September 1951 and differed from the others in that it was an earlier version, a Mark III. It was in fact the last Solent operated by B.O.A.C. and had only flown one trip to South Africa before being beached. Taken over by TEAL, the craft's original name, "City of Belfast" was replaced by "Aparima" and the machine flown to New Zealand by way of America, this route being flown because of a petrol shortage in the Middle East. Early in November 1951 "Aparima" conducted a proving flight along the proposed Pacific route and on 28 December the first scheduled service to Tahiti via Suva and Aitutaki was flown.

The Coral Route, as this route became known, was originally operated on a monthly basis but in May 1952 the schedule was increased to a fortnightly trip. The Pacific Islands area was an appropriate one in which to extend TEAL operations as in October 1946 the company had adopted the Maroro, a Polynesian flying-fish, as the TEAL insignia. The new Coral Route promised to be an economic venture for the large number of American tourists wishing to visit Tahiti could fly only as far as Fiji on the major airline networks. From Fiji it was necessary to travel by the New Zealand flying-boat and so TEAL,
in operating the service, gained for New Zealand a share of the dollars spent by tourists in the Pacific. The economic potentiality of the route, however, was not as great as appeared and losses occurred in the operation of the service. These were accentuated after 1954 when the route was maintained by one Solent retained by the company solely for this purpose and in 1956 the Minister in Charge of Civil Aviation, T.P. Shand, stated that from a commercial point of view the service was bad business and expressed doubts whether the cost was justified by the value of the service to the island people.

In October 1952 Apia was included as a stopover between Fiji and Cook Islands en route to Tahiti and in August 1953 the frequency of the whole Coral Route service was revised. In future the Auckland-Suva service was to be flown five times in four weeks, the Suva-Apia service three times each month, and the Suva-Papeete service once every month. A service to Tonga was also commenced as an extension of the normal Auckland-Suva flights on a frequency of once a month. This service began on 12 August

1. PD, cccx, 2259.
1953 and was actually flown on a frequency of twelve return flights per year, two return flights being made within about a fortnight of each other every two months. The Coral Route, operating as it did at a time when other airlines were withdrawing flying-boats, had a character of its own with lagoons, palm trees and tropical sunshine. In the latter years of Solent operation on this service TEAL was one of the last major airlines to be carrying passengers in this type of aircraft, a fact which lent added glamour to the service. The Coral Route was also the scene of the company's first Royal Flights when, in December 1953, H.M. Queen Elizabeth II and H.R.H. Duke of Edinburgh were flown between Suva and Lautoka and return, and between Suva and Nukualofa in "Aotearoa II".

During the whole period when this route expansion was occurring Tasman operations continued, and by November 1952 the flying-boats were operating nine return services a week over the Tasman. In this period the value of TEAL was proven by its service during the New Zealand waterfront strike of

1. TEAL, [untitled outline history], ch.5, p.2.
1951. To cope with the situation the entire Solent fleet was called upon, along with a number of chartered aircraft, and from the start of March till the end of June, 485 Tasman flights were made, including forty-four special Solent flights and seventy-nine chartered operations. The amount of freight, passengers and mail carried during the strike showed a great increase over both preceding and succeeding years as figures provided in Appendix B reveal. Particularly noteworthy is the 1951 figure for freight carried in the month of July, showing as it does an almost five-fold increase over the July figures of both 1950 and 1952. The company again proved its value when in 1952 it undertook an airlift across the Tasman of some 1,800 replacement troops for New Zealand's K-Force. Alternative means of transport had been considered but as there was no shipping company operating a suitable or regular service between New Zealand and the Far East a ship would have had to have been chartered if the troops were to travel by sea. As this would have cost more and taken longer, a contract was let to TEAL to fly the troops to Australia and

2. See Appendix B, p. 222.
arrange for other airlines to complete the airlift to Japan. It was good exercise for the company since, in times of emergency conditions, any nation's overseas airline is of strategic importance in that it provides a fast transport fleet which is easily converted to military needs.

In spite of the improved service the Solents were able to offer and the amount of work they were able to perform, the days of flying-boat operation were necessarily drawing to a close. By 1953 the landplane was firmly established on most major commercial services throughout the world, and as TEAL had announced that the Solents would be withdrawn from the high density Tasman routes within five years, it was clearly necessary to choose a replacement.1 Apart from the relative merits of landplanes and flying-boats, there were a number of factors which seemed to favour a switch to landplanes. In Sydney, the residents of Rose Bay were requesting the removal of the flying-boat base from their suburb. The long-range plan was to remove the base to Botany Bay but residents of this area became vocal in

opposition. The hope of the Department of Civil Aviation, as revealed by the Minister, H.L. Anthony, was that the problem would solve itself by flying-boats becoming outmoded so that no base would be needed. Secondly, there was a scarcity of flying-boats being constructed, the only one worthy of consideration being the Saunders-Roe Princess originally designed for 100 passengers and obviously too large for TEAL's requirements. The only alternative was for the company to order a flying-boat constructed to its own specifications but the cost of such an action would have been prohibitive.

"Unless the development of a flying-boat was financed by the New Zealand Government, the company could not see any possibility of replacing the Solents with another aircraft of that type. That meant, therefore, that the company must convert to landplanes, in which field there would be plenty of choice", said TEAL's manager, G.N. Roberts.

An interesting comment on the future commercial use of flying-boats was made in June 1951 by the

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1. SMH, 20 Jan 1954.
2. NZH, 3 May 1951.
Chief of the New Zealand Air Staff, Air Vice-Marshal D.V. Carnegie:

I foresee the landplanes still carrying the passengers who must get from A to B as quickly as possible, but the tourist, freight, and normal passenger trade will undoubtedly be carried by the future flying-boat. The flying-boat may appear to be on the way out. If there is no increase in the size and weight of commercial aircraft, and if governments are prepared to meet the cost of the upkeep of runways, then commercially the days of the flying-boat may be numbered. But if large craft do come bringing the need for longer and stronger runways - then we shall once more see the flying-boat coming into its own. New Zealand may be witnessing the passing of a phase in the history of aviation. To-day the civil and military types in use are 10 years old, and there are, as far as I am aware, no flying-boats of commercial design under construction in any country.

Carnegie went on to say that the landplane, compared with a flying-boat of similar size, had a higher speed and greater payload and was the logical choice if an airfield was available. However, he predicted that the cost of aerodromes and the airport congestion that might develop from extensive use of landplanes would bring flying-boats to the fore as the main air carrier of the future. Two years

later, in 1953, the pioneer aviator Captain P.G. Taylor endorsed this point of view:

A few years ago the flying-boat appeared to be finished as a transport aircraft in competition with the more economical and efficient land-based type. The introduction of jet propulsion has, however, completely changed this picture. We now see the flying-boat coming up over the horizon again, not only as a practical airline transport for transocean services, but as a possible threat to the existence of the land aircraft where there is water available for a marine air-base. The propeller clearance problem, which dictated the rather inefficient shape of flying-boats in the past, has now been eliminated by the jet.  

Despite the opinion of these two experts it did seem likely that landplanes would supplant the Solents when the time came for their retirement and there were pointers in this direction. In 1948 when Sandringham services were suspended, the Tasman service was operated almost entirely by land aircraft; in 1951 the Christchurch-Melbourne service was begun using chartered landplanes and in December 1951, TEAL's chairman, Sir L. Isitt, stated that consideration was being given to the eventual replacement of the Solents with Bristol Britannia landplanes.  

However it was not Britannias but an

1. SMH, 26 Mar 1953.  
2. CS, 18 Dec 1951.
American landplane, the Douglas DC-6, which replaced TEAL's Solents in 1954. On 17 March 1954 the decision was announced to discontinue the Chatham Islands, Wellington and Auckland-Suva services: the latter service was replaced by a DC-6 operating from Auckland to Nandi, the first service of this Hibiscus Service being flown on 15 May 1954. The last Solent flight across the Tasman occurred on 27 June 1954 and by the end of that month all the Solents, with one exception, had been withdrawn. The one exception was "Aranui" which was retained for use on the Fiji-Tahiti section of the Coral Route. Disposal of the other machines was not an easy task since the use of flying-boats for passenger carrying was generally being discontinued but "Aotearoa II" and "Awatere" were eventually sold to Aquila Airways of the United Kingdom, whilst "Ararangi" and "Aparima" were scrapped at Mechanics Bay. The "Aranui" continued its Coral Route service until it returned to Auckland in September 1960 at the end of a farewell flight over the whole Coral Route. Today the machine is on display at the Museum of Transport and Technology in Auckland, a reminder of the twenty-one year flying-boat era in TEAL's history.
CHAPTER 3 FROM KEELS TO WHEELS

In March 1954, when New Zealand's Minister in Charge of Civil Aviation, T.H. Macdonald, announced that, as a result of changes to be made in the Pacific air services, TEAL would be re-equipped with Douglas DC-6 landplanes, The Press commented, "the reorganisation ... contains no surprises, except that the plan has taken five months to complete"\(^1\), a remark occasioned by the fact that tentative agreement on the matter had been reached the previous November. However, the idea of TEAL operating landplanes on all or some of its services was actually a good deal older than five months. It is possible in fact, to trace it back almost to the time of the company's inception, for in January 1941 the Board of Directors of Union Airways, TEAL's managing agents, had received a report on a proposed TEAL-operated Palmerston North-Sydney service from their General Manager, Maurice Clarke. In his report Clarke wrote "it can be assumed that the Tasman would ultimately be flown by landplanes" and he recommended

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\(^1\) Press, 18 Mar 1954.
"that Tasman Empire Airways investigates the possibility of securing a DC-4 or a Boeing Stratoliner for the Tasman service to augment the service already being run by the boats."¹ By "boats" Clarke meant of course, the TEAL flying-boats "Aotearoa" and "Awarua" whilst both the aircraft referred to in his recommendation were land machines. Any proposal to expand TEAL's fleet or route network was curtailed, however, by the wartime conditions which overshadowed the first five years of the company's history.

The question of a landplane service across the Tasman was revived, in somewhat different form, in January 1945 when Australian National Airways (A.N.A.) lodged an application to operate a number of overseas services with the Australian Department of Civil Aviation. Included in A.N.A.'s proposals were landplane operated services between Australia and New Zealand and Australia and the United States by way of New Zealand but the withholding of official approval of the company's application resulted in the

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postponement of landplane operations across the Tasman. A.N.A. did prove, however, that the commercial operation of landplanes across the Tasman was possible when, on a special flight in March 1946, one of its Skymaster aircraft carried forty-one passengers and 5,000 lbs of freight between Australia and New Zealand.

Further indication that landplanes might take their place on the Tasman service was given by TEAL's Vice-Chairman, C.G. White, when he announced that the company intended to change over to Avro Tudor IIs as soon as these machines became available. Unfortunately this re-equipment with British landplanes did not take place and in November 1946 the use of landplanes across the Tasman was estimated to be at least three years away, the delay being attributed to the fact that TEAL was approaching the question of land machines with some caution since post-war types had not yet been thoroughly tested. Subsequently, the decision to order a number of Short Solent flying-boats, justified by TEAL's

1. CS, 6 Mar 1946.
2. Press, 9 Nov 1946.
assistance-general manager on the grounds of safety and economics, postponed the introduction of landplanes indefinitely. "Land planes may eventually replace the Solent, but that plane should do us for another five or six years, or longer. We would then have to consider whether land planes should be used", said New Zealand's Aviation Minister.

The landplane continued to make incursions upon this domain so strenuously preserved for the flying-boat; in February 1947, for example, a number of charter flights were made by Skymaster aircraft of Trans-Australia Airlines in order that TEAL might cope with the increased Tasman traffic which followed the accident to the steamer "Wanganella". The landplane strengthened its case for inclusion in the operation of the Tasman airways during the period February-June 1948 when DC-4 Skymasters of Trans-Australia Airlines and A.N.A. maintained the Tasman service whilst TEAL's Sandringham fleet was grounded. Additional support for the operation of landplanes across the Tasman came in the reports of two Government appointed bodies. The Royal

1. CS, 18 Oct 1948.
2. PD, cclxxxii, 1084 [emphasis added].
Commission established to inquire into the Sandringham incident of 3 December 1947 recommended that pressurised aircraft be used on the Tasman service as soon as possible which, in view of the difficulties that existed in pressurising the hulls of flying-boats, was virtually a mandate for a change to landplanes. Secondly, the Tymms Mission of 1948 recommended that "Government should consider the establishment of both landplane and seaplane services across the Tasman."\(^1\) Flying-boats nevertheless continued to operate the service for a further six years.

On 29 June 1951 TEAL itself took a major step toward the full-scale use of landplanes when the company inaugurated a Christchurch-Melbourne service using a chartered DC-4 aircraft. The opening of this service was the outcome of long agitation for such a link. In the course of this agitation the question of TEAL's monopoly on the Tasman and the continued use of flying-boats had come under discussion for the matter concerned not only the establishment of an air service into the South Island but the offer of a private company, A.N.A., to operate such a

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1. Press, 30 Apr 1948; AJHR, 1948, H 37A, p.35.
service. In February 1946 the Mayor of Christchurch had received advice from Melbourne that subject to official approval, A.N.A. were prepared to operate a Tasman service with Christchurch as the New Zealand terminal: thus began a five year struggle to have Christchurch incorporated into New Zealand's external air network.

The required governmental approval of A.N.A.'s proposed service was withheld, hardly a surprising decision for not only were both the Australian and New Zealand Governments pledged to nationalisation of airways but their sanctioning of such a proposal would have meant, in effect, authorising a service to compete on the Tasman with the services offered by TEAL in which company both governments had a financial interest. On the other hand there was little doubt that a direct air service to the South Island would have to be provided, if only because South Islanders wishing to travel on TEAL's Tasman services were required to travel to Auckland and await the departure of their trans-Tasman aircraft, a period of anything up to twenty-four hours. The basic question was of course, whether or not an operator other than TEAL was going to provide this additional service for companies other than TEAL and
A.N.A. were interested in the route. Indeed N.A.C., Trans-Australia Airlines, Qantas Empire Airways and British Commonwealth Pacific Airlines – all government-owned concerns – as well as the privately owned Ansett Airways all expressed interest in the service at some time prior to its inauguration. Furthermore the likelihood of foreign airlines demanding the right to use New Zealand as a stopping place on through routes could not be overlooked; Pan American Airways' services to the United States from both Australia and New Zealand were one example. "The position of the Dominion on the map of the Pacific is so strategical from the point of view of ... airline operation that serious consideration will have to be given to the claims of other airlines wanting to use the Tasman route" wrote the editor of one aviation journal.¹ Six years later The New Zealand Herald warned that continuation of TEAL's monopoly across the Tasman might culminate in New Zealand being bypassed by some of the Pacific trunk services with the result that it would be at the end of a branch line to Fiji instead of being on the international routes.² As far as the

2. NZH, 24 Jan 1953.
New Zealand Government was concerned, however, there was no question of another airline operating across the Tasman; "the Government's policy was that air services between Australia and New Zealand should be operated by Tasman Empire Airways", said the Minister in charge of the Air Department, F. Jones, adding that the provision of a direct air service by TEAL between the South Island and Australia was not immediately practicable as TEAL's equipment consisted solely of flying-boats. ¹

Prospects for a landplane service to the South Island brightened late in 1949 when a change of government occurred on both sides of the Tasman. In May 1949, whilst still Leader of the Opposition, the new Prime Minister, S.G. Holland, had stated, "if I had the authority I would start the preparations for a South Island-Australia air service from Harewood tomorrow .... Modern planes for the service were available now, and some healthy competition in air services would be all to the good."²

On the Australian side of the Tasman, the decision of the new Government to designate Essendon airfield,

¹. Press, 2 Jul 1949.
². Ibid., 5 May 1949.
Melbourne, an international airport brought the Christchurch-Melbourne service a step closer especially as the distance separating the two cities, some 1,500 miles, was comfortably within the range of Douglas DC-6 and Lockheed Constellation aircraft currently in use by British, American and Australian airlines on overseas services. In May 1950 New Zealand's Minister in Charge of Civil Aviation, W. Goosman, announced that a Christchurch-Melbourne service would begin in December, although he gave no indication as to which of the many interested companies would operate the service. The end of this rather protracted prologue to the new service came in July 1950 when Goosman announced that TEAL, using chartered landplanes, would operate the route, although no decision had as yet been made regarding the inaugural date or type of aircraft to be used.  

A government which had supported the application of the privately-owned A.N.A. whilst in opposition had now reversed its stand and adopted the very course of action it had criticised before assuming office. "Although the Government is naturally predisposed in favour of private enterprise" said Goosman, "it has

1. NZH, 4 May 1950; CS, 14 Jul 1950.
concluded after a full examination that it is bound to observe the terms of the agreement entered into by the British, Australian, and New Zealand Governments in 1940, and renewed on September 15, 1949, conferring on Tasman Empire Airways the exclusive right to operate the regular civil air transport services required for the carriage of passengers, mail, and freight across the Tasman Sea.\(^1\)

It was a righteous sounding statement but it fell far short of explaining the change in attitude to the service on the part of the Government before and after its election to office. Goosman's added comment that the operation of a South Island service by a private operator might subject TEAL to an operating loss and jeopardize the capital investment of the three governments concerned was probably a better reason with which to explain the Government's change of outlook.

The Australian aviation journal *Aircraft* criticised the decision to grant TEAL the operating rights on the new service, contending that New Zealand was developing a "Mare Nostrum" (our sea) attitude toward commercial air services across the Tasman.\(^2\)

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There were, however, a number of factors which supported the decision to employ TEAL on the Christchurch-Melbourne service. By awarding another company the charter for the route but retaining control in the hands of TEAL, in which the Government held fifty per cent. of the shares, ultimate control of the Tasman air routes remained in the hands of the New Zealand Government. There was also the possibility that had the New Zealand Government granted a private company the right to compete with TEAL, one or both of the other two partners might have demanded that New Zealand buy them out. Furthermore the decision meant that New Zealand would in time of war or emergency have the major voice in deciding the future of the air services whereas if a private company ran the service the aircraft might, under similar circumstances, be switched to other routes.

For Christchurch, a taste of things to come was provided in December 1950 when a DC-6 and Constellation landed at Harewood having flown from Melbourne and Sydney respectively. Questioned at Christchurch, TEAL's chairman, Isitt, stated that the company expected to commence operation of a weekly return
service by June 1951, the aircraft to be chartered from Australian sources. ¹ This date was somewhat premature and it was not until 29 June 1951 that the Christchurch service was inaugurated with the arrival from Australia of the DC-4 "Philippine Trader" under charter from Qantas. The service was operated in this manner until June 1954 when TEAL's own landplanes were introduced upon the route. In this rather indirect way TEAL began the transition from flying-boats to landplanes.

The full-scale changeover to landplanes did not take place until 1954 following the reorganisation of the Pacific air services operated by the British, Australian and New Zealand Governments when TEAL acquired three DC-6 landplanes. TEAL had, in fact, been considering re-equipment plans in 1951 and indications at that time were that the flying-boats would be abandoned in favour of landplanes, since TEAL's Solents were due for replacement by 1957 and there was no suitable flying-boat currently in production. The only alternative, TEAL acquiring a number of flying-boats built to its own specifications, having been dismissed as too costly,

¹. Press, 20 Dec 1950.
conversion to landplanes appeared the only choice, a conclusion confirmed by one of TEAL's directors, T.A. Barrow, who stated that when the time came for re-equipment TEAL would have the choice of three British and two American landplanes with the Duchess flying-boat a sixth possibility. Consequently it was rather surprising to find the company chairman, Isitt, stating less than two months later, that TEAL would continue to operate flying-boats if suitable replacements could be found. In support of this contention Isitt noted that sea-alighting areas on TEAL routes were more adjacent to the terminal cities than the international airports currently in use, and also the cost of preparing a sea-plane base was much less than the cost of aerodrome construction.

Although this statement was in complete contradiction to the prevailing trend toward landplanes there was something in Isitt's case for flying-boats when the question of alighting areas was taken into consideration, since the close proximity of the flying-boat bases to the terminal cities made for economy and convenience for both the airline and the

passengers. In addition the comparative cost of sea-alighting areas and land aerodromes undoubtedly made Isitt's case attractive to the New Zealand Government, faced as it was with the costly possibility of having to provide New Zealand with one or two international airfields. A further attraction to New Zealand's politicians in the continued use of flying-boats was the fact that a change to landplanes would undoubtedly deprive Wellington of a direct link with Australia. On the other hand there were a number of reasons to suggest a re-equipment with landplanes. TEAL was by 1951 one of the last international airlines of any consequence making extensive use of flying-boats in the operation of its services. Future flying-boats would, if constructed solely for TEAL, be expensive machines. There was also the possibility that they might be inferior machines since the current advantages of the landplane would almost assuredly increase as a result of the greater attention being given to the development and improvement of that type of machine. Furthermore, TEAL could hardly overlook the disadvantages of operating a mixed fleet of aircraft, yet it was bound eventually to have some landplanes of its own, if only to operate the Christchurch-Melbourne service,
thus ending the reliance on existing charter arrangements. The odds seemed to favour the landplane and seven days after the press release of his first statement, Isitt appeared in print for a second time with an announcement that "serious consideration" was being given to the replacing of the Solent flying-boats with Britannia landplanes, although "in view of its commitments to the new extended Pacific service" it was unlikely that TEAL would entirely abandon flying-boats. ¹ By March 1952 TEAL was no further advanced toward re-equipment, the company's vice-chairman stating that no decision on the Britannia could be made until after that machine had concluded its testing flights in June. ²

It did seem, however, as though the Britannia would be the next aircraft to serve in the company's fleet and consequently it was surprising when the company suddenly proposed the use of Handley Page Hermes IV landplanes as an interim measure. The planes were to come from B.O.A.C. and it was intended that they fill the gap until TEAL took delivery of the Britannia, the decision to use an interim machine

¹. CS, 18 Dec 1951.
². NZH, 19 Mar 1952.
being made because the Solent was rapidly becoming uneconomical.\textsuperscript{1} The decision came under some harsh criticism, Sir Keith Park for example, contending that it was a "scandalous waste of public money and sterling funds" to replace TEAL's Solents with "obsolete Hermes landplanes discarded by an overseas airline", a reference to the fact that B.O.A.C. had replaced its Hermes with de Havilland Comets.\textsuperscript{2} On 21 May 1953, just three months after the announcement of the interim plan, the Hermes scheme was abandoned, investigations having revealed the machine to be unsatisfactory for TEAL's operating conditions. Instead TEAL was to continue operating its Solents, the passenger capacity of which would be increased to fifty-four.\textsuperscript{3}

The solution of the company's re-equipment problems, the acquisition of three DC-6 machines, resulted from discussions regarding the reorganisation of the two tri-party government-owned airline companies, TEAL and British Commonwealth Pacific Airlines (B.C.P.A.). These discussions began in

\begin{enumerate}
  \item NZH, 16 Feb 1953.
  \item Ibid., 4 Apr 1953.
  \item Press, 21 May 1953.
\end{enumerate}
Canberra in August 1952 and were continued at irregular intervals until tentative agreement was reached at a conference held in Christchurch in October 1953. However, a final announcement was withheld until the following March because of the need to obtain governmental approval of the provisions contained in the agreement, the prolonged negotiations and official reticence on the matter providing an interesting parallel with the years preceding TEAL's establishment.

There were a number of factors which necessitated some reorganisation of the two airlines' services. There was, for instance, the question of introducing "tourist" fares early in 1954, a matter to which both companies were bound by international agreement, and one which would require the greatest operational efficiency at the lowest cost. Finance was of course another factor deserving consideration. TEAL was faced with the heavy expense of a re-equipment programme and both companies were in financial difficulties, TEAL to a lesser extent than B.C.P.A. Regular sums were voted to the companies by the New Zealand Parliament to meet operational deficits and in the year ended 31 March 1953 B.C.P.A. received
some £50,000 in this way, a kind of ten per cent. dividend in reverse on an investment of approximately £542,000.¹

The difficulties of both companies might have been overcome by a merger of the two organisations, a move which would have been of great benefit to TEAL since that company would have obtained the use or ownership of B.C.P.A.'s landplanes which could be adapted for the carriage of "tourist-class" passengers: whether the financial difficulties would have been overcome is a matter for conjecture. Any such merger would, however, have raised a number of problems relating to traffic rights and company control. B.C.P.A.'s aircraft operated between Australia, Vancouver and New Zealand², but were restricted from the trans-Tasman traffic which was reserved solely for TEAL. If a merged TEAL-B.C.P.A. was admitted to the Tasman a similar concession would have had to have been made to airlines such as Pan American Airways and Canadian Pacific Air Lines, otherwise landing rights in Canada and the United States could

1. AJHR, 1953, B 7 [Pt I], p.192.
2. B.C.P.A.'s service operated through San Francisco but enjoyed only transit rights for that centre.
possibly have been withdrawn. The question of control of a merged company also presented problems. Both organisations had similar share structures, fifty, thirty, twenty per cent., but the New Zealand Government was the major shareholder in TEAL and the Australian Government held the fifty per cent. in B.C.P.A. A compromise on control of a merged airline would clearly have been necessary, an unlikely probability since the British shares would have assumed the character of floating votes able to sway decisions either way. In the light of such problems it was evident that any plan relating to reorganisation would have to overcome complex difficulties, a fact realised by New Zealand's Minister in Charge of Civil Aviation:

Each different scheme has to be studied in the light of factors such as estimated profit or loss, suitability of aerodromes for various types of aircraft, the use or otherwise of flying-boats, the defence value in controlling an international airline, and the advantage to be gained in operating services to Pacific Islands and dependencies.¹

The idea of merging the two airlines was, of course, only one of the many plans suggested during

¹ NZH, 16 Jul 1953.
the conferences and negotiations which took place. In June 1953 The New Zealand Herald reported that the possibilities were believed to have been reduced to two; that B.C.P.A. absorb TEAL and operate an Australia-New Zealand-North America service, or that TEAL would continue to operate but Britain would withdraw, selling her shares to Australia and New Zealand. The adoption of the first of these two schemes was unlikely since, for the reasons mentioned above, it would have been necessary to end the Tasman monopoly. The second suggestion had more substance since the likelihood of Britain withdrawing from both companies seemed possible in light of two factors. Firstly, the post-war operations of B.O.A.C. had been anything but a financial success and the losses incurred through the company's interest in B.C.P.A. and TEAL no doubt contributed to the overall deficit. Consequently it was not surprising when B.O.A.C.'s chairman noted in his 1953 Report that B.O.A.C. would probably drop its financial interest in TEAL. The second reason is one of conjecture rather than fact but at this time,

1. NZH, 30 Jun 1953.
2. Quoted in SMH, 23 Sep 1953.
i.e. 1952-53, B.O.A.C. was re-equipping with Comet jet airliners and the possibility of the company desiring to operate a round-the-world service with these machines cannot be overlooked. Withdrawal from TEAL and B.C.P.A., both of which operated in the Pacific region, would have left B.O.A.C. free to operate independently when it was ready with machines and organisation and would also have simplified any negotiations for landing rights that might have been necessary.

Advancement toward a final settlement was made at a conference held in Christchurch in October 1953, a list of recommendations being drawn up and forwarded to the various governments for their consideration. The main recommendation was that B.C.P.A. disappear with Qantas operating its Pacific services with its own aircraft, B.C.P.A's aircraft being transferred to TEAL. New Zealand and Australia, who were to become joint-owners of TEAL, were each to buy one of the machines and share the cost of the third. New Zealand would not lose its Pacific service as the Qantas service to North America would be linked with New Zealand by an Auckland-Fiji service operated with
TEAL's newly acquired DC-6s, which would also be used on the Tasman service.¹

The conference was reported to have considered four proposals relating to the latter service; A.N.A. should run a service; Qantas or Trans-Australia Airlines should operate the route; New Zealand should accept full responsibility; or New Zealand and Australia should establish joint-ownership of the service. New Zealand's delegate, T.H. Macdonald, rejected the first two proposals because they did not meet that country's requirements, namely, the existence of a New Zealand-based overseas airline, and the retention of TEAL's workshops and maintenance organisation in Auckland. The third proposal was rejected because of the difficulty anticipated in maintaining a monopoly of the service under pressure from other operators.² The fourth possibility, the only one acceptable to New Zealand, overcame this point since a service so operated was not a monopoly in the strict sense of the word since it served both Australia and New Zealand. Furthermore, New Zealand was not in the position, financially, to

2. NZH, 17 Nov 1953.
accept full responsibility for the service. The last solution was also the only one acceptable to New Zealand on strategic grounds. Had the Tasman service become the responsibility of an Australian company, New Zealand could have done no more than plead for consideration if her interests failed to coincide with those of Australia, a disastrous situation in the event of an emergency.

At the end of 1953 agreement appeared to be no closer and in February 1954 New Zealand's Prime Minister, S.G. Holland, stated that nothing could be firmly decided upon until further consultations with the other shareholding governments had taken place.¹ The official announcement of the reorganisation plans came in a statement by the Minister in Charge of Civil Aviation on 17 March 1954 which in effect, merely confirmed what had been predicted following the Christchurch conference five months before. Britain was to withdraw from TEAL leaving New Zealand and Australia as joint-owners. Australia would buy out B.C.P.A. and Qantas was to run a Pacific service. New Zealand would withdraw

¹ NZH, 12 Feb 1954.
its thirty per cent. interest in B.C.P.A., receiving in return three DC-6 landplanes formerly used by that company, and TEAL would continue to enjoy a monopoly on the Tasman.\(^1\)

An unsatisfactory aspect of the settlement from New Zealand's viewpoint was the new joint-ownership of TEAL, with the Australian and New Zealand Governments each holding 811,400 £1 shares,\(^2\) for although the board of directors was to have a New Zealand chairman whose casting vote gave New Zealand nominal control, the possibility of the chairman being forced to rule the board with his casting vote, and the delays which might result from such a situation, could not be overlooked. On the other hand TEAL had received a fleet of three DC-6 landplanes which promised not only to improve the financial side of company operations, but allowed for the introduction of tourist fares if desired and provided greater passenger comfort inside their pressurised cabins.

Re-equipment was not merely a matter of an overnight switch of aircraft and in changing from

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Solents to DC-6s TEAL faced many temporary difficulties; in fact this changeover may fairly be regarded as the most trying of the company's five re-equipment programmes. During its completion there were many problems which had to be met and dealt with; staff had to be retrained in the flying and servicing of land aircraft; new maintenance facilities had to be provided at Whenuapai, the company's new base of operations, twenty-two miles from Auckland; routes and timetables had to be rearranged and a retooling programme for the workshops undertaken. The changeover was made more difficult by the fact that a British aircraft was being replaced by an American machine, equipment for which was far from easy to obtain as the DC-6 was no longer being manufactured; valuable help in this respect was received, however, from Qantas and Trans-Australia Airlines.¹

The many difficulties were all successfully overcome and on 14 May 1954 the company operated its first landplane service when one of its DC-6 aircraft flew from Sydney to Auckland under the command of two B.C.P.A. captains, this flight constituting both the delivery flight and first scheduled DC-6 operation.

¹ TEAL, [untitled outline history], ch.6, p.3.
Plate IV: First of the landplanes - the Douglas DC-6.
For the next six weeks the company operated both DC-6s and Solents until the latter were withdrawn, the Coral Route machine excepted, at the end of June, by which time TEAL had taken possession of all three DC-6s.¹ These 265 m.p.h. machines were capable of carrying fifty-six passengers across the Tasman in five-and-a-half hours.

The changeover to landplanes necessitated a reconstruction of the company's route structure since a number of the ports-of-call on the flying-boat routes possessed no international airport. This problem was not confined to the Pacific Islands since New Zealand itself was faced with the need to fulfill aerodrome requirements, having only Christchurch and Whenuapai, a joint civil-military airfield, suitable for use by TEAL's machines.² It was not an exciting prospect which the New Zealand Government faced as its Australian counterpart had only recently expended some £10,000,000 on airport development at Mascot and Adelaide alone.³ The lack of suitable aerodromes

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1. As was the established custom each aircraft received an individual name: "Aotearoa III", "Arawhata", and "Arahia" (ZK-BGA, -BGB, -BGC resp.).
2. The military airfield at Ohakea was a third possibility but its distance from any major centre precluded it from serious consideration.
3. SMH, 7 Jul 1954.
on TEAL's routes made it necessary to discontinue the Chatham Islands service, the Wellington services and the Auckland-Suva service, whilst one Solent was retained to operate the Suva-Papeete section of the Coral Route. The Auckland-Suva service was replaced by a DC-6 service between Auckland and Nandi but Wellington lost its place on the international air network until reinstated in July 1960; the Chatham Islands were less fortunate and were left without a regular air service, a situation little improved today.

Conversely, the DC-6s made it possible for TEAL to increase frequencies on established routes and inaugurate some new services. The first of these new services was that between Auckland and Nandi, inaugurated on 15 May 1954, and it was soon followed by a Sydney-Christchurch service which supplemented the charter-operated Christchurch-Melbourne route. TEAL's acquisition of landplanes meant that this charter arrangement could be dispensed with and the last of the Qantas-operated charter flights left Harewood on 25 June 1954.¹ Four days later "Aotearoa III" became the first aircraft in TEAL

1. On 4 Oct 1961 Qantas services into Harewood recommenced, this time under Qantas' own operating rights.
livery to land at Christchurch when it inaugurated the new Sydney-Christchurch-Melbourne service, the Sydney-Christchurch service being flown twice weekly and the Christchurch-Melbourne service being operated on a once-a-week basis. This was not the end of charter operations over TEAL routes for in November 1955 TEAL took over the Norfolk Island route previously operated by N.A.C. and this service was operated with a DC-4 chartered from Qantas. This change of operator was of benefit to N.A.C. since the DC-3 aircraft which the company had operated on the route were subject to restrictions on operating weight and payload which combined with airport dues to make the route uneconomic from N.A.C.'s point of view.¹ The changeover, besides relieving N.A.C. of this encumbrance, also meant that the corporation became a solely domestic operator and TEAL became the only New Zealand operator of international services.

Further route expansion was undertaken in 1957 when in February an Auckland-Melbourne service was begun on an experimental basis and incorporated into the regular network eight months later. In July 1959 a service between Auckland and Brisbane was

begun experimentally and operated over a three month period. In June 1961 this service was extended to a duration of six months by the DC-6's successor, the Lockheed Electra and subsequently became a regular all year round service. The DC-6s were also introduced on to the Coral Route in September 1960 following the withdrawal of the Solent flying-boat "Aranui". The lack of suitable airstrips on some of the islands served by this route necessitated a change of terminals and the omission of some previously served centres. The DC-6s extended the Hibiscus Service from Nandi to Tahiti but were forced to terminate their Coral Route journey at Bora Bora until 22 October 1960 when they commenced operations into Tahiti's new international aerodrome at Faaa.

The DC-6s served TEAL efficiently until replaced in 1961, especially when the financial aspect of the company's history is considered. In the year ended 31 March 1955, the first year in which the DC-6s had been used, initially alongside the Solent flying-boats, the company finances were lifted from a loss of £168,250 to a profit of £62,073.¹ In subsequent years the profits earned by the company

¹. Press, 20 Dec; 22 Dec 1955.
continued to increase, totalling £286,775 for the year ended 31 March 1958. It is with some justification, therefore, that the company secretary, A.A. Watson, can claim that the DC-6s "put TEAL on the map". 1

There were of course a number of noteworthy events during this period of the company's history. Like their predecessors the Solents, the DC-6s were used on occasions under charter as troop carriers. On 7 July 1954 TEAL undertook to charter DC-6 aircraft over a route through Sydney-Darwin-Manila-Iwakuni-Tokyo to support New Zealand forces in Korea. In all seventeen of these flights were carried out between July and October, seven being flown by "Arahia" and five each by "Aotearoa III" and "Arawhata". 2 Later, in August 1958, the DC-6 aircraft performed seven flights under charter to the United Kingdom Government. These flights involved the transporting of troops and mail between Honolulu and Christmas Island and were carried out prior to the British nuclear tests which took place in August and September 1958. 3

1. Interview, 8 May 1968.
2. TEAL, Operational History, entry for Jul 1945.
3. TEAL, [untitled outline history], ch.5, p.7.
Another occasion worthy of note occurred on 28 October 1955 when TEAL completed its 10,000th crossing of the Tasman. 1 This was a Sydney–Christchurch crossing and was flown by "Arahia" under the command of Captain C. Griffiths who had made 1,240 crossings since joining the company in 1940. In the course of these 10,000 crossings the company had used four different types of aircraft, had expanded its route network from 1,340 to just over 9,000 miles, and had carried over 300,000 passengers, as well as more than 5.8 million pounds of freight and some 6.3 million pounds of mail. 2

In 1956 the holding of the Olympic Games in Melbourne provided TEAL with an extremely busy period and the traffic carried during the games period boosted the total number of passengers carried in the year to just under 50,000; 49,389. In order to cope with the increased volume of traffic TEAL augmented its own DC-6 services with services operated by aircraft under charter from Qantas, Sabena and Trans-Australia Airlines. A total of forty-three return services were operated in the twelve days

2. See Appendix A, p.221.
preceding the games and fifty-five return services flown in the fifteen days after the games. In these twenty-seven days, 9,417 passengers were carried on the 196 trans-Tasman services operated.

The re-equipment with DC-6 aircraft not only solved TEAL's financial problems but enabled the airline to continue the expansion of its network initiated during the period when Solents had been operated. There was, however, one difficulty which the DC-6 brought with it - age. The aircraft had a long operational history having been operated by Scandinavian Airlines System prior to their purchase by B.C.P.A., who operated them from 1949 until 1954 when they were transferred to TEAL. During the winter of 1956 these aircraft were required to undergo wingskin modifications, a step recommended by the Douglas Air Company and ordered by both the American and Australian Civil Aviation Departments. Individually the modifications were minor but they involved removing wing-sheeting, fuel tanks, and other components for access: consequently, if the aircraft were not to be out of service for a long

period of time a large labour force was needed and a contract for the work was awarded to the Hong Kong Aircraft Engineering Company which was able to provide the required labour force as well as necessary aeronautical engineering and inspection facilities. The first of the three aircraft to undergo this treatment, "Arahia", left for Hong Kong on 24 May 1956, followed by "Aotearoa III" on 10 August and "Arawhata" on 20 September. In each case the modifications, which gave an increase of approximately 2,000 lbs in payload, were completed and the aircraft returned within about fifteen days.¹

Even with these modifications, however, it was clear that TEAL could not continue to operate the DC-6s indefinitely without considering a replacement machine. The prevailing trend among the world's major international airline operators was toward pure-jet or turbo-prop aircraft, and by the end of 1956 all the airlines serving New Zealand, with the exception of TEAL, had ordered aircraft from one or both of these categories; Qantas had Boeing 707s on order; Transports Aeriens Intercontinentaux had ordered DC-8s; Canadian Pacific had placed orders

¹. TEAL, Operational History, entry for May 1956.
for both the de Havilland Comet and the Bristol Britannia, and Pan American Airways had both DC-8s and Boeing 707s on order. The aviation correspondent of an Auckland newspaper commented; "At the rate the other international airlines are ordering new airliners, it appears that Tasman Airways will be the last in the line."¹ A year later the Director of Civil Aviation referred to TEAL's DC-6 and Solent aircraft in his Annual Report and commented, "Although these aircraft continued to give good service, and are capable of doing so for some time to come, it has become urgently necessary in view of the inevitable delay between ordering and delivery dates to consider the choice of replacement aircraft."²

In fact the Board of Directors of TEAL was already concerned with re-equipment and in May 1957 had recommended that a change of aircraft take place in 1960.³ The final decision on a replacement aircraft was not made until late in May 1958 when as a result of the so-called "TEAL Deal" the airline was re-equipped with Lockheed Electra turbo-prop aircraft. In the period between the announcement of

¹ NZH, 28 Dec 1956.
² AJHR, 1958, H 37A, p.17.
³ Press, 31 May 1957.
the decision to re-equip and the choice of the Electra a bitter struggle took place during which the claims of a number of aircraft were pressed as being the best-suited for TEAL's requirements. The search for a replacement had led to a pure-jet, the Convair 880, The New Zealand Herald informed its readers; six months later the same newspaper reported that the Boeing 720, a scaled down version of the Boeing 707, was now the centre of attraction; and at an even later date one of the paper's headlines announced "Comets recommended for TEAL".¹

The Auckland Star summed the matter up in a headline "Aircraft choice - complexity" and then proved its point by listing six aircraft, the Electra, Vanguard, Comet IV, Boeing 720, Convair 880, and Caravelle, as possible contenders.²

The choice of a replacement aircraft was further complicated by the fact that re-equipment was no longer a simple problem of choosing the aircraft best suited, economically and operationally, to the job in hand. Broader political and economic aspects now played a part; the question of the Tasman monopoly, the relative merits of purchasing American

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or British machines, the comparative value of turbo-props as against pure-jets, all had to be taken into account. Furthermore the choice of a replacement would be the first major decision taken since the Australian and New Zealand Governments had assumed joint control in 1954 so if the two parties disagreed on the matter a recurrence of the delays which had occurred during TEAL's founding and prior to the reorganisation of 1954 seemed probable.

By March 1958 the likely contenders for the replacement choice were narrowed down to two aircraft, the de Havilland Comet Mark 4 and the Lockheed Electra, but this limitation did not eliminate the many side issues referred to above since the Comet was a British-constructed pure-jet aircraft whereas the Electra was built in the United States and was a turbo-prop machine. Late in March TEAL's Board of Directors announced that they would recommend the purchase of three Comets for TEAL, the total cost being estimated at about three million pounds.¹ This decision was not a unanimous one however, two of the Australian directors dissenting in favour of

¹. NZH, 24 Mar 1958.
the Electra, which the Australian airline Qantas was interested in purchasing for operation on its secondary routes. Consequently a clash of national interests seemed likely to occur when the Australian and New Zealand Ministers of Civil Aviation met to discuss re-equipment plans early in April 1958, as the Australian Minister, S. Paltridge, would almost certainly advocate the purchase of Electras whilst the New Zealand Minister, J. Mathison, would in all probability, support the recommendation of TEAL's directors that Comets be purchased.

In these negotiations between the two partner governments, it does appear that Australia held the upper-hand, and that New Zealand could do little but obtain concessions in return for its support of the Australian choice, the Electra. New Zealand for instance could not force the Australian's hand too hard since they would be providing half the cost of the new aircraft; on the other hand New Zealand was unable to bluff by threatening to purchase the Australian share in the company, since the country's economy precluded such an action. Furthermore, whereas the future of TEAL was of vital importance from New Zealand's point-of-view, it was of little
consequence to the Australian Government, as it already possessed in Qantas an international airline of world-class; the Australian's main preoccupation, in fact, was the acquisition of a machine suitable for use on Qantas' secondary routes. Australia's Prime Minister, Menzies, did acknowledge, however, that his Government recognized the importance for New Zealand's defence policy of having long-range turbo-prop aircraft on New Zealand's register as well as having maintenance facilities and operating crews based in that country, commenting that such considerations were also of indirect strategic importance to Australia. ¹

Australia had in fact dealt generously with New Zealand in regard to TEAL before 1958. The company's headquarters and servicing facilities had been established and allowed to stay in Auckland and despite the equal Australia-New Zealand ownership, TEAL had, by and large, been permitted to function as New Zealand's international airline. In fact in all major respects but one the airline operated as a New Zealand business: the one important exception was that the partnership gave TEAL a monopoly of Tasman

traffic rights. If the present, or some future, Australian Government demanded that Qantas share the Tasman traffic, TEAL could not afford to be equipped with aircraft less attractive to the public than the jets operated by Qantas. In this respect purchase of the Comet appeared desirable for not only would it have served TEAL for a long period of time but would have introduced standards of comfort and performance comparable to those of jets being introduced by other airlines. On the other hand if both Qantas and TEAL operated Electras the possibility of the former airline being allowed traffic rights on the Tasman could not be overlooked, provided that company was required to use Electras and not jets on the route, a matter which the absence of jet airfields in New Zealand would assure.

On 11 April 1958 the New Zealand Prime Minister, W. Nash, announced that following governmental discussions agreement had been reached on re-equipment plans; the details however were not released until both the Australian and New Zealand Governments had ratified the proposals. Two days later reports indicated that TEAL would re-equip with Electras provided tests indicated the taxiways and runways at
Whenuapai could be strengthened to take the increased load.¹ This report was confirmed a month later when on 22 May, a joint statement by the Australian and New Zealand Ministers of Civil Aviation announced that TEAL would purchase three Lockheed Electras.² The decision was said to be subject to the solution of aerodrome problems in New Zealand and the conclusion of an agreement by which excess capacity on TEAL's aircraft would be chartered by Qantas, who would also operate a service through New Zealand under charter to TEAL. Commenting on the decision, New Zealand's Minister, J. Mathison, said:

In choosing the Electra for TEAL, New Zealand and Australia have selected an aircraft which holds out high hopes for efficient operation and very satisfactory economic results. This aircraft has been chosen by a number of other airlines, among them QANTAS,... This will be an added advantage to TEAL because it will result in substantial savings through economies in technical cooperation and through the absorption by QANTAS of excess capacity which will be available from TEAL's fleet.³

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1. NZH, 12 Apr; 14 Apr 1958.
He added that the new agreement assured the continued existence and operation of TEAL and also ensured that up-to-date civil aircraft would be on the New Zealand register.

The official announcement of the Electra purchase drew a deal of criticism: The New Zealand Herald expressed the opinion that the Government "had done the wrong thing", whilst in Christchurch The Press commented, "The New Zealand Government has made a singularly bad bargain."¹ The object of criticism varied from critic to critic. The New Zealand Government was reprimanded for approving the spending of some £4,000,000 in America, when Comet aircraft could have been bought without depleting dollar reserves, at a time when New Zealand exporters were striving to obtain better treatment on the United Kingdom market. Another point of criticism was that New Zealand had yielded to Australian interests which were primarily concerned with acquiring Electras for secondary routes. Australia, it was stated, wanted TEAL in the deal in order to get a better trade-in concession from Lockheed on Qantas' old Super Constellations, thus reducing the total cost. This

¹ NZH, 24 May 1958; Press, 26 May 1958.
criticism was made in The New Zealand Herald\textsuperscript{1} and is open to doubt: on the other hand the subsequent offer of Australia to pay half the loss on TEAL's Coral Route, to charter excess capacity on TEAL's machines, and to contribute toward the upgrading of Whenuapai aerodrome would suggest that there was some validity in the Herald's theory. Criticism was also directed at the decision to re-equip with turbo-props rather than pure-jets since the latter undoubtedly enjoyed a greater public popularity. Furthermore it was suggested that the homogeneous nature of the TEAL and Qantas Electra fleets would lead to the transferring of TEAL's maintenance works to the Australian headquarters of Qantas and ultimately to the total absorption of TEAL by the larger Australian concern. Conversely there was the possibility that if TEAL was re-equipped with jets in the mid-1960s it would suffer little competitively in operating turbo-props for a few years while their advance in comfort and speed over the DC-6s was still a novelty and while the more attractive jet services of larger operators were being established.

\textsuperscript{1} NZH, 26 Apr 1958.
Negotiations on the final points of the agreement continued until August, concluding towards the end of that month. In announcing the final agreement, New Zealand's Minister in Charge of Civil Aviation, stated that throughout the negotiations the government had been concerned with procuring the registration in New Zealand of modern aircraft, along with maintenance facilities and operating crews, at the least possible cost to the New Zealand taxpayer, at the same time achieving a maximum of co-operation with Australia. The main points in the agreement were as follows:—TEAL would re-equip with three Lockheed Electra aircraft; Qantas would operate a service from Melbourne to Nandi via Auckland under charter to TEAL; Qantas would charter from TEAL the excess capacity of the latter's Electras; the Coral Route was to be treated as an integral part of TEAL's operations; and TEAL was to set up completely self-contained maintenance and overhaul workshops for Electra aircraft.¹

Analysed in its entirety the "TEAL Deal", as the arrangement was termed, appeared a highly satisfactory solution to the re-equipment problem.

¹. PD, cccxviii, 1484-85.
The decision to register, base and maintain three Lockheed Electra aircraft in New Zealand, and the other associated agreements, were generally to the benefit of New Zealand and the economic background of TEAL, although Australia also made some gains through Qantas. What had emerged was a compromise solution fitted to the economy of New Zealand and the desires of Australia, but with room for the future development of New Zealand's overseas airline to a greater stature in the international airline field. Obviously the decision to purchase Electras must have been disappointing to those, including TEAL's directors, who had hoped jet equipment might be obtained. Such a project would for success have demanded heavy financial backing and a bold approach on the part of the government to the question of New Zealand's place in international aviation. In view of the prevailing economic circumstances, particularly when allied with the considerable aerodrome development problem which New Zealand faced, the arguments in favour of a cautious policy prevailed and as a result TEAL was able to establish itself on a solid base before making the final step into the jet-age.
New Zealand gains from the agreement were considerable; she had kept TEAL in existence when an Australian takeover seemed possible, Australia had agreed to negotiate the loan required for the new aircraft and would also contribute half the total cost. Furthermore, Australia would meet half the cost of running the Coral Route, as well as contributing to airport maintenance and aircraft repair installations and assisting in the economic usage of TEAL's Electras through charter arrangements. In return Australia had gained her wish for a standardization of fleets, and stopover privileges in New Zealand, as a result of which Qantas became the only one of four trans-Pacific airlines to offer through services with full passenger loading facilities to and from New Zealand and Australia.

This was in fact a minor but important loosening of the hitherto rigid barrier which had until then kept the Tasman as solely TEAL's domain. TEAL itself was not afraid to face competition provided it had the right aircraft. The company "fully recognised that competition on the transtasman run was some day

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1. The other three operators were Canadian Pacific Air Lines, Pan American Airways, and Transports Aeriens Intercontinentaux.
Plate V: Prelude to the jet age - the jet-prop Lockheed Electra.
inevitable", TEAL's general manager had said in 1957, adding that the company felt that before the Tasman was opened to competition TEAL would need to be fully competitive with those operators likely to be interested. There was of course no question in 1958 of TEAL's Electra turbo-props competing with Qantas Boeing 707 jets across the Tasman as the absence in New Zealand of an airport up to large jet standards precluded the immediate operation of this type of machine on the Tasman route. Indeed the need to develop New Zealand airports to this standard could, and did, postpone the operation of large jets across the Tasman until TEAL itself was ready to step into the field of jet operations.

TEAL's three Electras were delivered in the last two months of 1959 and although they did not have a much greater seating capacity than the DC-6s, seventy-one against fifty-six, their greater speed of 400 m.p.h. compared with the DC-6's 265 m.p.h., allowed TEAL to increase its frequency of service and also extend its route network. The change from

1. NZH, 19 Jul 1957.
2. The Electras were given the names "Aotearoa", "Atarua", and "Akaroa" (ZK-TEA, -TEB, -TEC resp.).
piston-engined DC-6s to jet-prop Electras was not as difficult as the transition from flying-boats to landplanes which the company had undertaken in 1954; there were of course a number of problems which arose, a common occurrence during any re-equipment programme. On this occasion, however, TEAL was able to be better prepared and before the aircraft had been delivered key personnel from TEAL's staff had undergone technical training in Lockheed's Burbank workshop. At the same time the company's technical training school in Auckland was expanded in order that the required numbers of technically proficient engineering and flight personnel would be available.

In a similar manner, though on a larger scale, preparations were made in 1965 prior to the conversion to DC-8s. The Electra, in fact, provided a useful interim period before jet operations, for not only did profits continue but the utilisation of the Electra gave a larger breathing-space before the introduction of jets for it must be remembered that TEAL had only switched to landplanes in 1954.

The first of the Electras was brought into use on 1 December 1959 when the machine was introduced on the

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1. TEAL, [untitled outline history], ch.6, p.4.
the Auckland-Sydney service; six days later Electras took over the Auckland-Melbourne service and on 5 January 1960 Electras began operating between Auckland and Nandi. Christchurch took its place on Electra schedules when these machines commenced operation of both the Christchurch-Melbourne and Christchurch-Sydney services on 23 January 1960. Further route extensions were made possible by the reversible pitch propellors the Electra possessed since these gave the aircraft the ability to operate from Wellington's new airport at Rongotai.

Accordingly, on 26 July 1960 international services from Wellington were resumed after a six year break when an Electra made a Wellington-Sydney flight. Wellington's external services were further increased when Electra services between Wellington and Melbourne and Wellington and Brisbane were commenced in October and November 1963 respectively. In an era when the Electras were being introduced on the company's services, the now displaced DC-6s were used to operate the Coral Route, flying from Fiji to Bora Bora and later to Faa'a. The DC-6s were recalled on to main line operations later in 1960 when, as a result of Electra crashes in the United States in September 1959 and March 1960, the Electras were recalled to
the Lockheed factory to undergo a number of modifications, the first Electra leaving on 23 December 1960 and the last machine returning on 6 March 1961.

With the full Electra fleet back in operation TEAL was able to withdraw its DC-6s, the last DC-6 Tasman flight being flown on 15 March 1961, and all DC-6s were withdrawn from operations on 21 March 1961, after a final flight from Nandi to Auckland. These machines which had contributed much in experience and economic well-being to the company were subsequently purchased by the Royal New Zealand Air Force and one remained in service as a V.I.P. transport until 1968 when it was sold to the Australian Aircraft Sales Corporation. ¹ Following the withdrawal of the DC-6s, Electras were used over the whole Coral Route, this service beginning on 24 March 1961 and operating direct from Nandi to Faa'a. At a later date, 16 September 1961, the Electras included Tafuna, in American Samoa, as a point of call on the Coral Route, thus providing the company's first service to Samoa since the withdrawal of the flying-boat the previous September.

¹ Press, 17 Sep 1968.
Although faster and more numerous services were provided by TEAL after the introduction of its Electra aircraft, the overall character of the airline remained that of a regional operator, working across the Tasman and along the islands of the Coral Route. However during 1960-61 a set of circumstances arose which were quite different from those in which New Zealand had based its external aviation policy on half ownership with Australia of an airline limited to a small regional network and sustained by a monopoly of trans-Tasman traffic. The Annual Report of the Department of External Affairs noted:

During the year New Zealand's approach towards external civil aviation was completely re-examined. Since the war New Zealand had, in partnership with Australia, acted to preserve TEAL's monopoly of Tasman air services. A number of factors, however, have combined to make this policy progressively less tenable. The Government has accordingly explored the possibility of terminating the TEAL partnership and abandoning by stages the Tasman monopoly. It has also considered whether a wholly New Zealand owned TEAL should continue to be a regional operator or to expand into longer-range service.¹

Consequently, on the eve of its twenty-first anniversary, TEAL faced the prospect of operating over an extended network as well as becoming a wholly New Zealand owned concern.

¹ AJHR, 1961, A 1, p.52.
CHAPTER 4   ACQUISITION AND EXPANSION

On 28 April 1961 New Zealand's Minister in Charge of Civil Aviation, J. McAlpine, announced that, as a result of inter-government negotiations, New Zealand would purchase Australia's shareholding in TEAL. The company would become a wholly New Zealand-owned concern.¹

The idea of New Zealand assuming sole-ownership of the airline was not new, however, and had been suggested on a number of occasions during the company's history. An early indication that New Zealand might operate its own external airline had been given in 1948 when The Sydney Morning Herald suggested that TEAL was about to be dissolved in order that both the Australian and New Zealand Governments could operate separate trans-Tasman services, although it was predicted that the New Zealand Government would retain the name "Tasman Airways" for the company under its management.²

At the time a precedent for the operation of a parallel air service by the two governments concerned

2. SMH, 1 Dec 1948.
existed in the Qantas and B.O.A.C. services over the Australia-United Kingdom route, but New Zealand's Minister in Charge of Civil Aviation denied that any such scheme was proposed for the Tasman and the suggestion lapsed. ¹

The idea was revived on two further occasions. First, in 1951 a New Zealand aviation journal suggested that TEAL become an all-New Zealand company ready to operate alongside other airlines both over the Tasman and in other parts of the world. ² Secondly, during the discussions which preceded the 1954 reorganisation of Pacific air services it was suggested that the Australian Government, through their international airline Qantas, take over B.C.P.A. and the New Zealand Government assume full control of TEAL. On each occasion, however, New Zealand's financial position and the advantages gained from joint ownership excluded any ambitions which New Zealand might have had toward such an end. In 1958 the decision to re-equip TEAL with Lockheed Electra aircraft was made in the context of a continuing Australian-New Zealand partnership.

¹ NZH, 2 Dec 1948.
² Whites Aviation, Sep 1951, p.1.
Commenting on this arrangement the New Zealand Minister in Charge of Civil Aviation stated that New Zealand ownership of TEAL was "beyond the reach of our resources in the foreseeable future."\footnote{PD, cccxviii, 1484.}

Yet within two years of the Minister's statement the government was reported not only to have re-examined New Zealand's approach towards external commercial aviation but also to have investigated the possibility of terminating the TEAL partnership and abandoning the Tasman monopoly.\footnote{AJHR, 1961, A 1, p.52.} A year later, at a cost of £NZ811,400, TEAL became a wholly New Zealand-owned international airline.

This sudden change cannot be explained by simply referring to the change from a Labour to a National Government which occurred in 1960. The long-term planning and cost forecasting which international aviation demands precludes party politics to a very large extent. Consequently the planned course of development for any country's international airline is usually continued irrespective of changes in government which might occur. In the case of
New Zealand ownership of TEAL the matter had been investigated by the Labour party whilst it was in office and communication on the matter had passed between Australia and New Zealand. Furthermore a cabinet committee established by the Labour Government to inquire into the matter reported:

In order to strengthen New Zealand's negotiating position it will be necessary to secure for New Zealand substantial ownership in and effective control of TEAL through an increase in New Zealand's shareholding and voting power, and that if Australia did not agree New Zealand should take over the Australian share and assume responsibility for TEAL's finances.¹

It was this policy which was taken over and brought to a successful conclusion by the National Government, a point borne out by the National Government's Aviation Minister, J. McAlpine, when he said, "I believe that what the Labour Government set out to do but failed to achieve ... was the right and proper thing to do."² It is not possible, therefore, to explain the sudden New Zealand desire to acquire TEAL solely in terms of that country's change of government in 1960. On the other hand the National Party's Manifesto contained a number of

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¹ PD, cccxxvii, 1661.
² Ibid., p.1507.
items which suggested a more vigorous outlook with regard to international aviation.

Referring to TEAL the Manifesto stated that, in conjunction with Australia, TEAL's position would be protected until "in co-operation with Commonwealth colleagues or otherwise, we are in a position to compete satisfactorily on the world's air routes or a part of them."\(^1\) The difficulty of joint-ownership in the negotiation of traffic rights, discussed in greater detail later in this chapter, and the proviso that a National Government would, like the previous Government, expedite the construction of Mangere aerodrome, Auckland, to jet aircraft standards, seemed to foreshadow a New Zealand takeover of TEAL.

Another policy factor worthy of note was the setting of a goal of £10,000,000 in overseas exchange for earnings derived from tourists visiting New Zealand. The size of this goal was such that it would have placed tourism next after the big three of wool, meat and dairy produce in New Zealand's export marketing, and it could only have been achieved by an accelerated drive for tourists in the world's

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tourist market. The promotional work of TEAL overseas, as well as the possession of an international carrier identified with New Zealand, were important features in this respect.

Reference must also be made to the National Party's promise to pursue a vigorous policy of development in New Zealand's overseas trade. The need to expand overseas trade was then, and has remained, a major economic issue from New Zealand's point-of-view. In 1961 this need for a diversification of marketing areas was emphasised by Britain's contemplation of entry into the European Economic Community and New Zealand exporters were faced with the need to find markets in other parts of the world. Here again, it was possible that TEAL, as a fully New Zealand organisation, could be used fully and effectively as an instrument in the national cause. If New Zealand produce was to be made available on markets in North America, the Orient and other parts of the world there was undoubtedly a need for New Zealand-owned aircraft with which to display the New Zealand colours in these areas.

It must not be supposed however that the move toward New Zealand ownership of TEAL came solely from
within the realms of New Zealand party politics. By 1961 a number of other factors existed which seemed likely to lead to the dissolution of the Australian-New Zealand partnership in TEAL, and of these the most important was undoubtedly the problem of traffic rights. At this point it must be explained that all international airlines operate into another country under a system of reciprocal rights; for example, if New Zealand wants to operate an airline to Canada, then a Canadian airline must be given permission to operate into New Zealand. Because a country's air rights are as much a part of its national assets as its mineral and other resources, these air-traffic rights are negotiable and involve the bargaining of concessions between the Governments, not the airlines, concerned. The possibilities open to any state in seeking traffic rights for its airline depend primarily upon the value of traffic to and through the state, and hence upon the value of the concession it can offer when negotiations are conducted with other countries. Consequently it is clear that the situation created in 1954 in which the Tasman was kept as the monopoly of a jointly-owned Australian-New Zealand airline was not out of keeping with prevailing circumstances, for although American
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and Canadian airline operators would have liked to operate across the Tasman, New Zealand was in no position to make use of any reciprocal rights which those countries could have offered. The subsequent development of commercial aviation in the Pacific region, however, and the discussions on rights which arose from this development, came to pose a constant threat to the continued existence of the Tasman monopoly.

This development of commercial aviation in the Pacific brought with it an additional problem; the introduction of jet airliners upon the routes of most of the major companies operating in the area. In 1954 the same negotiations which had established the joint-ownership in TEAL, gave to Qantas, by that time completely Australian-owned, the rights to operate across the Pacific which had previously been exercised by British Commonwealth Pacific Airlines. By 1960 Qantas had developed into one of the major round-the-world airlines and was using modern jet aircraft on most of its overseas services, the Pacific included. Transport Aeriens Intercontinentaux, ¹

¹ On 1 October 1963 T.A.I. merged with the other major independent airline of France, Union Aeromaritime de Transport (U.A.T.) to form Union de Transports Aeriens (U.T.A.) and this company took over T.A.I.'s New Zealand service.
the French international airline, had by 1960 developed a series of routes in the Pacific through Noumea and Tahiti, and in September of that year began a round-the-world service through Sydney using DC-8 jets. In addition the possibility that B.O.A.C., having established itself on the African, Asian and Atlantic routes, would wish to operate in the Pacific region could not be overlooked. Operators from the North American continent were also introducing jets into the Pacific; Pan American Airways, re-equipped with Boeing 707s and Douglas DC-8s, used these machines on a United States-Australia service, and served New Zealand on a spur service from Fiji, this being operated with piston-engined aircraft. A similar type of service was provided by Canadian Pacific Air Lines who extended their jet service to Honolulu on to New Zealand by using DC-6 aircraft, this being necessary since Auckland's international airport at Whenuapai was unable to accommodate heavy jets.

The decision to press ahead with the construction of a jet airport at Mangere and the construction of international airports in American Samoa and Tahiti appeared to foreshadow services between Australia and
the United States via New Zealand which could be flown with the jet airliners currently being introduced into the area by the airlines referred to above. The immediate inauguration of such a service, which would have placed New Zealand upon the jet-operated trunk routes of the Pacific, was clearly out of the question because of New Zealand's lack of a jet-standard international aerodrome, a shortcoming which would not be remedied until the opening of Mangere, which was expected to occur in the last quarter of 1965. In addition it was equally clear that international airlines would not be prepared to operate a jet service on a spur-line into Mangere once that airport had opened, for such a service, terminating as it would in a market with such a relatively small potential as New Zealand's, would not have been an economic proposition. This factor, in association with the increasing work capacity and cost of commercial aircraft, made it almost certain that such operators would expect "through" rights in order that their aircraft could carry New Zealand and Australian traffic across the Tasman in competition with TEAL.

1. AJHR, 1963, H 37A, p.3.
If this need to abandon the Tasman monopoly arose, it was essential that TEAL broaden its narrow base of operations beyond the existing regional pattern in order that an adequate fleet utilisation and profitable operations might be continued. Any such expansion would, however, bring TEAL into competition with Qantas, thus giving rise to an anomalous situation in which the Australian Government would find itself part-owner of an airline based in another country and competing with Qantas, the Australian Government's chosen instrument. Any proposed expansion of TEAL's network was, of course, subject to the granting of rights into the areas which it was desired TEAL serve. In the past each party in TEAL, Australia and New Zealand, had experienced difficulty in negotiating traffic rights for an airline of which it only owned half since these rights were the result of bilateral negotiations and neither party would necessarily be regarded by other countries as solely responsible for TEAL or for the exchange of rights on its behalf.

An example of the difficulties experienced in this respect occurred during 1960 when the future of TEAL's Coral Route hung on the outcome of negotiations
between New Zealand, France, Australia and the United States. The New Zealand-France negotiations took place on a basis of Transports Aériens Intercontinentaux into Auckland, a New Zealand airline (i.e. TEAL) into Tahiti, with the acquisition of landing rights in Tahiti being particularly important to New Zealand in view of Tahiti's position as a stop-over point on any service which might be established between New Zealand and the west coast of the United States. A settlement of these negotiations was threatened however by a breakdown of Australian-French negotiations which resulted in the cessation of Qantas' Sydney-Noumea and T.A.I.'s Noumea-Brisbane services. In view of the fact that Australia held half of the shares of TEAL the possibility that the French might exclude TEAL from Tahiti could not be overlooked. The difficulties encountered in negotiating with the United States were a little less complex; Pan American Airways operated to and from Pago Pago, American Samoa, an aerodrome which the New Zealand Government desired to incorporate as an Electra base on the Coral Route. Without the granting of reciprocal rights which the American Government was sure to demand to enable
Pan American Airways to operate across the Tasman, it was possible that the American authorities would deny TEAL the right to operate through American Samoa. The problems encountered in the negotiation of bilateral rights for a jointly-owned TEAL were therefore a major factor behind the ultimate dissolution of the TEAL partnership.

A further reason for the New Zealand take-over of TEAL can be found in the rapid growth of Tasman air traffic. In the first year of operations TEAL had carried 1,507 passengers and less than 0.2 million pounds of freight across the Tasman: in the year ended 31 March 1960 the airline carried 83,435 passengers and 1.5 million pounds of freight over the company's route network. Moreover there was in the late 1950's a steady trend towards air travel amongst those arriving and departing from New Zealand. The year ended 31 March 1960 was significant in this respect for it was the first year in which both arrivals and departures by air were greater than those by sea, fifty-four per cent. of arrivals and fifty-six per cent. of departures travelling by air.

2. See Appendix A, p.221.
By 1960 it seemed economically possible to consider sharing the Tasman traffic with Qantas since this would be necessary if the Australian Government granted rights in Australia to a wholly New Zealand-owned TEAL.

With both nations wishing to plan their own international airline policies, and with the above factors taken into consideration, it was clear by the end of 1960 that the advantages to be gained from the continued joint-ownership of TEAL were considerably outnumbered by the disadvantages which such a continuance would bring. What was needed in fact, was a future in which New Zealand would be able to exchange traffic rights more freely and in which a New Zealand-owned airline would be free to expand its routes in competition with overseas airlines.

In an effort to create such a situation negotiations regarding the future of TEAL took place in Melbourne in February and March, 1960. However no final agreement on the matter was reached although a set of proposals was sent forward to the joint-owners for their consideration. A newspaper report that Australia had offered to accept the return of her
capital invested in TEAL in return for the transfer of the Australian shares to New Zealand was denied by the New Zealand Minister in Charge of Civil Aviation who added that the matter was of sufficient gravity to justify the postponement of a final decision until the Prime Minister returned from an overseas tour at the end of March.¹

Settlement of the matter was complicated when, in the middle of March, Ansett Transport Industries Ltd of Australia, presuming that Australia was about to sell its shares in TEAL, offered to buy that company from the New Zealand Government for a price of £2,000,000.² Despite the reassurances of R.M. Ansett, the company's managing director, that if the offer was accepted TEAL would, operationally, remain New Zealand's international airline, the Australian firm's offer was little more than an attempt on its part to expand from a national to international airline. In order to achieve this status and obtain the rights needed for the operation of an overseas airline it was necessary for Ansett to buy out a New Zealand-owned TEAL since the Australian Government

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1. NZH, 8 Mar; 9 Mar 1961.
had its own international airline Qantas, and would no doubt have been embarrassed if its other property, Trans-Australia Airlines, applied for extensions equal to any sought by its rival, Ansett-A.N.A. The main obstacle to Ansett's plans was of course, the attitude of the New Zealand Government and in view of the latter's determination to possess an international airline it was hardly likely that TEAL would be sold to outside interests. Consequently it was little surprise when on 19 April 1961 the New Zealand Government decided to reject the Ansett offer and go ahead with plans to take over the Australian share of TEAL.¹

Two days before TEAL celebrated its twenty-first birthday it was officially announced that New Zealand had purchased Australia's half-share in the airline at a cost of £811,400, the par value of the Australian investment. The sale was to be retrospective from 1 April 1961 but Australia agreed to take progressive payment over a period of four years up to 31 March 1965, and this obligation was met in the year ended 31 March 1964 by the full payment of £811,400 from the

National Development Loans Account.\(^1\)

Following the announcement in April 1961 there remained the need to conclude a formal air service agreement between Australia and New Zealand under which both TEAL and Qantas would receive Tasman traffic rights, and an arrangement by which TEAL would be entitled to carry more than half the Tasman traffic of the two airlines had also to be negotiated. Settlement of these two matters took a further three months but on 13 July it was announced that TEAL would surrender thirty per cent. of its Tasman monopoly to Qantas in October 1961, this portion to be increased to forty per cent. the following April. The arrangement also closed the Tasman to all other airlines until 1964, the two Governments agreeing that until Mangere was brought into operation, the Tasman traffic would only support the operations of TEAL and Qantas.\(^2\) The second matter, that of traffic rights, was finalised on 25 July 1961 with the conclusion of a formal air agreement in which Qantas received traffic rights to and through Auckland,

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Wellington and Christchurch, and TEAL received rights to and through Sydney, Melbourne, Brisbane and Norfolk Island; on the same day New Zealand became sole owner of TEAL following the signing of a formal agreement transferring Australia's half-share to the New Zealand Government. Commenting on the purchase and associated agreements the New Zealand Prime Minister, K. Holyoake, said, "This is the end of 21 years of close partnership with Australia through the joint ownership of TEAL, but it is also the beginning of a new kind of cooperation between our two countries. I am grateful to Australia for helping us in this long period of joint ownership to find our feet in aviation." 

Overall the terms on which New Zealand acquired ownership were satisfactory. The price was reasonable and the terms on which Australia was to be paid were not at all onerous. That the price at which New Zealand acquired Australia's share in TEAL was a reasonable one is borne out by the fact that a replacement Lockheed Electra aircraft, purchased in

1. AJHR, 1961, A 17, p.8.
1965, cost slightly more than £710,000 or approximately eighty-seven per cent. of the amount New Zealand was to pay Australia for her shares in TEAL.\(^1\) As well as the economic points of the TEAL purchase, New Zealand acquired a freedom which it had not enjoyed whilst only a partner-government and the possession of this freedom gave New Zealand the opportunity to intensify its interest in international aviation and the power to bid for rights to establish services further afield. In addition the retention for TEAL of more than half of the Tasman traffic after Qantas began operating on its own behalf on 3 October 1961, a condition which was to remain in existence until 1964 when TEAL's Electras would be paid off, ensured that TEAL would possess a firm base from which to continue profitable operations and undertake future development. The establishment of this Qantas-TEAL shared monopoly on the Tasman, although criticised as likely to impair New Zealand's position in negotiations for additional traffic rights in other parts of the world,\(^2\) was in effect a well-founded measure since it retained a degree of

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protection for TEAL until 1964, when it was anticipated the airline would be capable of operating jet aircraft. Without these aircraft TEAL would have been ill-equipped to deal with open competition from other airlines which operated in the Pacific and were anxious to procure trans-Tasman traffic rights.

It was appropriate that the ownership of TEAL should pass to New Zealand in the company's twenty-first year of operations, a coincidence which caused The Dominion to comment, "Any key presented to Teal to mark its 21st birthday this weekend will be an appropriate symbol. The intergovernment decision to grant the airline single-nation ownership provides a physical key to its mature development."¹

The actual date of TEAL's twenty-first anniversary was 30 April and to commemorate the occasion cakes were cut aboard all seven of the company flights which took place on the day. In those twenty-one years TEAL had operated five different aircraft, had expanded its route network tenfold and seen passenger traffic rise from some 1,500 to more than 103,000 people per year. The frequency of company services

¹. Dominion, 29 Apr 1961.
had also increased, 130 Tasman crossings being flown in the first year of operations compared with 1,666 in the year ended 31 March 1961. With this record of achievement providing a solid base, TEAL, as New Zealand's international flag carrier, could begin to plan for the next step in its history — the operation of jet airliners over a greatly extended route network.

However, planning for the future could not be allowed to obstruct the normal operations of the company and these were maintained throughout the period 1961-65. During this period the company operated alongside other operators on the Tasman for the first time, Qantas commencing services in October 1961 and B.O.A.C. in April 1963, the latter being allowed to inaugurate New Zealand's first jet service with once-weekly Comet flights across the Tasman. The guaranteed position of TEAL with regard to the proportion of Tasman traffic carried allowed the airline to cope with this competition in a satisfactory way.

The same period, i.e. 1961-65, saw little in the way of route expansion or increased frequencies,

but it must be remembered that these usually take place when a new aircraft is introduced and as this had occurred when the Electra was brought on to TEAL's network there was little that a change of ownership could accomplish in this respect. Nevertheless Tafuna in American Samoa was incorporated into the Coral Route and new routes were added to the trans-Tasman network with the establishment of Wellington-Melbourne and Wellington-Brisbane services in October and November 1963. Unfortunately operations to Tahiti were halted following the withdrawal of New Zealand's air rights to French Oceania but in lieu of this TEAL began to operate a weekly service between Auckland and Noumea, this service being maintained by B.O.A.C. Comets under charter. The most notable increase in frequency occurred on the Hibiscus service between New Zealand and Fiji which was increased to a daily frequency in February 1964 and was later stepped up to eight return services a week. Six of these services were operated by TEAL Electras and the other two by Qantas Electras under charter. The years 1961-65 were not therefore static from the point-of-view of company activities, in fact in the last year of the period under consideration the Electra fleet utilisation
rose to 12,232 hours, a 19.5 per cent. improvement on the previous year, and the total passenger traffic on all company routes increased by almost twenty-seven per cent. on the 1963-64 figure.¹

Unfortunately this period of pre-jet-age consolidation was marred by two incidents relating to the company's Electra aircraft. In July 1964 it was necessary to ground these machines in order that they could be examined for suspected cracks in the wing structure, a fault which had appeared in Electras in use in other parts of the world. TEAL's aircraft were all cleared and scheduled operations were quickly resumed. TEAL was less fortunate on the second occasion for on 27 March 1965 the Electra "Akaroa" crashed and burned at Whenuapai after a heavy landing had been made in the course of a training flight: fortunately none of the six-man crew were injured. The loss of the Electra, although a blow to the company's twenty-five year accident-free record, was only a temporary setback for "Akaroa" was replaced within three weeks by an Electra purchased from Qantas. The new Electra was brought into service immediately in order to cope with

the heavy traffic of the Easter vacation and for a short time operated in Qantas colours with a New Zealand registration, ZK-CLX. Subsequently the machine was repainted in Air New Zealand livery and the Qantas name "Pacific Endeavour" was replaced by "Akaroa".

Whilst the Electras kept TEAL's banner flying the preparation for the company's entry into the jet-age was continued, and in 1965 the airline emerged from a large-scale expansion programme as a fully-fledged jet-operator. This programme, which brought new aircraft, new routes, a new name and the opening of a new maintenance base, was compressed into nine months but the planning which had made it possible dated back to 1961 when New Zealand acquired total ownership of the airline.

In view of the fact that a number of the reasons behind New Zealand's acquisition of the airline were concerned with TEAL's future development it was a logical step to extend these factors to determine the pattern of TEAL's future growth, this pattern being evolved against a background of the threatened British entry into the European Economic Community, the need for New Zealand to find new markets for her traditional exports, and the opportunities which could
be won for New Zealand in the growing flow of tourists to the Pacific area. Consequently it was necessary that the newly acquired New Zealand-owned TEAL be used as fully and as effectively as possible in the advancement of the national interests in transport, foreign exchange earnings, trade, and tourist promotion abroad. The airline's initial task therefore was to branch out from regional operations by inaugurating services to both North America and South-East Asia, since both areas were becoming increasingly important to New Zealand's trade, defence, and tourism. The establishment of New Zealand-owned and controlled air-links with these areas would strengthen the country's national and economic identity in these potentially important new markets as well as providing the transport arteries needed to sustain a higher level of trading.

The airline's new role determined the type of equipment it would need in future. Traditionally, the airline had a network of South Pacific and trans-Tasman routes ranging from 821 miles to double this distance, but the proposed expansion of services to North America and the Orient would include sectors nearly 4,000 miles long. Hence versatility was the
key when TEAL began seeking a pure jet aircraft for that machine would have to operate economically over the proposed long-range routes in addition to the short trans-Tasman sectors. Consequently the choice of a new aircraft was a difficult one, made even more so by the fact that for the first time an airliner was being chosen which would have to compete on world routes with those operated by major international airlines.

In addition, as had happened in 1958 prior to the Electra purchase, the choice of a jet aircraft was complicated by side issues, with the question of buying from Britain or the United States assuming great importance in view of the former's stated intention to seek entry into the European Economic Community. The British had available the Vickers VC 10, a new and relatively untested machine: the United States on the other hand were able to offer two tried and tested aircraft, the Boeing 707 and the Douglas DC-8. The choice was further complicated by the fact that a choice of the Boeing 707 or Vickers VC 10 could lead to a closer alignment of TEAL with either Qantas or B.O.A.C. Since Qantas operated Boeing 707s it was possible that TEAL and
Qantas could pool maintenance facilities if TEAL purchased similar aircraft, whilst Qantas would not have to fear competition from a more appealing aircraft. On the other hand if the VC 10 was ordered TEAL could possibly align itself with B.O.A.C. who had a number of those jets on order, a move which would have allowed TEAL to share in the British company's maintenance organisation at Singapore, as well as co-ordinating B.O.A.C. services with TEAL's trans-Pacific services.\(^1\) It was also suggested that the VC 10 might be offered to TEAL on lease from B.O.A.C., and as any re-equipment with jets would involve TEAL in an expenditure of some £10,000,000, the possibility that this proposition may have been too attractive for TEAL and the Government to dismiss without earnest consideration could not be overlooked.\(^2\)

However, in spite of last minute efforts by Vickers-Armstrong who cut the price and claimed new performance figures for the VC 10, the New Zealand Minister of Civil Aviation announced that the Government would approve the recommendation of TEAL's experts that three DC-8 Series 52 jets be purchased for the airline.\(^3\)

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1. At this time B.O.A.C. did not operate a service across the South Pacific, their Pacific service passing between Tokyo and San Francisco.
2. NZH, 4 May 1963.
In his announcement the New Zealand Minister stated that, of the three types considered, the DC-8 was the most suitable since neither the Boeing 707 nor the Vickers VC 10 would have offered such good economic prospects for TEAL's route pattern; the DC-8 not only possessed the ability to operate most economically over the Tasman and Pacific Island routes but, unlike the VC 10, also had the ability to operate over long hops, e.g. Tahiti-U.S.A., with a full load of passengers and freight and adequate fuel reserves. "Not only was this aircraft proven in airline operations, which was a most important consideration to a small company like TEAL", said the Minister, "but it had passenger appeal, high performance, a large freight capacity and excellent operating economics - essential requirements if the company's operations were to be successfully conducted on a commercial basis."¹ TEAL's chairman later disclosed that the company had waited for more than twelve months in an effort to see a suitable British aircraft developed before the decision to purchase American DC-8s was taken; however, as The Press

Plate VI: The jet era - the Douglas DC-8 Series 52.
pointed out, "regrets that the airline is not 'buying British' ... must be tempered by satisfaction that, in spreading its wings, T.E.A.L. is equipped with the best aircraft for the job."¹

In September 1963 a contract for the purchase of three Douglas DC-8 Series 52 jet airliners was signed and the aircraft were delivered in the latter part of 1965, the first of the three arriving on 20 July after a direct flight from the United States. It is interesting to note that the time taken for the Los Angeles–Auckland journey, approximately thirteen-and-a-half hours, was almost one hour less than that taken by Kingsford Smith on his pioneering Tasman crossing in 1928. The second and third of the new machines arrived at Auckland in August and September to complete the new jet-fleet. In a break with tradition it was decided that the DC-8s would not be given an individual name and so each became known by the last three letters of its registration number; ZK-NZA, -NZB and -NZC. It was, however, decided that the new aircraft would be known as 'Five Star Jets' and the supporting theme - "The Five Star Jetline" - was added to the company's name for

promotion purposes, the inspiration for this being
drawn from the stellar constellation of the Southern
Cross which is incorporated in the New Zealand flag
and which had, for five years, been featured on the
tail of the company's Electras.¹

With the choice of aircraft concluded the next
need was to acquire the right to operate services to
new areas about the Pacific. In 1961, when TEAL
became New Zealand-owned, expansion of the airline's
route network could have taken place in two different
directions; firstly through Australia to South-East
Asia, and secondly, through the Pacific Islands to
the west coast of the United States. Since both of
these areas constituted potential markets for New
Zealand produce, the negotiation of bilateral agreements
with the governments of the countries concerned was
undertaken in an effort to gain TEAL the rights to
operate into these new areas. As a result of
negotiations with the United Kingdom traffic rights
enabling TEAL to operate into Hong Kong and Singapore
were obtained. In return B.O.A.C. were allowed to
operate a Comet service across the Tasman as a

continuation of that company's London-Sydney service.\(^1\) This Comet service, in addition to being New Zealand's first scheduled jet service, also marked the entry into Tasman operations of the last of the three original TEAL partners.

Negotiations with the French Government were rather more difficult and were further complicated in 1964 when France, having failed in its effort to secure trans-Tasman rights from the Australian Government, suspended TEAL's traffic rights into Tahiti. After the opening of Auckland International Airport negotiations with the French were resumed and in the resultant agreement New Zealand secured rights from France to a round-the-world route via Tahiti and the United States. France, in return, was granted the right to operate a round-the-world service through Auckland.\(^2\) The French airline Union de Transports Aeriens commenced operating over this route in 1966; Air New Zealand did not resume operations into Tahiti until November 1967, that route having been excluded from the major route expansion which had occurred when TEAL introduced its DC-8 jets.

\[^1\text{AJHR, 1963, H 37A, p.13.}\]
\[^2\text{Ibid., 1967, A 10, p.10.}\]
Traffic rights to United States territory in the Pacific area were held by New Zealand under an interim agreement of 1961 which allowed TEAL to operate into Pago Pago, American Samoa. However, in order to take full advantage of the potential of the DC-8s improved rights of access extending on to the United States were desired, and these were obtained in an Air Transport Agreement between New Zealand and the United States which was concluded in 1964. Under the schedule of this Agreement a New Zealand airline was granted the right to fly to Los Angeles via Honolulu or via American Samoa, the agreement also allowing for services through Tahiti should a new agreement with the French Government be reached. In return an American airline was granted rights through Auckland and Christchurch, provided both points were not included on the same flight, and the airline was also to be allowed to operate across the Tasman.¹

With jet services imminent the upgrading to long-haul jet standard of Christchurch International Airport, and the completion of the construction of Mangere, Auckland, was undertaken by the New Zealand Government. It would be incorrect of course to

¹. AJHR, 1964, A 17, p.10.
suggest that such action was the result of TEAL's development since these airports were needed if New Zealand was to maintain its proper place on Pacific air routes. As an increasing number of main trunk routes elsewhere were being converted to jet operation, New Zealand's position was becoming progressively more anachronous, and New Zealand was faced with the choice of constructing jet airports or being relegated to spur-line operation, a situation which would have become an increasing liability. Consequently New Zealand came to own two high standard jet airports and the trend toward transportation isolation was arrested and reversed.

In association with the construction of a new airport at Mangere TEAL began the construction of a jet maintenance base which would not only service TEAL's aircraft but provide in addition, service facilities for the aircraft of other international airlines operating through New Zealand. This base, planned to serve the demands of the jet age, and covering 330,000 sq. ft, possessed a number of interesting features. One of these was the extremely large hangar, 510 ft wide, and covering 102,000 sq. ft, the doors of which weighed fifteen tons each. Within
this vast hangar area fire protection was served by a deluge system capable of pumping the equivalent of eighteen inches of rain an hour into the area from some 1,400 sprinkler heads. The whole jet maintenance complex, erected at a cost of £2,000,000, was occupied during June and July 1965 and was declared open on 20 July 1965 at a function held to mark the arrival of the first DC-8 airliner from the U.S.A.

A further step in TEAL's transition from a regional to an international operator was taken in 1965 when the Minister of Civil Aviation announced that the Government had acceded to the request of the TEAL board of directors that the name of the company be changed to Air New Zealand from 1 April 1965. In the course of the announcement of this decision the Minister said:

This change has been brought about by the very practical need to identify the airline more closely with New Zealand in the wider international aviation scene. ... Air New Zealand will get our country's and our airline's message to the world in the most direct and compelling way. It says what it means and it means what it says. It is a name which well suits the country's chosen instrument of international aviation.

Speaking on the change of name TEAL's manager, F. Reeves, said that the sheer size and speed of the airline's expansion in the next twelve to eighteen months was such that new markets would be introduced to New Zealand's airline service for the first time and consequently it was important that the airline enter this period with the most appropriate name, a condition satisfied by Air New Zealand. The company chairman, A. McKee, gave a similar interpretation to the causes of the name change adding that the airline's name would become a "flying advertisement for New Zealand's tourist industry and sales promotion efforts abroad." If the passing of the name TEAL was regretted there was no escaping the fact that outside a limited region the name TEAL meant nothing to potential air travellers. The new name gave New Zealand's flag carrier full identification with its country of origin.

There were numerous precedents for the choice of a new name similar to Air New Zealand - Air Algerie, Air India, Air Mali, Alitalia, Swissair - and on this pattern the new title, Air New Zealand, seemed a logical choice. On the other hand opponents of the

2. Ibid.
change could point to international airlines such as Australia's Qantas and the Dutch K.L.M., contending that there was little to identify these names with the airline's country of origin. There was little basis for such an argument however, since both Qantas and K.L.M. were known world-wide long before the concept of nationally named airlines was adopted and neither was currently engaged in a programme of route expansion. Furthermore, at the time of the TEAL - Air New Zealand changeover, Qantas aircraft carried the words "Australia's international airline, QANTAS" along the side of the fuselage and K.L.M.'s aircraft bore the inscription "KLM - Royal Dutch Airlines".

The change of name came into effect at midnight, 31 March 1965, when one of TEAL's Electras, "Atarua", was nearing the end of an Auckland-Nandi service, so that a flight which had begun with a TEAL take-off was concluded with an Air New Zealand touchdown. The honour of making the first complete flight under the new banner went to the Electra "Aotearoa" which left Sydney shortly after midnight on a trip to Auckland. Each aircraft was given the new company title as soon as possible but in order to avoid any
Plate VII: TEAL or Air New Zealand? The tail of a DC-8 during the company’s change of name.
confusion which might have arisen from a sudden change, the name TEAL was retained in a subsidiary role for a transition period of about twelve months and throughout this period the company's aircraft bore the new and old names.

The culmination of this multi-phase build-up programme came on 3 October 1965 when Air New Zealand jet operations began with the flight of DC-8 ZK-NZB between Christchurch and Sydney. This inaugural journey was accomplished in 170 minutes but the return journey to Christchurch, made on the same day, took only 141 minutes:¹ both times however reveal the great changes which had taken place in the thirty-seven years since Kingsford-Smith's fourteen hour crossing. The new Auckland International Airport was opened for commercial services on 24 November and the first departure was that of an Air New Zealand DC-8 on a service to Sydney. The company's new aircraft were introduced on the Auckland-Nandi service on 28 November and the aircraft flew on to Pago Pago the following day. With the introduction of the DC-8s to most of the company's

¹. Press, 4 Oct 1965.
AIR NEW ZEALAND'S PACIFIC NETWORK (as at 31 December 1967).
existing short-haul routes, attention was switched to the inauguration of the three new long-range services, to Los Angeles, Singapore and Hong Kong, which would almost treble the route network of the company. Services to Los Angeles were commenced on 14 December, although a pre-service flight over the route had been made in the preceding week. The second of the new services, Auckland-Hong Kong, was begun on 3 March 1966, the aircraft flying via Sydney and Darwin on the outward journey and returning via Manila and Sydney: direct Sydney-Hong Kong services were not commenced for another year, being introduced in August 1967. The last of the new routes, Auckland-Singapore, was inaugurated on 6 April 1966 thus bringing the expansion programme to a successful conclusion. The lack of traffic rights into Tahiti excluded the incorporation of that point in Air New Zealand's initial jet services but rights were restored in 1966 and a service between Auckland and Los Angeles via Tahiti was opened in November 1967.

The introduction of jet airliners meant that improved facilities for meal service had to be provided. This need for a streamlining of cabin services can be appreciated when it is revealed that the replacement of Electras with DC-8s on short-haul routes meant a
lowering of flight times by up to a third whilst the passenger list was increased from seventy-six to 129. Obviously the technique used on board the company's DC-6s and Electras, whereby in-flight cooking of partly cooked food was required before a meal could be served, would no longer suffice. Consequently meals were prepared in Air New Zealand's flight kitchen which forms part of the jet base constructed at Auckland International Airport. When put aboard the aircraft these meals require only seven minutes cooking to make them ready to serve and in the year ended 31 March 1967 nearly 230,000 of these flight meals were prepared, of which some 90,000 were supplied to other airlines.\(^1\) Quantity has not, however, been allowed to overrun quality and today company menus feature such dishes as roast pheasant, crayfish, tohearoa soup, and New Zealand lamb.\(^2\) In addition Air New Zealand points with pride to the fact that it has been able to avoid entering the "plastic age of catering", and aboard all company aircraft china dishes, with a specially designed motif, are used in the serving of meals.\(^3\)

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2. TEAL, [untitled outline history], ch.7, p.3.
3. Ibid., ch.7, p.4.
The high passenger capacity of the DC-8s also accentuated the importance of flight stewards and hostesses and in 1965, when the new jets were introduced, Air New Zealand was served by 133 flight stewards and sixty-one hostesses. The uniform of the company hostesses was not changed during Air New Zealand's expansion: in fact the only change of hostess uniform took place during the period of Electra introduction when the fawn summer and black winter uniforms worn by TEAL's hostesses were replaced with a turquoise jacket and skirt with white cuffs and cravat. This outfit, designed by the House of Dior, was continued into the jet-age and a new hat style was the only modification made.

Unlike previous re-equipment programmes, when one type of machine was replaced with another, the change to DC-8s did not bring an end to the operation of turbo-prop Electras over some of the company's routes. This was due to the lack of international jet aerodromes at the terminal points of Wellington, Melbourne and Brisbane, and Electras were retained in order to continue services to these cities. In April 1966 the upgrading of Brisbane to the required standards resulted in DC-8s being introduced on to the service and a similar changeover occurred in
December 1967 when Electra services to New Caledonia were replaced by faster DC-8 jet services.

Having completed its conversion to jets and extension of routes, Air New Zealand adopted a programme of consolidation, a programme which included strengthening new market areas to feed the expanded route pattern, setting standards of performance on the new routes, and maintaining the continued growth of traditional routes and markets against increasing competition. The success of this programme was revealed when in the year ended 31 March 1967 the company again earned a profit, this being the twenty-third profitable year in the company's twenty-seven year existence.

Unfortunately, the success of this expansion and consolidation was marred when, on 4 July 1966, one of the DC-8 aircraft, ZK-NZB, crashed and burned at Auckland International Airport. Although a subsequent inquiry absolved the company and flight crew from any responsibility for the accident, the mishap caused the death of two crew members, the first fatalities in the airline's twenty-six year operational history.  

1. AJHR, 1967, H 37, p.32.
World-wide inquiries failed to find another DC-8 suitable for use under charter and as the delivery date, late 1967, of a fourth DC-8 on order to Air New Zealand could not be advanced, a reorganisation of services was necessary. As a result the Singapore service was suspended, the introduction of a jet service to Tahiti postponed and Electras replaced DC-8s on a number of flights, especially on the Auckland-Nandi service. A replacement aircraft was, of course, ordered but difficulties that were being experienced by the manufacturer delayed the delivery of both this machine and the DC-8 already on order so that neither was delivered by the end of 1967.\(^1\) In order to cope with the heavy Christmas traffic Air New Zealand chartered a DC-8 from an American firm, United Air Lines. For the period of the charter this machine remained in United's red, blue and white colours and was used on shorter routes, e.g. trans-Tasman and Auckland-Fiji, in order that Air New Zealand could keep its own aircraft on the services to Hong Kong and Los Angeles where, because of competition, the airline most needed to identify

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1. The two DC-8s in question were delivered early in 1968.
Plate VIII: Far away places. Nine of the fifteen points served by the airline are indicated on this sign at Christchurch International Airport.
itself. Despite the inconvenience caused by the delayed delivery of the two additional DC-8s Air New Zealand had by December 1967 clearly established itself in the field of international aviation; over a period of twenty-seven years the company which had commenced services by operating two flying-boats over a 1,300-odd mile route had developed into a jet equipped airline whose route network of more than 42,000 miles served three continents and fifteen destinations.
CHAPTER 5  CONCLUSION

One consistent and inexorable factor in the history of air transport has been its dynamic growth. At the end of the First World War there was not a single scheduled passenger service. 1 By 1960 there were almost 300 airlines in existence, ranging from giants like Aeroflot (U.S.S.R.), United Air Lines (U.S.A.) and Pan American Airways (U.S.A.), which carry tens of thousands of passengers in jet aircraft which accommodate more than 100 passengers each trip, to companies operating small and often veteran aircraft in remote corners of the world. This forty years of development was highlighted in 1960 when, for the first time, more than 100 million passengers were carried by the world airlines in one year. 2

The enormous capacity required to carry more than 100 million passengers per year required a corresponding increase in the size of aircraft and

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1. The first scheduled passenger service was flown by Deutsche Luft Reederei on 5 Feb 1919.
the 150 ton DC-8s of the 1960s are a far cry from the machines which introduced the air transport age. In an examination of this point Davies has combined the data of aircraft speed, size, and hours flown per year in order to obtain a figure of "airliner work output" and this not only reveals a great increase over the years but emphasises the tremendous advance which the big jets made.\(^1\) If Davies' figures are applied to aircraft operated by Air New Zealand it is possible to formulate the equation \(1 \text{ DC-8} = 4 \text{ DC-6s}\).

One of the most important developments in air transport during recent years has been the trend towards closer links between airlines of different nations. Equipment is so expensive, the acquisition of traffic rights so involved and competition so intense that an independent airline is faced with a bitter struggle for survival. International airlines have responded to this situation by co-operation and co-ordination, usually through pooling agreements between several airlines. B.O.A.C., Qantas and Air India operate the England-Australia route on a pool basis, Lufthansa, Air France and

Alitalia operate international services under a pooling agreement, and Air New Zealand operates on a pool basis with Qantas and B.O.A.C.

Such arrangements involve the establishment of agreed timetables and the equitable sharing of available traffic. A more far-reaching kind of alliance was that reached in October 1958 by Scandinavian Airlines System and Swissair. Not only were timetables and fleets integrated but a system of cross-leasing of aircraft was begun. Another significant development has been the establishment by four European international airlines, Lufthansa, Air France, Alitalia, and Sabena, of a partnership scheme under which each member takes an agreed share of the total traffic. Although Air Union (as the partnership is called) has achieved some of its aims, namely close integration of timetables and the avoidance of crippling competition, it remains in the experimental stage.

The formation of these inter-line groupings, and the fact that in 1961 forty airlines carried ninety-one per cent. of the total world air-traffic,¹

are indicative of the prevailing trend in international civil aviation; it is becoming a game for giants. Yet, in an apparent contradiction of the contemporary trend, New Zealand acquired an international airline, re-equipped it with jet airliners, gave it a new name and transformed it profitably from a regional to an international operator by sending it over newly negotiated routes to the Orient and North America.

The jets were purchased for £10 million, the construction of an international jet airport at Auckland required the expenditure of a further £10 million and the purchase of Australia's share in TEAL cost £0.8 million, a total of almost £21 million for these three items alone. Clearly the advantages of New Zealand ownership had to be great in order to counter the almost inevitable suggestion that New Zealand avoid the financial gamble of entering the field of jet-age international air transport by asking one or more of the major overseas operators to provide New Zealand's external air services.

There were, in fact, a number of reasons which favoured New Zealand owning its own international airline. Many of these became apparent when examined from the point-of-view of the country as a
whole rather than in the context of a purely commercial undertaking which must show a profit in its annual accounts. Airlines, particularly international carriers, have not always been money-makers. The initial cost of aircraft and their operational costs are high and according to figures published by ICAO in 1962, covering thirty leading airlines (which account for about seventy-five per cent. of all international transport operations), the operating profit on £700 million revenue earned in 1960 was less than £20 million. 1 Air New Zealand has done well in this respect when compared with the overall pattern. In twenty-seven years of operations (i.e. to 31 March 1967) the company made operating profits in twenty-three of those years totalling £2.6 million, against operating losses in four years of £0.5 million, a favourable financial credit of £2.1 million. The airline therefore has not been an expense which the New Zealand taxpayer has had to bear; in fact its domicile in New Zealand has been financially beneficial for the government has benefited substantially from the payment of direct taxation and annual dividends. In the last four

financial years, 1964-67, dividends paid to the New Zealand government by Air New Zealand were in excess of £350,000.¹

There was of course an almost world-wide precedent for New Zealand owning an international airline; almost every state in the world has found it worthwhile in its national interest to maintain its own international airline. There is virtually no nation, even among the newest or the smallest, which has not professed to operate an international airline of its own. Garuda of Indonesia, Ghana Airways and Air Mali are examples of new nations operating international airlines; Swissair of Switzerland and K.L.M. of the Netherlands exemplify small nation ownership. It would be surprising therefore if New Zealand did not maintain an international airline, particularly in view of the country's exceptional dependence on transport.

The domiciling of Air New Zealand in New Zealand has meant that the company's first loyalty is to New Zealand. No other international airline would

¹ Dividends paid in each of these years can be found in AJHR, B 1[Pt I], under the heading "Details Profits from Trading Undertakings".
owe first allegiance to New Zealand, nor could it identify itself with New Zealand's national image abroad. Aviation services operated into New Zealand by an overseas airline run, not in the interest of New Zealand, but in the interest of the operator and his country of origin. Without an international airline of its own New Zealand would have been forced to rely upon such services. There would, however, have been no guarantee that these services, which are essential to New Zealand, would have continued to operate in all circumstances or under favourable terms. It was, therefore, desirable to have a measure of control over New Zealand's communication with the outside world and, as the organisation of shipping had become entrenched, aviation provided the only method of overseas transport over which an effective governmental influence could be exerted in the national interest.

In addition, reliance on an overseas airline to do the job done for New Zealand by Air New Zealand would have resulted in the loss to the New Zealand economy of a substantial amount of overseas exchange. In the year ended 31 March 1966 some 207,000 persons travelled from New Zealand; of this number slightly
more than eighty per cent. travelled by air.¹ In every case where the traveller's fare was paid to an overseas airline this was a straight out-going of overseas exchange; if the fares were paid to a New Zealand owned international airline the money so spent stayed in New Zealand. The pooling arrangement which Air New Zealand has with Qantas and B.O.A.C. does, of course, provide a modification of the above generalisation but it is generally true that the higher the proportion of departures who flew by the New Zealand carrier, the higher the proportion of air fares, and consequently overseas exchange saved.

Air New Zealand also earned overseas exchange since the fare of every visitor brought to this country by the airline represented a direct gain in overseas exchange by the New Zealand economy. Air New Zealand thus earned and saved overseas exchange for New Zealand and in this sense has been a most significant earner of vital income for the nation. The importance of an international airline in this respect is shown by the fact that in the year ended 31 March 1967 Air New Zealand saved £5.6 million in overseas exchange, and

¹ YB, 1967, pp.73 & 1002.
in so-doing, became second to the Tasman Pulp and Paper Company as New Zealand's biggest single earner of foreign exchange.¹

Associated with the earning of overseas funds obtained in flying visitors to New Zealand, Air New Zealand also played an important part in the tourist industry of New Zealand since it was possible for the airline to help direct the flow of tourist traffic towards New Zealand, a flow which might have been turned by other carriers to countries elsewhere. Furthermore it has been possible to use Air New Zealand as a spearhead in the promotion of New Zealand's tourist industry, not only through advertising and publicity, but also through the introduction of low fares (e.g. Airconomy fares and package tours) which encouraged tourists to visit New Zealand. Air New Zealand's role of course has been to bring the tourists to New Zealand: economically it was extremely important that such tourists were not diverted elsewhere for tourist spending in this country totalled £11.6 million in the year ended 31 March 1966.²

2. AJHR, 1966, H 2, p.3.
The value of an international airline to New Zealand, however, extended beyond the ability of that airline to earn and save overseas funds for its parent country. Throughout its history New Zealand has been dependent on overseas trade for its development and progress and has traditionally supplied a narrow range of primary products, wool, meat and dairy produce, to a limited number of markets, principally the United Kingdom. In the early 1960s the threat of the United Kingdom's possible entry into the European Economic Community awoke New Zealanders to the dangers which existed in the continued dependence on this narrow export market and the finding of new markets in other parts of the world became one of New Zealand's most pressing needs as a trading nation. The possession by New Zealand of an international airline allowed Air New Zealand to be used in the pioneering of new markets, not only showing the flag but by taking New Zealand's image to lands where New Zealand was relatively unknown. In addition it has been possible to use Air New Zealand's jets to transport samples of New Zealand produce to new markets. Surface transport is not flexible enough to be effective in this way; its role has been a follow-up one involving bulk delivery.
This of course has not stopped the aircraft being used as a cargo carrier. In the early days of commercial aviation the carriage of freight was a minor activity; in fact the potential of air cargo was not fully realised until the jet-age. With this awareness of the potential of airfreighting, airlines devoted solely to cargo-carrying were formed, e.g. the Flying Tiger Line (U.S.A.) and freighter versions of standard jet airliners constructed, e.g. the Douglas DC-8F. TEAL was associated with the carriage of cargo from the time of its inception, because of the wartime lack of Tasman shipping. The amount of cargo carried annually by the airline has increased steadily. However the real impetus to the airline's cargo-carrying came with the introduction of the DC-8s in 1965 since each of the new aircraft was capable of carrying seven tons of cargo, almost as much as TEAL had carried in its first year of operation. A wide variety of goods has left New Zealand in the holds of Air New Zealand's aircraft; these have included perishables such as chilled fish, crayfish, and strawberries, and a wide variety of products from New Zealand's secondary industries, notably electrical appliances, washing machines and radios. The

1. See Appendix A, p.221.
introduction of the DC-8 also meant that broadloom carpet was added to the list of commodities airfreighted overseas; previous aircraft operated by the company had been unable to accommodate the twelve foot width of this commodity.

In the year ended 31 March 1967 airborne exports from New Zealand exceeded airborne imports for the first time in Air New Zealand's history,\(^1\) emphasising the future importance of this means of cargo-carrying in New Zealand's external trade pattern. Furthermore, recent technological developments seem likely to lead to what may become known as the age of the long range airfreighter. An international airline would appear to be a necessary pre-condition of a locally tuned airfreight company, and this requirement has been fulfilled through New Zealand's ownership of Air New Zealand. As a trading nation it is imperative that New Zealand have control of some vehicles of trade. Shipping has been allowed to slip, as far as practical control is concerned, completely from New Zealand hands. The magnitude of this issue can be judged when it is revealed that shipping freight costs on

exports exceed £45 million and those on imports, £35 million. It is therefore important that any idea of hiring or chartering airfreighters from a carrier based in another country be strenuously resisted; it is in New Zealand's interest to own and control at least one means of communication and trade with the outside world.

There is also a strategic role in a country's ownership of an international airline. Air New Zealand's very existence has retained in New Zealand a force of trained flight- and ground-crew which would be extremely valuable in a time of emergency. Furthermore, New Zealand ownership of Air New Zealand ensured that a number of modern aircraft were owned and based in the country and these machines could quickly assume a supporting role as troop transports in wartime. The use of civil airliners for the transport of service personnel became increasingly common during the 1960's; United States' airlines, for example, flew Operation Deep Freeze personnel from the United States to Christchurch, New Zealand, and transported replacement personnel from the

2. Operation Deep Freeze is the code name of an American scientific programme concerned with the study of the Antarctic continent.
United States to Vietnam. In August 1967 the Minister of Defence, D. Thomson, announced that approval had been given the Ministry of Defence to enter into negotiations with Air New Zealand for an air-trooping arrangement. An agreement of this type would relieve pressure on the R.N.Z.A.F. Transport Wing, particularly in the movement of servicemen's families who would be able to travel in greater comfort than can be provided in Service aircraft, and would also free Service aircraft for operational tasks. However agreement on the matter had not been reached by the end of 1967.

Furthermore, the existence of a New Zealand based operator necessitated the locating in this country of the associated engineering and technical facilities. TEAL's engineering resources in machines, manpower and technical know-how became valuable national assets. No other international airline would base its operations in New Zealand and so station here this valuable nucleus of skilled technicians who have also fulfilled a nationally important support role in the servicing of military

1. PD, ccclii, 2728.
2. AJHR, 1968, H 4, p.6.
and agricultural aircraft. An important project of the company's workshops in this field has been the redesigning of the Fletcher FU-24 topdressing aircraft to take a turbo-prop engine, the first of these machines flying in July 1967. However, the activities of the company's workshop have not been confined solely to aviation matters and an important contribution to safety at sea has been made with the servicing and repair of life-rafts for the Navy, commercial fishermen and a number of shipping companies.

The final, but no less important, reason for New Zealand possessing an international airline is the simple matter of geography. New Zealand is relatively isolated geographically and consequently is dependent more than most countries on transport and communication for trade and contact with the outside world. Aviation has changed the meaning of distance and made the world grow smaller. In an Air New Zealand DC-8 it is possible to travel the 1,300-odd miles between Christchurch and Sydney in about two-and-a-half hours, only slightly longer than the time taken to travel by car from Christchurch to

1. AJHR, 1968, H 37, p.21.
Timaru, a distance of 100 miles.

As far as New Zealand is concerned the Second World War put the label 'essential' on air travel. Fortunately New Zealand never had to face up to the situation which would have applied had there been no TEAL flying-boats, but it requires little imagination to picture the almost total isolation in which the country would have been placed. As one of the more isolated communities of the world, New Zealand is vitally interested in retaining some degree of control over at least a nucleus of the aircraft which maintain its contact with the outside world; this it has achieved through its ownership of Air New Zealand.

New Zealand undoubtedly benefits by owning an international airline but the question arises as to whether these advantages would be any greater if Air New Zealand was merged with the country's domestic operator, N.A.C. The suggestion that the two airlines be merged was made as early as 1952, and was revived again late in 1955. However, as New Zealand ownership of the international airline was a

1. CS, 9 Sep 1952; Whites Aviation, Sep 1955, p.1; SMH, 1 Nov 1955.
necessary prerequisite of any such merger, little could be done toward that end prior to New Zealand's purchase of Australia's shares in TEAL in 1961.

Strong support for the suggested merger of the two airlines was given by a Special Committee which had been established by the Air League of New Zealand in October 1962 to examine the way in which civil aviation was developing in New Zealand. In its report, published in 1964, the Special Committee made the following recommendations:

1. TEAL and NAC should be merged ... by the formation of a holding company, with common directors and management, and a fully-integrated joint organisation.

2. The finances of the two airlines should also be merged.¹

Basically, the reasons behind the Committee's recommendation were economics, size of enterprise and precedent.² In the course of its inquiry the Committee had found that both airlines faced substantial capital development programmes costing millions of pounds, both had made reduced profits or losses in previous years (1960-63), and both were faced with increased competition and rising costs in

¹ Air League of New Zealand (Inc.), Civil Aviation Blueprint, p.10.
² Details of the Committee's examination are given in the report of that body, Ibid., pp.42-48.
the future. Consequently the Committee held that, although both airlines had an almost common board of directors, closer co-ordination was necessary since this would lead to administrative and other economies in addition to giving the advantages associated with a large-scale enterprise.

The Committee held that the distinction between domestic and international airlines was one of convenience - "nothing more than that each currently concentrates on a separate sector of the same industry"\(^1\) - and pointed out that a number of airlines combined domestic and overseas operations, e.g. Irish Air Lines, Trans-Canada Airlines and South African Airways. In fact the Committee held that Irish Air Lines could provide a useful model for New Zealand of a state-owned organisation providing for the unified operation of two legally separate airlines, one short-haul to the United Kingdom and Europe (Aer Lingus), the other operating long-haul services across the Atlantic (Aerlinte). These two airlines were separate companies, their finances were separate and they presented separate accounts, but they had common management and joint organisation.

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1. Air League of New Zealand (Inc.), *Civil Aviation Blueprint*, p.47.
and operationally were fully integrated under the name Aer Lingus - Irish International Airlines. The Committee emphasised the terms common management, joint organisation and fully integrated, and on the reasoning that, if the Irish could derive benefits from a merger of their international and domestic airlines, New Zealand could do likewise, made the recommendations for amalgamation referred to above.

Naturally in a matter of this kind there were points for and against the merger. The Committee had, however, presented a strong case for amalgamation, although for every airline cited as successfully combining international and domestic operations a country could be found which operated both an international and domestic airline; Australia's Qantas and T.A.A. and Britain's B.O.A.C. and B.E.A. provided two examples. In 1961, after the purchase of TEAL, the New Zealand Government had appointed a joint board of directors for TEAL and N.A.C. and had agreed that the board commission a firm of consultants to investigate whether further co-ordination or amalgamation was desirable. On 1 September 1965 after almost a year of investigations,
the consultants released their report. The idea of amalgamation was rejected.¹

The Committee of the Air League had stated that differentiation between overseas and domestic operators was one of convenience; the consultants, Barr, Burgess and Stewart, thought otherwise -

We are of the opinion that the possibility of amalgamation and the provision of common services have been given undue significance in relation to the differences in the roles and characteristics of the airlines.²

In arriving at their conclusion the consultants stated that the operating figures of both airlines compared favourably with larger overseas companies, the two airlines had no common routes, and there was no evidence of any significant savings which could arise from the amalgamation of the two airlines. Furthermore N.A.C., as a short-haul operator, and Air New Zealand, as an international long-haul operator, had quite different functions in domestic and international operations. "It is the primary function of N.A.C. to provide air services within New Zealand", the consultants wrote, "and of A.N.Z. to provide air services overseas, to promote tourism and trade and

¹. Press, 2 Sep 1965.
². Ibid.
assist in earning and saving overseas exchange ... .
Policy on factors affecting the development of
N.A.C. and A.N.Z. is dependent on quite different
political and economic considerations."¹

In regard to administration and management the
consultants found that, because of the specialised
activities of the two airlines, an amalgamated
company would still require two distinct management
groups. It was therefore recommended that the one
joint board be replaced by a board for each company
since this would provide a direct link between the
Government and the organisation responsible for a
particular policy, and would also maintain the
existing specialisation.

The consultants in making their investigation
had had the advantage of reporting closer to the
jet age; and had the Air League reported in similar
circumstances it is possible that the two reports
might both have rejected amalgamation. Throughout
the 1960s the field of activity of the two airlines
drew them further apart. Air New Zealand began to
operate in the competitive world of long-haul

¹. Press, 2 Sep 1965.
international aviation; N.A.C. on the other hand had to wait until October 1968 before it introduced Boeing 737 short-haul jets to its protected domestic routes. Almost certainly future developments in long- and short-haul commercial aviation will accentuate the differences in the activities of the two companies.

Perhaps the most pressing problem of the immediate future, as far as Air New Zealand is concerned, is that associated with the continued use of turbo-prop Electras, involving, as this does, the operation of a mixed fleet. Essentially this is a New Zealand and not just an Air New Zealand problem for Melbourne is expected to open a new jet airport at Tullamarine early in 1969 and this will leave Wellington as the only point on Air New Zealand's network which does not possess an airport able to accommodate long-range jets. The question of the construction of an international airport at Wellington is a complex one, for not only is it doubtful whether New Zealand needs three international airports - Mangere at present handles sixty-four per cent. of international traffic and Christchurch and Wellington eighteen per cent. each - but a decision has to be

made on whether to develop Rongotai to international jet standards or construct a new international airport at Paraparaumu. Either of these alternatives is expensive and the New Zealand Government would no doubt prefer, on economic grounds, to extend Rongotai to small-international jet standards, such as the Boeing 727, and a study of the performance of various twin- and three-engined jets for use on the Tasman has been undertaken.¹

This would of course necessitate the continuance of a mixed Air New Zealand fleet, a situation which the company no doubt wishes to end with the withdrawal of the Electras. On the other hand the development of Paraparaumu, whilst likely to be of greater value for future extensions, would put Wellington’s airport some three-quarters of an hour by road from the city; N.A.C.’s new Boeing 737 jets are expected to bring Rongotai within forty minutes of the two existing international airports at Christchurch and Auckland. If a close linking of services between N.A.C. and trans-Tasman operators were arranged it is possible that Wellington could be withdrawn from the international network. Clearly, therefore, the

¹ AJHR, 1968, H 37, p.22.
phasing-out of Air New Zealand's Electras is but one segment of a complex problem and the airline's solution must necessarily await a governmental decision on the future position of Wellington in New Zealand's international air network.

The future route expansion of Air New Zealand is also a matter for conjecture. In 1966 the company's General Manager, F. Reeves, declined to be specific on future expansion although he stated that the close association of communication and trade could possibly result in Japan and Central America becoming destinations of future Air New Zealand services.¹ More recently plans and estimates have been prepared for the construction of a new runway, terminal and associated facilities able to accommodate DC-8s, on Rarotonga in the Cook Islands, and this could provide an alternative route to Los Angeles and other points in North and South America. A more novel possibility under consideration is the question of Air New Zealand operating tourist services to Antarctica and it is possible that these might be inaugurated in the 1969-70 Antarctic summer season.²

1. Press, 12 Apr 1966.
2. CS, 10 Sep 1968.
Discussion of Air New Zealand and the future must include a reference to developments in the aircraft industry; in the international and long-haul sector of commercial aviation aircraft are becoming larger and faster and the terms "jumbo jets" and "supersonic transports" (SSTs) are already in common usage. Developments in speed are typified by such projects as the Anglo-French Concorde which will carry 130 passengers at 1400 m.p.h. and the Boeing SST which is expected to carry some 250 passengers at speeds up to 2000 m.p.h. An Air New Zealand DC-8 has already crossed the Tasman in 2 hours 2 mins, during which journey a speed of 725 m.p.h. was reached. The supersonic aircraft of the future, with a speed almost double and triple this figure, will further reduce the distance barrier which separates New Zealand from the rest of the world. This virtual elimination of flight time is particularly important to tourists and businessmen with limited time to spare, and promises to have a stimulating effect on the tourist economy of remote areas of the Pacific.

Of greater significance, from New Zealand's viewpoint as a trading nation, is the increase in

aircraft size. The first of these bigger aircraft, a "stretched" version of the DC-8 Series 52, as flown by Air New Zealand, has already been put into service. This aircraft, the DC-8 Series 60, is available in three versions, the largest of which is capable of carrying 250 passengers. Other versions of these jumbo jets - the Douglas DC-10, Boeing 747, and Lockheed L500 - are expected to carry up to 400 passengers at speeds of about 600 m.p.h.

The cargo potentiality of these aircraft is enormous. Air New Zealand's General Manager has stated that a Boeing 747 could fly to Los Angeles and return in forty hours, and, by operating twenty-four days in every twenty-eight, could carry 16,000 tons a year over this route alone.\(^1\) Although the machines are expensive, their cargo-carrying capacity is expected to produce a cost reduction in airfreight charges, the extent of this being determined by the nature of the cargo and the airline's ability to carry maximum payloads in either direction.

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1. F. Reeves, "Aviation - the New Colussus in International Commerce", p.11. This was an address Reeves gave to the Royal Aeronautical Society in Christchurch, 25 Jul 1966.
There are, of course, a number of problems which must be solved before New Zealand, through its international airline, enters the jumbo jet age. The ability of these aircraft to move hundreds of tons of produce at one time will demand great efficiency from New Zealand's producer industries. It will also be necessary for New Zealand to develop a large two-way trade in order to get economic backloading of its airfreighters for without such backloads the items being exported must carry extra costs in order to make the operation economic. Furthermore, the high capital cost of the jumbo jet will demand intensive utilisation of the aircraft if its operations are to be successful financially; there can be no such thing as "flying in ballast". In this respect the performance with sea freight hardly provides grounds for confidence, for, in 1966, 203 of the 915 vessels which entered New Zealand's ports came in ballast in order to carry New Zealand produce abroad.

No doubt bulk airfreighting will increase in importance year by year and ultimately involve New Zealand and its international airline, Air New Zealand. At the end of 1967, however, in the words
of the Minister of Civil Aviation, J. Gordon, "bulk airfreighting of New Zealand's present basic products ... is still a vision."\(^1\) What is certain is that New Zealand as a trading nation cannot afford to be held to ransom by overseas airfreight interests. The country can best protect itself against this by having its own New Zealand owned, controlled, and operated airline which will be capable of operating a fleet of airfreighters at the appropriate time.

These, the problems of routes and planes, are the problems which Air New Zealand must face in the future. In a way, however, these problems are not just Air New Zealand's. They concern the New Zealand Government and the New Zealand people for in the final analysis international airlines are instruments of national policy and their fundamental significance to their country of origin can never be disregarded.

The hard facts which have faced New Zealand's economy in the 1960s have placed new emphasis on the value of New Zealand owning an international airline. They have also raised the whole question of the relationship of New Zealanders and their international airline.

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For the Government's part this means that Air New Zealand will need the support of, and encouragement of, a strong and positive aviation policy through the years ahead. For the people's part it will call for a greater willingness to express support for, and a loyalty towards, an important national enterprise. There has been in the past a tendency for New Zealanders to regard a thing of foreign origin as preferable to the equivalent local product. In international commercial aviation this has manifested itself in a certain glamour and prestige attached to flying foreign, i.e. using overseas-based airlines. There is no doubt of the solid backing the Australian Government and people give Qantas; Swissair is the pride of that small country, and the Dutch are solidly behind K.L.M. Air New Zealand has proved itself to be an operator of the highest standard and has achieved a record for safety and reliability of which every New Zealander can be proud.

In the course of their growth and development TEAL, and latterly Air New Zealand, have been confronted by, and successfully surmounted, a great many problems. Success, both as the regional operator TEAL and the international operator Air New
Zealand, has attended the airline's history. Listed among the international airlines of the world the New Zealand company has appeared small, perhaps even insignificant. However the success and value of an international airline are measured not by size, but rather by the economic results which the airline achieved and the advantages which it brought to its country of origin. From both the company's and the country's point-of-view, TEAL and Air New Zealand have been profitable ventures. Of even greater importance is the fact that the two have fulfilled admirably their triple role of servicing the country's commerce, enhancing its image abroad and maintaining communications with neighbouring countries. In so doing they have justified New Zealand's participation in the field of international commercial aviation.
APPENDIX A: OPERATIONAL FIGURES

<table>
<thead>
<tr>
<th>Year Ended</th>
<th>Passengers</th>
<th>Freight * (lbs)</th>
<th>Mail (lbs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March</td>
<td>(lbs)</td>
<td>(lbs)</td>
<td></td>
</tr>
<tr>
<td>1941</td>
<td>1,507</td>
<td>18,800</td>
<td>78,179</td>
</tr>
<tr>
<td>1942</td>
<td>1,959</td>
<td>32,230</td>
<td>167,275</td>
</tr>
<tr>
<td>1943</td>
<td>2,256</td>
<td>35,195</td>
<td>101,741</td>
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<tr>
<td>1944</td>
<td>2,924</td>
<td>40,024</td>
<td>94,106</td>
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<tr>
<td>1945</td>
<td>5,803</td>
<td>84,189</td>
<td>142,812</td>
</tr>
<tr>
<td>1946</td>
<td>6,100</td>
<td>99,584</td>
<td>214,792</td>
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<tr>
<td>1947</td>
<td>11,648</td>
<td>176,687</td>
<td>278,789</td>
</tr>
<tr>
<td>1948</td>
<td>18,792</td>
<td>223,229</td>
<td>331,926</td>
</tr>
<tr>
<td>1949</td>
<td>24,597</td>
<td>377,178</td>
<td>345,715</td>
</tr>
<tr>
<td>1950</td>
<td>22,579</td>
<td>361,623</td>
<td>405,587</td>
</tr>
<tr>
<td>1951</td>
<td>31,233</td>
<td>561,779</td>
<td>461,792</td>
</tr>
<tr>
<td>1952</td>
<td>42,301</td>
<td>1,675,447</td>
<td>665,206</td>
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<tr>
<td>1953</td>
<td>36,898</td>
<td>620,252</td>
<td>728,485</td>
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<tr>
<td>1954</td>
<td>35,910</td>
<td>719,959</td>
<td>778,073</td>
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<td>1955</td>
<td>43,575</td>
<td>868,983</td>
<td>809,599</td>
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<tr>
<td>1956</td>
<td>49,389</td>
<td>1,016,342</td>
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<td>1957</td>
<td>62,168</td>
<td>1,131,174</td>
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<tr>
<td>1958</td>
<td>61,908</td>
<td>1,184,277</td>
<td>922,192</td>
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<tr>
<td>1959</td>
<td>69,721</td>
<td>1,036,291</td>
<td>908,634</td>
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<td>1960</td>
<td>84,130</td>
<td>1,537,000</td>
<td>1,054,000</td>
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<tr>
<td>1961</td>
<td>115,109</td>
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<td>1,301,000</td>
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<tr>
<td>1962</td>
<td>114,295</td>
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<td>1,243,000</td>
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<tr>
<td>1963</td>
<td>108,891</td>
<td>1,983,000</td>
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<tr>
<td>1964</td>
<td>123,489</td>
<td>2,399,795</td>
<td>950,180</td>
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<td>1965</td>
<td>156,780</td>
<td>3,162,981</td>
<td>1,008,774</td>
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<tr>
<td>1966</td>
<td>188,003</td>
<td>3,950,586</td>
<td>1,376,848</td>
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<tr>
<td>1967</td>
<td>231,709</td>
<td>4,943,859</td>
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* Includes excess baggage.

APPENDIX B: TEAL OPERATION DURING WATERFRONT STRIKE, 1951

<table>
<thead>
<tr>
<th>Month</th>
<th>Passengers ('000)</th>
<th>Freight ('000 lbs)</th>
<th>Mail ('000 lbs)</th>
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<tbody>
<tr>
<td>1950</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>3.4</td>
<td>63.3</td>
<td>37.8</td>
</tr>
<tr>
<td>May</td>
<td>3.2</td>
<td>77.1</td>
<td>43.2</td>
</tr>
<tr>
<td>June</td>
<td>2.3</td>
<td>69.0</td>
<td>42.1</td>
</tr>
<tr>
<td>July</td>
<td>2.3</td>
<td>74.2</td>
<td>40.5</td>
</tr>
<tr>
<td>August</td>
<td>2.8</td>
<td>69.7</td>
<td>44.7</td>
</tr>
<tr>
<td>1951</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>4.9</td>
<td>199.6</td>
<td>45.3</td>
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<tr>
<td>May</td>
<td>5.5</td>
<td>327.6</td>
<td>60.9</td>
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<tr>
<td>June</td>
<td>4.6</td>
<td>347.5</td>
<td>63.6</td>
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<tr>
<td>July</td>
<td>4.2</td>
<td>358.4</td>
<td>65.5</td>
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<tr>
<td>August</td>
<td>3.8</td>
<td>217.0</td>
<td>58.2</td>
</tr>
<tr>
<td>1952</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
<td>4.1</td>
<td>66.1</td>
<td>53.3</td>
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<td>57.6</td>
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</tr>
<tr>
<td>July</td>
<td>3.4</td>
<td>67.4</td>
<td>63.9</td>
</tr>
<tr>
<td>August</td>
<td>3.9</td>
<td>74.7</td>
<td>51.1</td>
</tr>
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</table>

Bibliography

In view of the fact that the New Zealand Government is the only shareholder in Air New Zealand, all papers and reports of the company have been classified "official" for the purposes of this bibliography. Most of these items are held by the Information Services department of Air New Zealand, Auckland, this place of deposit being abbreviated as I.S., Auckland, throughout the bibliography.

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I. **Published.**


II. **Unpublished.**