AIR POWER AND PROBLEMS OF

SOVEREIGNTY IN THE SOUTH PACIFIC

1935-41

by

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December 1972.
The Pan American Airways Sikorsky S-42 flying boat.
The development of aviation in the South Pacific gave new significance to numerous Pacific islands which had for long been forgotten. Islands which appeared as almost indistinguishable dots on the map suddenly acquired real importance as stepping-stones in the successful operation of air routes through the Pacific. The result was a small scramble for islands.

In 1935 the United States Government occupied Howland, Baker and Jarvis Islands, which the British Government claimed. The following year the United States claimed Canton and Enderbury Islands. In 1939 the claim extended to the remaining islands of the Phoenix Group and numerous of the Line Islands (including Christmas Island), and the Ellice Islands. Also on the list were the northern Cook Islands and the Tokelau Islands, over which the New Zealand Government exercised jurisdiction.

These claims led to a scarcely credible diplomatic wrangle on the eve of the Second World War. The British Government, in preparing its policy on trans-Pacific aviation and the United States claims, closely consulted the New Zealand Government. The dispute throws considerable light on the workings of the Commonwealth relationship, although this question will not be discussed directly. The concern of this thesis is with
the problem which was new, the role of air power. Civil and military aviation drew attention to previously neglected islands. The thesis begins with the attempts by Pan American Airways to fly to New Zealand, and ends with the establishment by the United States of a chain of island air bases in the South Pacific designed to assist in the defence of the Philippines in a war with Japan.

* * *

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To my sister, Miss Jennifer Peachey, I owe my greatest debt. She typed, checked and corrected this manuscript with skill, patience and good humour.
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<tr>
<td>AJHR.</td>
<td>Appendices to the Journals of the House of Representatives, New Zealand.</td>
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<td>Aust.</td>
<td>Australia</td>
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<tr>
<td>CCNZ.</td>
<td>Commodore Commanding New Zealand Station.</td>
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<tr>
<td>C.O.</td>
<td>Commanding Officer.</td>
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<tr>
<td>COS.</td>
<td>Chiefs of Staff.</td>
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<tr>
<td>Deb. H.C.</td>
<td>House of Commons Debates, Great Britain.</td>
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<tr>
<td>Gov.</td>
<td>Governor</td>
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<td>Gov. Gen.</td>
<td>Governor General</td>
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<tr>
<td>HCWP</td>
<td>High Commissioner for the Western Pacific.</td>
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<td>N.Z.</td>
<td>New Zealand.</td>
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<tr>
<td>OC</td>
<td>Officer Commanding</td>
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<tr>
<td>PM.</td>
<td>Prime Minister</td>
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<tr>
<td>SSDA.</td>
<td>Secretary of State for Dominion Affairs.</td>
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<tr>
<td>SSFA.</td>
<td>Secretary of State for Foreign Affairs.</td>
</tr>
<tr>
<td>UK</td>
<td>United Kingdom</td>
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<td>UKHC.</td>
<td>United Kingdom High Commissioner.</td>
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INTRODUCTION.

In 1890 Alfred Thayer Mahan published The Influence of Sea Power Upon History 1660-1783. This work, which put him into the tradition of Antoine Henri Jomini and Karl Von Clausewitz, and became a text-book of sea power, not only surveyed the past but also made tentative predictions about the probable influence of sea power on international relations in the future. No theorist of similar stature has emerged to examine the significance of air power in the same way. Jomini, Clausewitz and Mahan wrote against a background of centuries of experience with war on both land and sea. No such perspective exists for the study of air power. The aeroplane is a twentieth century development.

Man's first modern experiment at flight was in the hot-air balloon, by the Montgolfier brothers in 1783. Two years later another balloon crossed the English Channel. The first flight in a heavier-than-air craft was made in a glider during 1855. The first recognised power-driven heavier-than-air flight, however, had to await the Wright brothers on 17 December 1903.


2. Jomini's most quoted work is Summary of the Art of War (1824) while Clausewitz made his greatest impact with On War (1830).
Zealand was very nearly the scene of the first aeroplane flight. Richard William Pearse, sometime between 1900 and 1904, made a number of short flights in a monoplane, but it is not certain that he flew any distance before 31 March 1904. There followed a number of isolated attempts to use the aeroplane for commercial purposes. Louis Blériot first crossed the English Channel on 25 July 1909. On 10 August 1910 an experimental air mail flight was attempted in England and a similar effort was made in France on 18 February 1911. The first military use of the aeroplane was during the Italo-Turkish War of 1911-12. It was used by Italy in Libya for reconnaissance and liaison purposes.

It was the First World War which gave the first real impetus to aeroplane development. The aeroplane was more the child of war than of peace. The entire history of commercial aviation has been strongly influenced by military considerations. Without the development of military aviation, the development of civil aviation would probably have been much slower. For much of the First World War aircraft were used only for reconnaissance and observation purposes. Only towards the end of the War was thought given to the "strategic" use of air power, to using aircraft for direct attacks on the enemy. Plans to use the aircraft in this way were only beginning to be developed by 1918
when the War ended.

Following the War the first theorists on air power emerged. They were not concerned with debating differing theories, but rather with a fundamental doctrine. This was that the aeroplane had so many advantages that it was the most useful instrument of war available. The question was firstly whether a country should have an independent air force and, secondly whether such an air force should be dominant over other branches of the military forces.

The first major theorist was an Italian artillery officer, Guilio Douhet, whose main work, The Command of the Air was published in 1921. Douhet's concept of "command of the air" was very similar to Mahan's concept of "command of the sea." Mahan wrote that a navy's primary objective was to gain control of the sea to move men and supplies while denying such rights to an enemy. By "command of the air" Douhet meant "the state of affairs in which we find ourselves able to fly in the face of an enemy who is unable to do likewise."¹ The aeroplane is distinct from all other forms of transportation and could move anywhere over the surface of the earth, requiring only points of departure and arrival. Douhet recognised the importance of air bases.

¹. G. Douhet; The Command of the Air (Coward-McCann, New York, 1942) p. 95.
Landing grounds and navigation aids were necessary for the aeroplane to fly long distances.

Douhet stressed the relationship between civil and military aviation. He urged the state to promote civil aviation to strengthen national security. The building of aircraft, training of pilots and maintenance of facilities all gave civil aviation military value. Douhet rejected the notion that civil aircraft could not be used for military purposes because two different types of aircraft were required for these roles. Military aviation must be based on civil aviation because no state is wealthy enough to maintain an adequate military force ready for immediate action.

A United States army officer, William ("Billy") Mitchell, followed Douhet. In The Development of Air Power he defined air power quite simply as "the ability to do something in the air... transporting all sorts of things by aircraft from one place to another, and as air covers the whole world there is no place that is immune from influence by aircraft." Mitchell was the first to discuss air power in global terms. He wanted inter-continental air routes running through the Arctic.

He envisaged a trans-Atlantic route by way of Greenland and Iceland and trans-Pacific routes by way of Alaska and Siberia, or the Aleutian and Kurile Islands. Alaska was identified as the key to military dominance in the Pacific. Mitchell recognised the need for island bases in the establishment of air routes.

The leading British pioneer was Hugh Trenchard, the first Chief of Air Staff when the Royal Air Force was established as a separate service in 1918. Trenchard wrote little for publication, but he was one of the earliest advocates of "strategic" uses of air power. His ideas formed the basis of Royal Air Force doctrine during the inter-war years.

These three were followed by the Russian Alexander P. de Seversky, whose book *Victory Through Air Power* was a prophetic work. He foresaw the increasing range of aircraft, which would free air forces from the elaborate ground organisation which Douhet believed necessary, and from the island stepping-stones of the Arctic routes in the Atlantic and the Pacific, which Mitchell had stressed.

Each of the theorists regarded air power as the ability of a nation to fly in both peace and war, to move passengers, freight, mail, troops and bombs. The

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same airfields can be used by both civil and military aircraft, the same men can design, build, fly and service both types, using the same material and fuel. There are, however, two fundamental necessities before civil or military aviation can operate.

Firstly, the physical ability to fly. There must be aircraft capable of making the required flight, regularly and reliably, not just an occasional stunt under carefully chosen conditions. Technical developments had to catch up with theory before regular flights were possible. Man had long dreamed of flying but had to await technological developments to make such dreams a reality. Then it was necessary to have bases, places where aircraft can take-off and land. The geographical location of these bases is vital. They must be located at such intervals as to allow for the economic operation of commercial aircraft carrying maximum loads of passengers, mail, freight and fuel. For military aviation purposes they must be located within striking distance of enemy targets, while at the same time not be vulnerable to enemy attack. If such bases are not readily available, as they were not to the United States Government in the 1930's, they must be acquired, either by seizure or by agreement with the country exercising sovereignty over them.

Secondly, once the physical ability to fly has been
achieved, the political right to fly must be acquired. This is the right to fly over another state's territory should the desired route make this necessary. By the 1930's certain broad principles of air law had been established. It was widely accepted that each state had jurisdiction over the air space above its territory, including its territorial waters. It had the right to decide which aircraft could use its air space. Air space over high seas or territory not under any government's jurisdiction, could be used by the aircraft of any state.  

These two requirements were illustrated with great clarity during the development of British and United States air power in the South Pacific during the 1930's. Here neither a United States nor a British service could operate without landing rights on the other's territory. For a United States service to be worthwhile it would require a terminus in either Australia or New Zealand. No British service was possible without landing rights in Hawaii. The physical ability to fly the Pacific was achieved in November 1935 with the production of the Sikorsky S-42 and Martin M.130 flying boats. The political problem remained. It was necessary to acquire island bases and landing rights on foreign territory before any service could operate. This problem dominated

the development of South Pacific aviation, first in the civil and then the military spheres, in the period 1935–41.
CHAPTER ONE

AMERICAN INTEREST IN SOUTH PACIFIC AIR ROUTES.

Pan American Airways

The decade of the 1930's, dominated by world depression and international tensions, witnessed a remarkable expansion in aviation. The vast oceanic expanses of the Pacific were not excluded from this development. Here the chief instrument of this expansion was Pan American Airways, an aggressive American company, which grew in ten years from a small concern operating along a single ninety-mile route linking Florida and Havana into the world's largest airline, maintaining a 40,000 mile transport service through thirty nine countries.¹ The driving force behind this development was Pan American Airways' president and general manager, Juan Terry Trippe, a man of extraordinary business ability and ruthlessness. In 1924 Trippe, with the support of Boston bankers, founded the Colonial Air Transport Company, flying between Boston and New York. In 1926 Trippe resigned from this Company after his associates had refused to

consider a route linking Florida and Havanna and founded a new company which the following year merged with a company already known as Pan American Airways Incorporated.\(^1\) It was this Company which Trippe used to create a world wide airline.

In the late 1920's, while Trippe was organizing Pan American Airways, the United States Government had no foreign air policy and had given little thought to international air transport. This left Trippe the responsibility of securing world air routes for his Company, calling as much on his abilities as a diplomat and a politician as on his business sense. In this Trippe excelled. He entered negotiations with foreign governments with the aim of securing air routes from which all other countries would be excluded. Trippe did receive considerable financial assistance from the United States Government, however, in the form of the 1925 Kelly Air Mail Act, which provided for long-term contracts between the Post Office and airlines for the carriage of air mail at a maximum rate of three dollars a pound.\(^2\) Trippe won the first air mail contract granted under the Kelly Act, which served as a generous subsidy to his airline and put it on a secure financial basis at a time when there were few paying passengers.

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As a result of Trippe's ability and the financial security provided by the Kelly Air Mail Act, Pan American Airways was flying by 1934 to the Caribbean, South America and China, as well as being a major factor in the struggle for control of the North Atlantic air route. Once an 8,500 mile air route had been flown across the Pacific from Hawaii to China Trippe turned his attention to Australasia, declaring "I counted all along on connecting with the rich Australasian area."^1 Trippe, unimpressed by the ideal of an "All Red" route, thought in global terms. Australia was several thousand miles closer to San Francisco than it was to London. The United States trade with Australasia compared favourably in volume with its trade with China, to which Pan American Airways was already flying. It seemed logical to fly to Australasia as well as to the Orient.

New Zealand Government - Pan American Airways Agreement

Therefore, in August 1935 Pan American Airways placed before the New Zealand Government proposals for an air service by clipper flying boat between the United States and New Zealand. The proposed service was to be a branch from Hawaii of the San Francisco-Hawaii-Philippine

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1. Ibid. p. 117.
air service, stopping at Kingman Reef and Pago Pago. Pan American Airways was represented in the negotiations by Harold Gatty, a Tasmanian who had won fame as Wiley Post's navigator during their flight around the world in 1931. Gatty, though an Australian citizen, subsequently served as Head of Air Navigation Research and Training for the United States Army Air Corps before pioneering the first South Pacific air route for Pan American Airways.

From the New Zealand Government's point of view the Pan American Airways' proposals were very attractive. New Zealand, long conscious of its isolation and increasingly interested in the possibilities of trans-Pacific flying, readily welcomed the advent of commercial aviation. However, no agreement was concluded with Pan American Airways until November 1935. The reason for the delay was the difficulty raised over the question of reciprocal landing rights, a problem which came to dominate South Pacific aviation in its formative years. By 1935 the British Government had begun thinking in terms of a Pacific air service linking Australia and New Zealand to Canada. But at the time when Gatty laid Pan American Airways' proposals before the Dominion Government Imperial Airways, Britain's "chosen instrument" to establish an all-British world air route, was in no position to fly to New Zealand. It had not developed flying boats of comparable range to those developed for Pan American Airways.

and the equipment that it did have was being taxed to the limit. Furthermore, in order to fly to Canada Imperial Airways would require landing rights at Hawaii and perhaps even San Francisco. One of the few bargaining counters that it had was Pan American Airways' request for landing rights in New Zealand.

Before signing an agreement with the airline, the New Zealand Government consulted the British Government on the matter. The British replied that while they could see no objection to the United States being granted landing rights in New Zealand, such rights should only be granted on the basis of complete reciprocity. The Dominion Government was also warned that Pan American Airways could not itself grant reciprocal rights. Gatty should therefore be advised that his Company should approach the United States Government and persuade it to apply to New Zealand through ordinary diplomatic channels. Gatty declined to go this far, stating that the United States Government had little interest in the matter. He said that Pan American Airways were prepared to include in the contract a clause providing for the termination of their landing rights in New Zealand should a New Zealand company be denied landing rights in the United States. This, Gatty said, would amply safeguard British interests.

1. See R. Higham; Britain's Imperial Air Routes, 1918 to 1939. (Foulis and Co., London, 1960) Chapters V-XII.

He expressed impatience at the delay in concluding an agreement and hinted that Pan American Airways were prepared to make alternative plans which would serve their purposes of securing a South Pacific route, but which would exclude New Zealand. The Dominion Government accepted Gatty's arguments, convinced of the desirability of a service which would, at no cost to itself, provide a valuable addition to its limited communications system and perhaps further good relations with the United States. It asked only that in the proposed reciprocity clause reference to a "New Zealand Company" be changed to cover any British Commonwealth Company.1

The British Government maintained its view that any agreement should be between two Governments and not between the New Zealand Government and a private company. If the Dominion Government felt unable to follow this policy, it should at least ensure that any agreement signed should be subject to an express provision that reciprocity of landing rights ...should be specifically endorsed by the United States Government before regular flying services are actually permitted to commence.2

This was the policy finally adopted by the New Zealand Government and once Pan American Airways had accepted its proposals on reciprocity3 it was ready to enter into an

arrangement with the airline.

An agreement between the New Zealand Government and Pan American Airways was eventually signed by the Minister of Transport, Gordon Coates, at Helensville on 25 November 1935. The problem of reciprocity was dealt with by Article Twelve of the Agreement, which stated that should the United States Government refuse British aircraft landing rights on American territory in the event of a British trans-Pacific air service being organized, the New Zealand Government was entitled to cancel the Pan American licence to fly to New Zealand without compensation. But, as the British Government had pointed out, this was an agreement between a Government and a private company, not between two Governments. It was in no way binding on the United States Government.

The Dominion Government, on British advice, sought to overcome this problem by asking Pan American Airways to notify the United States State Department of Article Twelve of the Agreement. It also requested that it be advised by the United States Government that it was aware of the reciprocity clause, and had no objections to Pan American Airways accepting it. As Pan American Airways explained it to the State Department, the agreement in no way bound the United States for the future, and New Zealand had no knowledge of any prospective British airline applying for

reciprocal rights.¹

The United States Government informed New Zealand, through its Consul in Wellington, George A. Bucklin, that it refused to be bound by a private contract, which was a matter for the New Zealand Government and Pan American Airways. Although the question of reciprocity had not been satisfactorily settled, the New Zealand Government signed the Agreement with Pan American Airways. But within days the Coalition Government had been defeated in a general election and the new Labour Government was to take a determined stand on reciprocity in succeeding years when Pan American Airways found itself unable to fulfill other terms of the Agreement.

The Agreement granted Pan American Airways the right to operate a fortnightly flying boat service between San Francisco and Auckland by way of Honolulu, Kingman Reef and Pago Pago, which were designated as approved stopping places. The service was to begin not later than 31 December 1936, although this date could be extended by a year at the discretion of the Minister of Transport should Pan American Airways, owing to unforeseen difficulties, be unable to commence service by the required date. The Minister of Transport was given the right to approve minimum payloads and to

compel the airline to stop at Suva when he considered it necessary. ¹

These were the major provisions of the Agreement but there were a number of other Articles which were not the cause of later difficulty. The service was to be operated without any subsidy or other financial assistance by the New Zealand Government and the Company was not to be subjected to discriminatory taxation. The Company was given the right to establish a wireless station at Auckland to assist navigation, weather forecasting and the operation of aircraft generally, and to establish a landing base and repair facilities in Auckland. ²

It is significant that Pan American Airways concluded an Agreement with New Zealand rather than with Australia. It appears that before approaching the New Zealand Government Pan American Airways did make overtures to Australia with a view to gaining landing rights there, but that these were rejected. ³ By 1935 Australia, unlike New Zealand, already had an Imperial Airways service linking London and Sydney over a route

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1. It was the inability of Pan American Airways to fulfill these conditions which enabled the New Zealand Labour Government to seek a more satisfactory settlement of the reciprocity issue. See Chapter Two.


3. Josephson; Empire of the Air p. 117.
which took eleven days to fly. New Zealand enjoyed no such service and therefore welcomed the Pan American Airways' proposals, although with the expectation that eventually there would also be a British company involved in the Pacific. New Zealand's preference that it be served by a British airline contributed to the difficulties over reciprocity, both during the negotiations of the original New Zealand - Pan American Airways Agreement and in subsequent attempts to re-negotiate it. However, the question of trans-Pacific aviation was further confused because at this time it became intricately linked with the United States assertion of sovereignty over numerous Pacific islands which had long been regarded as British possessions.

New Importance for Pacific Islands

The prospect of commercial air services through the South Pacific invested numerous small islands and atolls, long neglected because of their isolation and unproductiveness, with a new commercial value. The United States was already in possession of a chain of air bases across the North Pacific - Hawaii, Midway, Wake, Guam, and Manila - which were used for Pan American Airways flights to China. When the Company concluded its Agreement with the New Zealand Government, however, the United States had no comparable chain of bases in the
South Pacific. The result was keen rivalry between the United States and Britain to establish claims to previously inconspicuous islands which had suddenly assumed considerable strategic importance as potential air bases in the South Pacific.

The first move had already been discreetly made by the United States before Pan American Airways had concluded its Agreement with the New Zealand Government. Howland, Jarvis and Baker Islands were occupied by the United States Department of Commerce, under the direction of William T. Miller, Superintendent of Airways for its Bureau of Air Commerce, between 26 March and 3 April 1935. Four Hawaiian boys from the Kamehameha School were landed by the United States Coast Guard Cutter Itasca on each island, ostensibly to study mid-Pacific meteorological conditions.

The United States main concern in occupying the islands was clearly aviation. This is shown in part by the geographical location of the islands. Jarvis is situated on a Honolulu-Pago Pago route while Howland and Baker, further west, are on a Honolulu-Fiji route. There were no other islands so ideally situated for the purposes of South Pacific aviation. The United States pre-occupation with aviation is also shown by the unprecedented nature of the occupation. In the past the

1. Jarvis was occupied on 26 March; Howland on 30 March; and Baker on 3 April, 1935. For the location of these islands see map following p. 112 below.
Departments of War and the Navy had been called upon to administer various territorial acquisitions, but never before had the Department of Commerce assumed such a responsibility.¹

In the short-term, Howland, Baker and Jarvis Islands were of only limited value as far as the Pan American Airways service to New Zealand was concerned. The New Zealand service was to be by flying boat, and since none of the islands had a lagoon they were unsuitable as bases. However, the Bureau of Air Commerce was of the opinion that eventually ocean routes would be flown by land planes and when this occurred Howland, Baker and Jarvis would provide ideal landing grounds in an area of the Pacific where they were most needed. In the meantime the islands would be of value as weather stations on the San Francisco-to-Manila and Honolulu-to-Auckland routes, as beacon stations,² as emergency landing places and as outposts for Army and Navy planes.

By 1935 the possibilities of aviation had drawn attention to hitherto neglected islands and led to a close examination by the United States of British title to various islands, including Howland, Baker and Jarvis. In 1935 these three islands, patches of coral without trees or drinking water, were uninhabited until their

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² Beacon stations were very important for aircraft, which found their way not only by means of navigation instruments, but also by "contact flying" — recognizing landmarks and beacons along the route.
occupation by Hawaiians from the Kamehameha School. It is difficult to determine positively who was the first discoverer of these islands but it is clear that all three were bonded as guano islands on 2 March 1861 under the terms of the United States Guano Act of 18 August 1856. This Act provided that when an American citizen discovered guano on an unoccupied island not under the jurisdiction of any other government and took peaceable possession and occupied the island, it might, at the discretion of the President, be considered as appertaining to the United States.

The Guano Act conferred upon the American discoverer the exclusive right of occupying the island for the purpose of extracting guano. Each island was exploited for guano by Americans from 1858 to 1879, when the Americans abandoned operations. Between 1886 and 1891 the British firm of John T. Arundel and Company worked guano deposits on the three islands. Thus, both American and British interests had worked Howland, Baker and Jarvis for guano. Although the islands belonged geographically to the Phoenix Group, which Britain

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1. Guano: a rich nitrogenous fertilizer, composed of the excrement and skeletal remains of ocean-birds which flocked to specific islands.


annexed between 1889 and 1892, no other use had been made of them. The United States made no de jure recognition of British claims to these islands and had denied British sovereignty on numerous occasions before trans-Pacific aviation became a possibility.

The State Department declared in 1907 that "the United States possesses no sovereign or territorial rights over guano islands." ¹ In 1920, replying to an inquiry concerning Baker and other guano islands, the State Department said "these islands... are not dependencies of the United States, but appertain to the United States."² With regard to Howland Island, the State Department declared in 1927 that although Howland was included among British possessions in certain publications, it was still regarded as appertaining to the United States.³ And with reference to Jarvis Island, the Department wrote in 1930 that "the United States has not acquiesced in any claim which may have been made to Jarvis Island by foreign governments."⁴


² Second Assistant Secretary of State (Adee) to Secretary of War, 12 March 1920. Hackworth; Digest of International Law, Vol. I, p. 506.

³ Assistant Secretary of State (Harrison) to Ginn and Company, 14 March 1927. Hackworth; Digest of International Law, Vol. I, p. 506.

⁴ The Historical Adviser (Dennett) to C.A. Burkhart, 29 March 1930. Hackworth; Digest of International Law, Vol. I, p. 507.
While Howland, Baker and Jarvis Islands were widely held to belong to Great Britain the United States, itself never claiming sovereignty over the islands, maintained some semblance of a claim to them. In effect, the islands had been abandoned by whomever had claimed ownership to them in the past, Great Britain never having occupied them. When the islands became significant for aviation the Bureau of Air Commerce acted on the premise that by settling American citizens on Howland, Baker and Jarvis Islands it would be establishing effective occupation over them. This view was supported by President Franklin D. Roosevelt, who took a close interest in the occupation of the islands and asked that it be maintained for at least a year. ¹

The occupation of the islands was accomplished secretly, the United States wishing to present the world with a fait accompli. It was eight months, not until October 1935, before the world learned of the occupation. The United States wanted to ensure that the venture was a success before other nations interested in the islands, especially Britain, became involved. The United States had decided that if the information about the occupation did leak out, the Post Office would announce that it was

part of a plan to develop an air mail service in the Pacific.¹

This was another indication of the pre-occupation of the United States with aviation, but it was not only civil aviation with which it was concerned. The military aspect of United States interest in these islands should not be overlooked. When considering the uses to which the islands might be put Roosevelt wrote "naval and commercial aviation base uses are at present the most important,"² although he also spoke of mineral development of the islands as a means of strengthening American claims to sovereignty.

The United States also had to make some decision over which government department should administer the islands, since administration of territorial acquisitions was hardly a function of the Department of Commerce, which had been responsible for the initial occupation. One possibility was the Department of the Navy, which had jurisdiction over Guam and Eastern Samoa, but this was dismissed by Roosevelt who argued that it would raise questions about the authority of the Department of the Navy to grant licences or leases for aviation.³

It was decided by the cabinet to place the islands under the Department of the Interior, which had long administered Alaska and Hawaii, and had recently acquired jurisdiction over Puerto Rico from the Department of War and the Virgin Islands from the Department of the Navy. This Roosevelt did by Executive Order in 13 May 1936.¹

The Department of Commerce, once it became apparent that it was to lose jurisdiction over the islands, withdrew its men from them, so that at the time when Roosevelt issued his Executive Order they were unoccupied. Secretary of the Interior Harold I. Ickes handed responsibility for the islands over to the Division of Territories and Island Possessions, which had made no plans for the islands and had to secure thirty five thousand dollars for their administration through a joint resolution of Congress. When the Chairman of the House Committee on Appropriations, James P. Buchanan, questioned the need for a joint resolution he was told that the money was needed to consolidate American claims in the face of a possible British assertion of sovereignty over the islands. Buchanan accepted this argument and agreed to introduce the Resolution, which he considered would be an "assertion of ownership by Congress itself."² The


Resolution was introduced on 19 June and was passed and approved on 22 June 1936.

Thus, there was a period when the islands were unoccupied and had Britain, or any other nation wishing to possess the now valuable islands been alert to this fact, they could have exploited the opportunity to challenge the American claims. But this did not happen. On 10 June 1936 the State Department was informed by Bucklin that two New Zealand vessels were due to sail shortly in order to make an aeronautical survey of the islands and possibly to land men on them. This caused considerable concern in Washington and hurried the re-occupation of the islands. Trippe, when advised by the State Department of the proposed New Zealand expedition, replied that Pan American Airways would, with the assistance of the United States Navy, be willing to re-occupy the islands through the Oceanic Nitrates Corporation. This was a dummy company which had been set up by Pan American Airways to gain exclusive control of the islands under the terms of the 1856 Guano Act. The purpose of this manoeuvre was not mineral exploitation but to prevent any other airline using the islands and thereby competing with Pan American Airways.¹

Such action by Pan American Airways, however, proved unnecessary. The Department of the Interior, prompted by

Bucklin's information, arranged an emergency expedition with the co-operation of the Department of Commerce. Two Coast Guard cutters left Honolulu on 13 June 1936 with men to prepare for the permanent occupation of the islands. The urgency of this expedition is reflected in the fact that it was despatched before the Congressional resolution financing the occupation was passed. The operation was directed by William T. Miller of the Bureau of Air Commerce, the same man who had directed the original occupation of the islands in March and April 1935. It was not until 17 June that the ships attached to the New Zealand Division of the Royal Navy, HMS Leith and HMS Wellington left on their Pacific islands survey.

These American activities caused considerable concern in New Zealand and Britain. The State Department, on receiving Bucklin's report, instructed him to inform the New Zealand Government that the United States expected to be notified in advance of any proposed visits to its territories by foreign naval vessels. This was an obvious reference to the Leith and Wellington expeditions. Gatty believed, with justification, that New Zealand displeasure at the incident would make it more difficult for him to negotiate a new agreement with the New Zealand Government on behalf of Pan American Airways, something he failed to do before the expiration of the time limit imposed by the November 1935 Agreement.
In Britain the United States action was debated in the House of Commons. The Secretary of State for Foreign Affairs indicated on 6 May 1936 that the matter was being investigated, and soon afterwards the Colonial Secretary denied that British sovereignty over the islands was in doubt. However, the British and New Zealand Governments were faced with an accomplished fact, and could do little to effectively re-assert British control over Howland, Baker and Jarvis Islands.

Their most important actions following the American occupation of the three islands was the cruises of Leith and Wellington during the winter of 1936. The expeditions had two main functions, to re-assert British sovereignty over various Pacific islands to which the United States might lay claim, and to survey their suitability for aviation. The ships visited the Gilbert and Ellice Islands, the Phoenix Islands, the Cook Islands, the Tokelau Islands and Fanning Island, making extensive reports on their potential for aviation. Most important for future developments was the visit of Leith to Canton Island in the Phoenix Group on 6 August 1936, when it posted a sign asserting British sovereignty over the island. In his report the Commanding Officer of Leith said that while the lagoon at Canton was thickly studded with coral reefs and

pinnacles, runways for land planes could be found. The Wellington reported having sailed past Jarvis Island on 5 September 1936, at which time an American flag was hoisted on the island and three inhabitants were sighted.

Also sent to the central Pacific was HMS Achilles, which had been commissioned for service in the New Zealand Naval Division but whose departure had been delayed because of the international situation in the Mediterranean. When the ship finally left for New Zealand in July 1936 it was decided that it should make an aerial photographic survey of various Pacific islands to determine their potential as trans-Pacific air bases. As a result Achilles surveyed Christmas, Canton, Fanning, Hull and Nukunono Islands, Kingman Reef and Minerva Reef, between 23 August and 3 September 1936. The Achilles survey was a direct British response to American activities in the central Pacific and an attempt to vindicate British claims to ownership of various Pacific islands.

As far as a British trans-Pacific air route was concerned, the result of the Leith, Wellington and Achilles surveys was to show that the best route between New Zealand and Honolulu would be via Suva, Hull or Nukunono Islands, and Kingman Reef or Christmas Island.\(^1\) It was recognised that Honolulu would be an essential stopping place on any trans-Pacific air route and that Suva should also be a stopping-place because of the commercial and strategic importance of Fiji to Britain.

Neither New Zealand nor Britain exaggerated the American interest in the South Pacific. That there was a sound basis for their concern was shown by a remarkable memorandum from the Chief of the Bureau of Aeronautics to the Chief of Naval Operations in late October 1936 on the value for aviation of various South Pacific islands.\(^2\) This memorandum drew particular attention to Christmas Island, over which Britain claimed sovereignty, as valuable to the United States for defence and civil aviation. It said that Christmas Island was preferable to Kingman Reef as a stopping-place on the proposed Pan American Airways South Pacific route and mentioned the aviation potential of Canton Island, as well as stressing the potential importance of Howland and Baker Islands for land planes.

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1. CCNZ, to Secretary of the Admiralty, 14 October 1936. Air 103/2/5. (National Archives, Wellington).

By the middle of August 1936 the Department of the Interior had established radio stations on Baker, Jarvis and Howland Islands, which within three months were transmitting daily weather reports. In January 1937 the Coast Guard cutter William J. Duane arrived at Howland Island to establish an airfield. Howland, like Baker and Jarvis, was useless as a seaplane base, since it is completely surrounded by coral reef and has heavy seas for most of the year, as well as having no lagoon. However, as a comparatively level island, little more than one and a half miles long, it was well suited as an airfield. The construction of the airfield was a co-operative venture involving the Departments of Commerce, Interior, Navy and War. However, the involvement of the Army should not be taken as a sign that military importance was attached to Howland since the Army was always responsible for federal engineering projects.

Nevertheless, there was a military aspect to the construction of the Howland airfield. The airfield was constructed at a time when there was no scheme in existence for any air service which would make immediate use of it, since the planned Pan American Airways service to Auckland would use flying boats. The United States Government maintained that the project was purely civil in nature and had no military purpose.  

was the case, it was a piece of planning for the future, since in 1937 the use of land planes on the Pan American Airways South Pacific routes was being contemplated only in the most general terms.

The main factor which suggests that there was a military element involved in the construction of the Howland airfield was the fact that naval air manoeuvres had been held in the Hawaiian area towards the end of 1936, and there were reports that they had extended as far south as Howland Island, 1,560 miles from Honolulu. This might have pointed to the need for a landing field for military planes on Howland Island.\(^1\)

In this way the United States established its interest in South Pacific air routes. However, it was not the only country with an interest in the area. The British and New Zealand Governments were likewise keen to establish a place for British Commonwealth aviation in the developing South Pacific air routes.

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1. H.M. Consul, Honolulu, to N.Z. PM, 15 January 1937. PM301/6/1 Pt. 1A.
CHAPTER TWO

THE PROBLEM OF AVIATION RECIPROCITY.

British Commonwealth Interest in Aviation

While Pan American Airways was preparing to fly the South Pacific, thought was also being given to plans for a British Commonwealth service to New Zealand. The 1926 Imperial Conference had agreed that an "All Red" imperial air route should be sought. This idea was followed by the Empire Air Mail Scheme, which began with an Imperial Airways service between England and India. By December 1934 the route had been extended as far as Australia and it was intended that it should eventually reach New Zealand. The Scheme had the full support of the New Zealand Government. In 1933 it contributed £5,000 towards the cost of its development and declined to support an alternative plan launched by Sir Charles Kingsford-Smith, who had become the first man to fly the Pacific in 1928, to provide an air mail service across the Tasman Sea.

The Scheme was based on the British Government's desire for a unified approach to aviation on the part of the British Commonwealth. This policy was necessary if it was to compete with such companies as Pan American Airways, "which the United States Government had made their chosen instrument for external air development and
on which they have spent and are spending many millions of public money." The British Government believed that the United States, having failed to gain world leadership in sea transport, was determined to gain such leadership in the air. Pan American Airways had gained a major advantage in the race for control of South Pacific air routes by concluding an agreement with the New Zealand Government in November 1935. The British Government regarded the reciprocity clause in this agreement as unsatisfactory. It contained no guarantee from the United States Government that British planes would be granted landing rights on American territory once they began flying the Pacific. Without landing rights at Hawaii and San Francisco a British trans-Pacific service would be impossible.

British interests were given a second chance, however, when Pan American Airways approached the New Zealand Government with a request to alter the original agreement. Gatty found himself dealing with a new Government. The Labour Party was elected to office on 27 November 1935, just two days after the Coalition Government had signed the agreement. Moreover, the agreement had been found unsatisfactory when submitted to the Company's headquarters in the United States. Gatty was instructed to seek the deletion of the

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provisions giving the New Zealand Minister of Transport the right to approve minimum payloads in flights and to compel the airline to stop at Suva when he considered it necessary. Alterations were also sought to the clauses concerning reciprocity, the date on which the service was to commence and its frequency. Such changes were necessary, the Company argued, because payload and route had to be regulated by the United States Government, which made its subsidy payments on a mileage basis.¹

The British Government regarded the Pan American Airways application for reconsideration of the agreement as an opportunity to secure a more satisfactory settlement of the question of reciprocal landing rights. It warned the Dominion Government that the United States might consider British landing rights at San Francisco as equal to the rights granted Pan American Airways at Auckland and demand further concessions before granting facilities at Hawaii. The British Government wanted the principle of reciprocity to apply to the Pacific Ocean as a whole. It wanted a British Commonwealth service to be able to stop at any place on the Pacific coast of North America or anywhere between that coast and New Zealand "without being limited to absolutely equivalent reciprocity of facilities."² If Pan American Airways was to have the right to fly to Auckland, the

British Government wanted a British service to have the right to use any facilities on United States territory in order to provide a service similar to that planned by the American company. To strengthen the reciprocity clause further, the New Zealand Government was advised to reduce the period of notice required for the termination of the American service from one year to three months. This would prevent the United States Government delaying the grant of reciprocal facilities for over a year while Pan American Airways established a service under the agreement without competition.

These were strong demands, but the British Government believed the New Zealand Government was in a position to make them. While the United States possessed in Hawaii one of the essential links in any trans-Pacific route, New Zealand also held "one of the key positions since it was necessary to the proposed Pan American Airways service as a terminal and as a connection with European lines flying to Australia and the Dutch East Indies."¹ Such an advantage would be lost, however, if Pan American Airways found alternative landing areas, especially in Australia.

1936 Civil Aviation Conference

The New Zealand Government was urged to delay its

negotiations with the airline until it had consulted an official of the British Air Ministry. This was an attempt to prevent a recurrence of what had happened in November 1935. Then Coates had signed an agreement which did not safeguard British aviation interests in the South Pacific to an extent the British Government thought desirable. The New Zealand Government accepted this advice and, much to the annoyance of Gatty, postponed the negotiations. The British official sent to New Zealand was F.G.L. Bertram, a former deputy director of Civil Aviation and at that time responsible at the Air Ministry for the Empire Air Mail Scheme. The Dominion Government took the opportunity to invite the Australian Government to send delegates to join in discussions on civil aviation.\[1\] This invitation was readily accepted and the result was the Civil Aviation Conference, held at Wellington between 25 September and 3 October 1936.

The New Zealand delegation to the Conference consisted of the four cabinet ministers most directly concerned with aviation, the Ministers of Marine, Peter Fraser; Finance, Walter Nash; Transport, Robert Semple; and Defence, Frederick Jones. Australia sent its Minister of Defence, Sir Archdale Parkhill, and senior representatives of the Defence, and Post and

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Telegraph Departments. These were the Controller General of Civil Aviation, Captain E.C. Johnston, the Secretary of Defence, M.L. Shepherd, and the Director General of Postal Services, M.B. Harry. The British Government was represented by Bertram and a member of its High Commission in Canberra, P. Liesching. Their discussions dealt with both trans-Pacific and trans-Tasman aviation. They were of a very preliminary and exploratory nature and produced a series of resolutions which were to be submitted to the respective governments for consideration.

Fraser, speaking for the New Zealand delegation, made the Labour Government's attitude to the agreement with Pan American Airways clear,

The present New Zealand Government was of the opinion that the original agreement should not have been entered into and was further of the opinion that its amendment should not be agreed to. 1

He feared that Pan American Airways, if denied amendments to the agreement, would abandon its proposed service to New Zealand and seek an agreement with the Australian Government instead. Fraser hoped for an assurance from the Australian delegation that it would not enter into agreement with Pan American Airways without first consulting the New Zealand Government and securing its

1. Statement by Fraser to Civil Aviation Conference, 29 September 1936. Air 123/11/1.
approval.

The possibility of an agreement between Pan American Airways and the Australian Government was one of two problems which disturbed the Dominion Government. The other was the question of reciprocal landing rights. Should the Company commence a service under the original agreement, it might be necessary for the New Zealand Government to insist on reciprocal rights. If this happened the New Zealand Government hoped that a British company would be ready to make immediate use of such rights. Fraser asked the British and Australian delegates if such a company would be available.

The Dominion Government was anxious to secure a permanent settlement of the problem of civil aviation in the South Pacific. Fraser suggested that if the Pan American Airways service was abandoned a conference of all the countries concerned in Pacific aviation - Britain, Canada, Australia, New Zealand and the United States - should be called to reach agreement on trans-Pacific aviation. The New Zealand Government wanted an agreement which would provide for a British service and an American service operating side by side on the basis of reciprocal landing rights.¹

Bertram, speaking for the British delegation described the New Zealand - Pan American Airways agreement

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¹ Statement by Fraser to Civil Aviation Conference, 29 September 1936. Air 123/11/1.
as an obstruction to plans for a chain of Empire air services around the world. The agreement should, if possible, be terminated and the question of trans-Pacific aviation raised to an inter-governmental level. It was the United States Government, not Pan American Airways, which had the power to grant landing rights on American territory. Bertram wanted the agreement ended, and opposed any modification of it. If this did not lead Pan American Airways to terminate it, he was sure there were in the existing agreement various provisions so onerous that they could not in fact be observed by Pan American Airways, and the opportunity would thus come a little later for bringing the agreement to an end. ¹

The British Government was anxious to end the agreement as soon as possible as a means of advancing British Commonwealth aviation interests in the Pacific. Bertram pointed to the successful negotiations conducted between the British, Canadian and Irish Free State Governments on the one hand and the United States Government on the other concerning trans-Atlantic services, as a good example of co-operation between governments on aviation. He advised the New Zealand Government to follow a similar course. It should approach the United States Government through diplomatic channels with a view to agreement on trans-Pacific aviation.

¹ Statement by Bertram to Civil Aviation Conference, 29 September 1936. Air 123/11/1.
Bertram suggested a British Commonwealth trans-Pacific air service based on an agreement between the various Commonwealth countries concerned, New Zealand, Canada, Australia and Britain. An understanding should be reached with the United States Government to use the best route available regardless of ownership of the various islands necessary for landing purposes. Landing rights at Hawaii were essential to any trans-Pacific air service, but the United States Government was likely to raise difficulties here. Hawaii was strategically important as a naval base and the United States Government feared a Japanese demand for landing rights there. Bertram relied on old arguments to overcome this problem. New Zealand, he claimed, was in a strong bargaining position because it was the terminal desired by the airline for its trans-Pacific service. He went further and equated the trans-Atlantic and trans-Pacific services. If the United States Government claimed that British interests were asking for more than they were giving in the Pacific, it should be told that British interests had given more than they had received in the Atlantic.\(^1\)

The Australians shared the desire for an "All Red" route into the Pacific. They agreed that the question of

trans-Pacific aviation should be discussed by the British, Canadian, Australian and New Zealand Governments before an approach to the United States Government was made. The Australian delegation gave an assurance that if the New Zealand - Pan American Airways agreement was terminated, its Government would not enter into an agreement with the Company without first consulting the British and New Zealand Governments.

This disposed of one of the two matters most concerning the New Zealand delegation at the Conference. The other matter, the question of whether a British service could be ready to operate in the event of Pan American Airways carrying out the original agreement, remained and was the subject of considerable debate. The British view was that it would not be necessary to have a company ready to operate a service at the time when application for reciprocal landing rights was made. The twelve month period of notification in the agreement would give the United States Government time to decide whether it would grant reciprocal rights to a British service. The New Zealand Government should advise Pan American Airways that it would not want to exercise reciprocal rights for two or three years and leave it to the Company to secure these rights. This approach did

1. Resume of views expressed by the Australian delegation to the Civil Aviation Conference, 29 September 1936. Air 123/11/1.
not entirely satisfy the New Zealand Government. It wanted to be in a position to actually operate a service before claiming reciprocal rights.¹

At the conclusion of the Conference a series of resolutions on trans-Pacific aviation were drawn up. The New Zealand Government was to deny Pan American Airways modification of the agreement. It was agreed that if the Company failed to carry out the 1935 agreement the Australian Government would not provide it with alternative landing facilities. If, on the other hand, the Company decided to carry out the agreement, they might consider the early establishment of a British service with reciprocal rights under clause twelve of the 1935 agreement. In any event negotiations should begin between the British, Canadian, Australian and New Zealand Governments to consider the establishment of a trans-Pacific air service. Discussions should then be held with the United States Government to establish the most suitable service possible. The New Zealand Government was to take the initiative in promoting these discussions.²

These resolutions were no more than a series of recommendations to be submitted to the respective governments for consideration. They did, however,
clarify the views of the Governments concerned and reduce the possibility that one of them might choose to act alone, as New Zealand had done to a large extent in November 1935. It was a step closer to the British Government's ideal of a unified approach to aviation among British Commonwealth countries.

Soon, however, one of the resolutions provoked controversy. Resolution two had read:

It is understood that in the event of the failure of Pan American Airways to carry out the agreement with the New Zealand Government for the provision of a Trans-Pacific Service, the Government of Australia will not provide alternative landing facilities in Australia.

The Australian Government wanted to alter the meaning of this resolution by adding the words "without full consultation with the United Kingdom and New Zealand."¹ This would have revived the possibility that, after discussion, Pan American Airways might be permitted to fly to Australia.

The New Zealand Government was firmly opposed to such a change. It would threaten New Zealand's position as a terminal point without strengthening the position of British Commonwealth aviation. It regarded the first resolution, denying Pan American Airways modification of the 1935 agreement, as dependent upon the second. The Dominion Government did not wish to enforce

¹ Savage to Nash, 10 February 1937. PM 110/3/3 Pt. 1A.
resolution one until it was certain that full effect would be given to resolution two, which had been designed to protect New Zealand's position in the event of Pan American Airways withdrawing from the agreement.

When it received New Zealand's refusal to alter resolution two, the Australian Government explained that the change was intended to deal with the possibility of an air service entering Australia from the north. This might have nothing to do with Pan American Airways or its negotiations with the New Zealand Government. The Dominion Government expressed a willingness to consider such a modification. This would allow an American company to fly into Australia from the north as distinct from the east. It sought the opinion of the British Government, however, before making a decision.¹

The British Government regarded the proposed Australian amendment as a significant change in the 1936 trans-Pacific aviation resolutions. If Pan American Airways was permitted to fly into Australia from the north it was likely that New Zealand would be excluded completely from the Company's Pacific service. Such an agreement between the Australian Government and Pan American Airways would enable the airline to fly from Honolulu across its North Pacific route to Manila and

¹ N.Z. Gov. Gen. to SSDA., 22 March 1937. PM 110/3/3 Pt. 1A.
then south to Australia. ¹

It was in the interests of the New Zealand Government to deny the Australian request. In fact the Dominion Government, in order to protect its position as the terminal for Pan American Airways' South Pacific service, had no choice but to deny modification of resolution two. Gatty had already been informed, in line with resolution one of the 1936 Civil Aviation Conference, that alteration to the 1935 agreement was impossible.

Pan American Airways Desire for Time Extension

Once the Dominion Government's position on the agreement was clear Gatty was instructed by the Company to inform it that a service would be operated under the original agreement provided it was given an extension of the time limit as provided for under clause two of the agreement. This clause read:

The Company will commence the said service not later than the thirty first day of December 1936 provided always that if by reason of unforeseen difficulties the Company shall be unable to commence the same service by the last mentioned date the time for commencement may with the consent of the Minister

¹ SSDA, to N.Z. Gov. Gen., 8 April 1937. PM 110/3/3 Pt. 1A.
of Transport be extended to the thirty first day of December 1937.  

This did not give the airline an automatic right to an extension of the time limit imposed by the agreement. It required that the Company have particular reasons for not being able to commence the service by 31 December 1936. Pan American Airways had two reasons for delay. The first was the approach made to the New Zealand Government for modification of the agreement and the delay in receiving a reply while the British and Australian Governments were consulted. The second was a maritime strike on the Pacific Coast of the United States which may have delayed the despatch of men and equipment by Pan American Airways to prepare the route.

The New Zealand Government gave serious consideration to the Pan American Airways request. The delay in commencing operations was probably not solely the fault of the Company. The advice of the British Government was again sought. There was some confusion in the initial consultation. In the text of the agreement communicated to the British Government clause two omitted reference to the discretionary power of the Minister of Transport to grant a time extension if he considered it justified. The text had been altered in

Auckland shortly before it had been signed in November 1935. The version sent to the British Government was the original draft.

This gave the British Government the impression that the New Zealand Government was legally bound to grant a time extension when in fact this was not the case. Nevertheless, the Dominion Government did feel that unless there were reasons unknown to it for the delay, it was morally bound to grant a time extension. Once this misunderstanding had been cleared up by Walter Nash, who was in London at the time and who held discussions with officials of the Air Ministry and the Dominions Office, the British Government felt able to offer its advice.

The British Government accepted that the New Zealand Government might feel bound to grant Pan American Airways a time extension. At the same time, it returned to its old theme of the need to ensure reciprocal rights for any British service in the Pacific. It insisted on the need to secure full reciprocal rights from the United States Government in return for the granting of rights to a United States company in New Zealand. The British Government hoped that its New Zealand counterpart, if it did grant an extension, would point out to Pan American Airways that its co-operation

1. Nash to Shelmerdine, 11 February 1937. PM 110/3/3 Pt. 1A.
with a British company in the development of a trans-Pacific service would be expected. It urged the Dominion Government to stipulate that it would expect the Company to use its influence with the United States Government to ensure that it granted reciprocal rights to a British Commonwealth service. It was also recommended that Pan American Airways be informed that a British application for landing rights would be made later that year, 1937.¹

The British Government wanted a very firm line to be taken with Pan American Airways on the issue of reciprocity. It recognised that by now there was little chance of the agreement being terminated and seemed determined to use the Company's request for a time extension as a means of strengthening its case for reciprocal landing rights on United States territory. While the New Zealand Government was prepared to adopt a firm line it, in turn, sought assurances that there would be a British company ready to operate a trans-Pacific service by the end of 1937. This was a revival of the concern it had expressed during the 1936 Civil Aviation Conference that it would be left in an embarrassing position of having applied for reciprocal rights and then finding that there was no British service equipped to use them. It also reflected the Dominion

Government's desire to be served by a British company and its hope for a service as soon as possible. As a result, it declined to reply to Pan American Airways until it had received an assurance on this point.¹

The British Government similarly returned to the views it had expressed at the 1936 Civil Aviation Conference. All that was required at the moment was a nominated British company with a formal status sufficient to justify an application to the United States Government for reciprocal rights. Imperial Airways could make an application on behalf of a subsequent Commonwealth joint company of which it would be a part, or a joint company could be formed by the British, Canadian, Australian and New Zealand Governments. One would be as effective as the other. There was no need for the Dominion Government to delay a reply to Pan American Airways on these grounds.²

On 9 March 1937 the Prime Minister, Michael Joseph Savage, told Gatty that his Government was not prepared to accept responsibility for agreements made by former governments concerning aviation until it was satisfied that they were "in the interests of the Empire."³

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¹ N.Z. Gov. Gen. to SSDA., 21 February 1937. PM 110/3/3 Pt. 1A.

² SSDA. to N.Z. Gov. Gen., 8 March 1937. PM 110/3/3 Pt. 1A.

³ Press Statement, 9 March 1937. PM 110/3/3 Pt. 1A.
the same day the British Government’s advice that a reply be made to Pan American Airways was received. The Dominion Government was persuaded by the British note. Two days later, on 11 March 1937, Pan American Airways was granted an extension of time in which to commence a trans-Pacific service until the end of the year.

The New Zealand Government, in granting the extension, stressed the problem of reciprocal landing rights. In a letter to Gatty on 11 March 1937 Fraser made the New Zealand Government’s position clear. It was concerned because

the agreement is between the Government of New Zealand and what is, in law, a private person. It is not between Governments. The Government of the United States is not in any way a party to it, and while aware of it, is not bound even morally, by it. The result, therefore, is this: that if at any time a British company desiring to operate a trans-Pacific service from New Zealand should make application to the Government of the United States for landing rights at any given part in United States territory, the United States Government could refuse to grant those rights.¹

This statement neatly epitomised the whole issue of reciprocity which had been raised by the New Zealand - Pan American Airways agreement. It was an admission by a Government which had not been in office at the

¹ Fraser to Gatty, 11 March 1937. PM 110/3/3 Pt. 1A.
time when the agreement was signed, of a defect which had disturbed the British Government. Fraser made it clear that the Labour Government regarded the provisions on reciprocity as unsatisfactory. It had no wish to deprive the Company of the rights conferred upon it by the agreement, however, although Gatty was told that Pan American Airways had no legal right to the extension. It was granted solely at the discretion of the New Zealand Government.

The Dominion Government, in granting the extension, insisted that the Company will forthwith use its influence with the United States Government in the matter of reciprocity, which is regarded by all His Majesty's Governments having interests in the Pacific as being of paramount importance. It expected an early indication from the United States Government that it would grant reciprocal rights to a British service. It also expected Pan American Airways to co-operate with a British company in the development of a trans-Pacific service.

Throughout the negotiations the chief concern of the New Zealand Government had been to protect British Commonwealth interests in the Pacific. Gatty, on the other hand, gambled that once the Pan American Airways service had established itself and proved its value to

1. Fraser to Gatty, 11 March 1937. PM 110/3/3 Pt. 1A.
New Zealand the most objectionable features of the agreement could be removed. He hoped that the service would prove so popular that the New Zealand Government could only terminate it at great political expense.

Gatty saw that Pan American Airways' position could only be threatened by the establishment of a British service, and he did not believe that such a service was, in 1937, possible.

Fraser's letter to Gatty had expressed concern that the Company had taken so long in getting the service started. Gatty when informed of the time extension, announced that Pan American Airways would soon be ready to run a trial flight under the command of Captain Edwin Musick, who had piloted the first commercial flight from San Francisco to Hawaii.¹ On 31 March 1937 the four-engined Sikorsky Samoan Clipper arrived at Auckland from San Francisco by way of Honolulu, Kingman Reef and Pago Pago. It was greeted by a crowd of 30,000 people after its 6,919 mile inaugural.² The flight was without incident, as was the return flight to San Francisco, which left Auckland on 4 April 1937.

1937 Imperial Conference

Soon after the first successful Pan American Airways

1. Press Statement, 11 March 1937. PM 110/3/3 Pt. 1A.
flight to New Zealand the Imperial Conference met in London between 14 May and 15 June 1937. The question of civil aviation was referred to a Committee on Civil Air Communications, chaired by the Australian Minister of Defence, Sir Archdale Parkhill. The Committee considered the establishment of a British Commonwealth air service linking all parts of the Empire on a circular route starting in Britain and passing through India, Australia, New Zealand, Canada, Newfoundland and the Irish Free State. It also sought a system of co-operation on which such a service could be operated.

The British Government was anxious to establish a Commonwealth round-the-world air route to meet competition from the airlines of other countries, including Pan American Airways. To deal with this problem the Conference adopted a series of resolutions suggested by Parkhill's Committee. The Governments agreed to consult in the event of any one of them receiving an application for facilities by a foreign company which was likely to affect the others. In the case of a foreign application for landing rights, it was agreed that efforts would be made to secure reciprocal rights.


These resolutions were designed to have a general application and did not apply specifically to the problem of trans-Pacific aviation, although this was an important part of the proposed Commonwealth air route. The Committee on Civil Air Communications decided that the special problems of trans-Pacific aviation should be discussed separately by the Governments concerned. This was in line with the resolutions drawn up by the 1936 Air Conference in Wellington, when it had been agreed that the New Zealand Government should take the initiative in promoting such discussions.

The New Zealand Government wanted a British air service in the Pacific running in co-operation with an American service. It was also anxious to secure the protection of British interests in the area. After the 1937 Imperial Conference Walter Nash had discussions in the United States on these points. He informed the United States Government officially of the New Zealand – Pan American Airways agreement and gave notice of his government's intentions to apply for reciprocal rights to enable a British company to carry out a trans-Pacific service.¹

There was a division of opinion within the United States Administration as to whether a British company should be granted reciprocal rights in the United States.

¹ Nash to Lindsay, 17 July 1937. PM 110/3/3 Pt. 1A.
Some argued in favour of open competition between British and United States airways with a view to reducing transport charges, while others sought to protect the monopoly which Pan American Airways seemed about to achieve in Pacific aviation. The Secretary of State, Cordell Hull, in October 1937 declined to state the United States Government's attitude towards granting landing rights to a British Commonwealth airline on its territory. He maintained the view first expressed when the New Zealand - Pan American Airways agreement was signed. The United States Government could not consider itself bound by agreements made between foreign Governments and private American companies.¹

By the end of 1937 the New Zealand Government had received no guarantee that the United States Government would grant reciprocal landing rights to a British Commonwealth service. Pan American Airways, which was under an obligation to persuade the United States Government into granting reciprocal rights, was gambling that its service would be so popular that in the event of a British company being denied reciprocal rights, the New Zealand Government would find it very difficult to cancel the agreement.

Unfortunately for Pan American Airways it was unable to commence a regular service to New Zealand.

¹ Falla to Purvis, 26 December 1937. A/9.
second flight by the Samoan Clipper arrived in Auckland on 26 December 1937 and departed three days later to begin the proposed service, carrying air mail valued at £4,000. On the next southern trip, however, Musick and all his crew were killed after an explosion caused the Samoan Clipper to crash shortly after taking off from Pago Pago on 11 January 1938.¹

This accident halted the service. The Company had to await the construction of Boeing flying boats. In the meantime trans-Pacific aviation had again become entangled with problems of sovereignty, as the United States followed up its occupation of Howland, Baker and Jarvis Islands with a claim to Canton and Enderbury Islands.

End of a trans-Pacific flight. The Samoan Clipper at Auckland, 1 April 1937.
Harold Gatty leads ashore Musick and his crew following the arrival of the Samoan Clipper in Auckland, December 1937.
Musick welcomed to Auckland, December 1937 by the Chairman of the Auckland Harbour Board, the Hon. T. Bloodworth. Behind Bloodworth is the N.Z. Prime Minister, M.J. Savage. On Musick's left is the Mayor of Auckland, Sir Ernest Davis.
CHAPTER THREE

THE PROBLEM OF SOVEREIGNTY I: CANTON AND ENDELBURY ISLANDS.

Significance of Islands to Aviation

By 1937 the prospect of trans-Pacific aviation had given significance to islands which had been ignored for almost a century as isolated and unproductive. These islands were required not only for landing grounds, but also for meteorological observation stations and radio direction finding stations. The result was an increase in international interest in the South Pacific. Much of it came from the New Zealand Government. The Dominion Government sought not only the establishment of a British trans-Pacific air service operating in co-operation with an American service, but also the protection of British interests in the Pacific against encroachment by the United States. The United States Government had already claimed three islands, Howland, Baker and Jarvis. There was a concern that it might show an interest in other islands which could be suitable for aviation.

The New Zealand Government's interest in the Pacific islands was, of course, not confined to civil aviation. Some islands also had considerable potential for military
aviation. The possibility of an enemy power establishing itself in the South Pacific within air range of Australia and New Zealand was always in the background of New Zealand thinking during the late 1930's. This attitude did not mean that the United States was seen as a potential enemy, but it led to a belief that the meteorological and radio stations necessary for trans-Pacific aviation should be controlled by British Commonwealth interests. The control of such services by the United States Government in conjunction with Pan American Airways would have meant that in the event of a Pacific war there might be a delay in securing British use of those facilities, whether the United States was an ally or neutral. The Meteorological Sub Committee of the New Zealand Organisation for National Security therefore advised the Government to take the initiative in the establishment of meteorological and radio facilities in the South Pacific.¹

This increased the strategic value of British island possessions in the South Pacific. It enhanced the need to ensure British sovereignty over them. The interest which the United States Government began to show in Canton, Enderbury and Hull Islands² during 1937

¹ Memorandum for 1937 Imperial Conference, Paper 8 "Meteorology in the Pacific Ocean." Enclosed in Naval Secretary to Minister of Defence, 12 March 1937. PM 156/2/1, Pt. 1. (Ministry of Foreign Affairs, Wellington).

² For location of these islands see map following page 112 below.
concerned the New Zealand Government. These islands were not under New Zealand jurisdiction but they had potential value as airfields. The Dominion Government feared that the United States Government might extend claims to other islands, such as the Tokelau Islands and Cook Islands, which were under New Zealand jurisdiction, or Christmas Island, which was within the area patrolled by the New Zealand Division of the Royal Navy.

The United States interest in Canton Island resulted from its interest in trans-Pacific aviation. The first experimental flight by Pan American Airways between San Francisco and Auckland at the end of March 1937 suggested the unsuitability of Kingman Reef and Pago Pago as intermediate stopping places for heavy flying boats. Kingman Reef suffered from the disadvantage of requiring a ship to be available to service flights. Pago Pago, surrounded by high mountains, was too small to be suitable as a base.¹

Canton Island, on the other hand, had many features which commended it as an intermediate stopping place on the San Francisco-New Zealand service. Pan American Airways could fly from Honolulu to Auckland by way of Canton Island in two stages of approximately 1,800 miles

¹. CCNZ. to Secretary of the Admiralty, 29 June 1937, P/31 (National Archives, Wellington).
each. This was not an excessive distance between stops, since the flight between San Francisco and Honolulu covered 2,419 miles. Canton Island possessed reasonable facilities to service flights, an airfield for land planes could be built and surveys suggested that blasting in the lagoon to remove coral obstructions could make it suitable for heavy flying boats.

These advantages drew the attention of the United States to Canton Island as a suitable alternative to Kingman Reef and Pago Pago in the development of civil aviation in the South Pacific. The United States Government's interest in Canton Island, however, was not confined to civil aviation. It was also considered valuable for military aviation purposes. On 30 July 1937 the United States Department of the Navy requested that Canton Island be occupied because it was "badly needed as a base for naval airplanes."¹

In order to counter possible United States designs on Canton, Enderbury and Hull Islands the British and New Zealand Governments took two important steps during early 1937. The British Government issued an Order in Council on 18 March 1937 which, under the terms of the 1895 Colonial Boundaries Act, extended the boundaries of the Gilbert and Ellice Islands to include the Phoenix Group, of which Canton, Enderbury and Hull

Islands were a part. Then the two Governments agreed that advantage should be taken of the 1937 cruise by HMS Achilles to survey Pacific islands under British control to ascertain their suitability for aviation.

1937 Eclipse Expedition

International attention also focused on the Phoenix Islands Group in 1937 because it lay in the path of an exceptionally long total eclipse of the sun due to occur on 8 June 1937. Expeditions were sent from the United States and New Zealand to observe the eclipse. The result was that both parties found themselves thrown together on Canton Island.

The United States expedition was a joint venture undertaken by the National Geographic Society and the United States Navy. It left Honolulu for the Phoenix Islands on 6 May 1937 on board the naval ship Avocet. It was originally intended to land the party on Enderbury Island but when no anchorage could be found there it was taken to Canton Island instead. Enderbury had been the first choice as an observation point because the eclipse lasted thirty seconds longer there.

than at Canton.

While the United States expedition was being planned the Department of the Navy approached the State Department requesting that the British Government be advised of the expedition. The Navy also sought British permission to land a party on either Canton or Enderbury to observe the eclipse.\(^1\) After some delay the State Department replied that since the United States Government had not recognised the sovereignty of any foreign country over the Phoenix Group it was not necessary to request the permission of the British Government to visit the islands.\(^2\) The delay resulted from an inquiry by the State Department into the strength of the British claim to the Phoenix Group. It suggested that if Canton Island was found suitable for aviation a United States claim to sovereignty might be considered.

The British eclipse expedition arrived at Canton Island from New Zealand on board HMS *Wellington* on 26 May 1937 and found the United States party already on the Island.\(^3\) Since *Avocet* had anchored in the only

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3. The United States Expedition arrived on 13 May 1937.
anchorage suitable for Wellington it was asked to shift berth because Canton Island was a British possession and British ships therefore had prior claims to anchorages. The Avocet refused to do so, but instead of denying British sovereignty its commander pleaded an engine overhaul. Until the matter was settled Wellington was forced to take up a temporary anchorage at the entrance to the lagoon, which its commander considered unsafe.

The Wellington's commander, G.N. Loriston-Clarke, saw little point in dealing with the captain of the Avocet, who claimed to be unaware of the British Order in Council of 18 March 1937, incorporating the Phoenix Islands, including Canton, into the Gilbert and Ellice Islands Group. Instead, Loriston-Clarke approached the leader of the American expedition, Captain J.F. Hellweg, a retired United States naval officer. Hellweg admitted being informed of the British Order in Council before the expedition left Honolulu but said that the State Department did not recognise British sovereignty over the island. He declined to move Avocet to another berth but suggested a compromise to make room for both ships. Wellington was finally berthed satisfactorily southward of Avocet, but only after it had twice been caught in a tide and drifted out to sea.¹

Once the British expedition had landed on Canton

¹ Lt-Commander, Wellington to CCNZ., 15 June 1937. P/31.
Island it found considerable evidence to suggest that the United States solar eclipse expedition was being used as an excuse to visit the Island. Tension was detected between Hellweg and civilian members of the party, while the scientific leader of the expedition, Professor S.A. Mitchell, was reported to have said that conditions at Canton did not warrant the expense of sending an expedition. Although the Union Jack and the boards proclaiming British ownership left by HMS Leith in 1936 and 1937 had not been interfered with, Hellweg had ordered the construction of a large concrete plinth containing the United States flag and two medals of the National Geographic Society. Members of the American party were heard to say that Canton Island would be developed as a landing area for aviation purposes.¹

Following the eclipse, during which relations between the two parties remained amicable, Wellington departed leaving Avocet still at Canton Island. As a result of concern about American activities on the Island it was decided that HMS Achilles should visit the Phoenix Group during its Pacific cruise. The Achilles survey was more than just a display of British interest in the Pacific. On board was a survey party consisting of a pilot and an aerodrome engineer, and between 12 June and 27 August 1937 a number of islands

were surveyed to assess their suitability for aviation. This survey followed up the one made by the same ship during 1936. It showed that Christmas Island, Canton Island, Nukunono and Western Samoa could be developed as land air bases, while Christmas Island, Hull Island, Nukunono and Lauthala Bay (Fiji) were suitable for flying boat bases.¹

In view of the interest being shown by the United States in Canton Island as a possible air base the Achilles report on this island was interesting. It said that Canton was not particularly suitable for the development of airfields, although this was possible, because of the problem of prevailing winds. The lagoon was considered to be too full of coral to be suitable for flying boats. Hull, rather than Canton, was seen as the most suitable base for flying boats.²

Even before the Achilles had visited Canton the New Zealand Government was urging the importance of the Island as a meteorological station and for defence purposes, on the British Government. The Dominion Government, in order to make British ownership effective, offered to establish a meteorological station on the Island.³ The British Government considered the matter.

² Smart to Air Secretary, "Landing Grounds and Air Bases in the Pacific Islands." 8 October 1937. Air 103/2/4. (National Archives, Wellington).
urgent enough to have the Achilles leave a small party on the Island to temporarily occupy it and establish a radio station. This party remained on Canton Island for nearly a month, until it was taken off by HMS Leith, which visited the Island to land an administrative officer as a means of establishing the British claim to sovereignty.¹

The Sovereignty of Canton Island

On the diplomatic level, the British Ambassador to Washington, Sir Ronald Lindsay, protested that Avocet had visited Canton Island without the approval of the British Government. He drew attention to the 1936 and 1937 visits of HMS Leith to the Island, when a Union Jack and boards proclaiming British sovereignty had been left behind, and to the British Order in Council placing the Island within the Gilbert and Ellice Group. The United States Government was asked to remove the flag that its solar eclipse party had left behind in a cement plinth on the Island. Lindsay went so far as to offer British assistance to achieve this end.²

President Roosevelt considered the British stand on

Canton Island "a sheer case of bluff" and he insisted that discovery does not constitute national possession for the country to which the discoverer belongs unless discovery is followed within a reasonable period of time by permanent occupation.¹

As far as he was concerned Canton Island was open to occupation by the United States and he proposed to take immediate steps in that direction. The Secretary of State, Cordell Hull, was more cautious in his approach to the island problem. When the British protest was made to the State Department it was accompanied by an oral suggestion that the question of sovereignty might be open to discussion. Hull, himself doubtful of the strength of the United States claim to Canton, urged a settlement by negotiation rather than an occupation of the Island.²

Roosevelt agreed not to occupy Canton Island until after an approach had been made to the British Government to negotiate a settlement. On 9 August 1937 the United States Government proposed that Britain and the United States should observe a "standstill" in the


Pacific while the whole question of sovereignty was discussed. Lindsay, once he had extracted a promise from the State Department that after the "standstill" had been accepted it would submit to the British Government a full list of its claims, agreed to pass on the proposal to the British Government for consideration.¹

The United States Government had expected a British reply within a matter of days. When it was not forthcoming the State Department approached Lindsay on the matter. Lindsay explained that the British Government would have to consult the Australian and New Zealand Governments before replying to the American proposal.² During these consultations the British Government suggested to the New Zealand Government that it should refuse to discuss the sovereignty of the Phoenix Islands on the grounds that they had been incorporated into the Gilbert and Ellice Group by Order in Council and the fact that it already had possession of Canton and Hull Islands before the American proposal of a "standstill" had been received. It felt, however, that the United States Government might be informed that

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² Memorandum by Moffat of conversation with Lindsay, 23 August 1937; Foreign Relations of the United States: Diplomatic Papers. 1937, Vol. II, p. 130.
its claim to Howland, Baker and Jarvis Islands would not be contested. This would leave only the Line Islands to which there were conflicting claims to sovereignty which might be open to discussion. The New Zealand Government accepted this view, but urged that sovereignty over the Line Islands should not be surrendered lightly because they might prove useful as air bases.

The British Government advised the United States Government of its refusal to discuss the sovereignty of Canton and other Phoenix Islands on 20 October 1937. In the absence of Lindsay the note containing this information was handed to the Counsellor at the State Department, R. Walton Moore, by the British Chargé d'Affaires V.A.L. Mallet. Moore told Mallet that he was unimpressed by the British Order in Council and warned that Roosevelt himself was interested in the island sovereignty question. He quoted Roosevelt as saying the British "always liked to do business on a 90 cents to 10 cents basis" and said that the British Government would be unable to prove ownership to Canton Island in the event of judicial proceedings. This was, to use

1. SSDA. to N.Z. Gov. Gen., 14 September 1937. P/31. These islands were Flint, Caroline, Vostock, Filippo, Starbuck and Malden.


3. Mallet to Eden, 21 October 1937. PM 301/6/1, Pt. 1A.
Roosevelt's words about the British stand on Canton Island, "a sheer case of bluff." It was the result of Cordell Hull's influence that the United States Government had decided to seek a negotiated settlement of the sovereignty problem rather than simply occupying Canton Island. Hull's advice had been based on the doubts he had about the strength of American claims to Canton. 1

Moore was a central figure in the negotiations over Canton and Enderbury Islands. It was his suggestion that the problem of island sovereignty should be discussed with the aim of reaching an agreement by which Canton Island would be available for aviation purposes under the joint control of the British and United States Governments. 2 The British refusal to discuss the sovereignty of the Phoenix Islands led to further consideration of the possibility of landing an American party on Canton Island during later October 1937. Roosevelt decided against such action, however, until further discussions could be held with the British Government along the lines suggested by Moore. Lindsay, when approached with this proposal, agreed to ask the British Government to reconsider its attitude towards discussions on the sovereignty of the Phoenix Islands.

1. See above p. 60.
By doing so he left the State Department optimistic that it would receive an early reply.  

When such a reply was not forthcoming the State Department protested at what it considered to be the slow tactics adopted by the British Government. Lindsay justified the delay by saying that the British Government had to consult other Dominion Governments interested in the area before a decision on the American proposal could be made. Despite the fact that the islands to which there were conflicting claims were claimed by the British and not the New Zealand Government "nothing would be done without the full and free consent of the New Zealand Government." Lindsay, when asked if New Zealand had a "complete veto power" over negotiations between the British and United States Governments on the island sovereignty problem, confirmed that this was the case.

When no British reply had been received by February 1938 Roosevelt decided to make further moves towards a satisfactory settlement of the problem. He instructed the United States Ambassador to Britain, Joseph Kennedy, to inform the Prime Minister, Neville Chamberlain, that unless the American offer of discussions was accepted by

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the British Government he would issue an Executive Order placing all unoccupied islands between Samoa and Hawaii under the jurisdiction of the United States Department of the Interior. These islands would also be settled, in the same way that Howland, Jarvis and Baker had been. At the same time Roosevelt ordered that Canton Island should be occupied by a party of American settlers during early March 1938.¹

Lindsay was advised of this intention on 1 March 1938. Roosevelt claimed that the United States proposal for a "standstill" had been violated by the British action in landing men on Canton Island during August 1937. Lindsay replied that the British expedition to land men on Canton Island had been planned before the United States proposal had been received. This was the case. The United States proposal had been received on 9 August 1937, while a navy party had been landed four days earlier. Lindsay warned the United States Government that "taking an atoll away from New Zealand was as difficult as taking butter out of a dog's mouth" and that the New Zealanders were as "sore as pups" over the whole matter.²

The prospect of New Zealand displeasure made little

impression on the United States Government. On 3 March 1938 Roosevelt issued an Executive Order placing Canton and Enderbury Islands under the Department of the Interior.\(^1\) Four days later a party of seven Americans was landed on Canton Island. It was ordered to raise the American flag but not to interfere with the British presence on the Island in any way. The British administrative officer on Canton Island did no more than go through the motions of protesting at the American occupation. The two groups then settled down to live side by side harmoniously while the British and United States Governments sorted out the problem.\(^2\)

The United States Government's attitude to the criteria of sovereignty was clear. Discovery alone did not give final title, it had to be followed by permanent occupation. Canton Island was discovered independently by a number of American whalers sometime before 1820 and given a variety of names. The British claim dated from a visit by HMS *Curacao* in the 1850's. Enderbury Island was discovered in 1823 by Captain James J. Coffin of Nantucket while in command of the British whaling ship *Transit*.\(^3\) It was visited and surveyed by ships of

2. Naval Secretary to Permanent Head, PM's Department, 20 October 1938. PM 301/6/1. Pt. 1A.
3. Bryan; _American Polynesia_ p. 54 and p. 58.
the United States Exploring Expedition in 1840-41. ¹

Both islands were bonded as guano islands by the United States, Canton appearing under one of its earlier names, Mary's Island. ² While Canton does not appear to have been worked by American guano diggers, Enderbury became an important source of guano during the 1870's. It was abandoned by American diggers in 1877. Both islands were then worked by the John T. Arundel Company for a period during the 1880's. In 1894 the Colonial Office issued Arundel a licence to plant coconuts on Canton Island, valid until 1915 or until it was challenged by a foreign government with a superior claim to sovereignty. The licence was transferred to the Pacific Islands Company (Limited) in 1897 and in 1903 it passed to Lever's Pacific Plantations Limited for the cultivation of coconuts and the manufacture of copra for a period of ninety nine years.³ In 1912 the Samoa Shipping and Trading Company Limited received a lease of the entire Phoenix Group of islands except Enderbury for eighty seven years. Representatives of this Company visited these islands


3. Foreign Office Memorandum, 19 July 1937, "Pacific Islands: Ownership of Canton Island." PM 301/6/1, Pt. 1A.
between February and April 1915. At Canton Island about 500 coconut trees, the first on the island, were planted and a beacon of coral slabs about six feet high was erected at the entrance of the lagoon. In 1926 the Samoa Shipping and Trading Company went into liquidation and its base was taken up by Burns Philp South Seas Company.1

Unlike Howland, Baker and Jarvis Islands, British commercial interests had a long history in involvement in the Phoenix Islands. There was no history of continuous settlement on the island, however, and it was this weakness in the British claim that Roosevelt sought to exploit by insisting that permanent occupation and not just discovery was necessary to establish sovereignty. While the United States could have based a claim to Canton Island on discovery, the basis for such a claim to Enderbury was much weaker since it had been discovered by an American while in command of a British ship.

The United States Government announced that the reason for its occupation of Canton Island was for purposes of civil aviation.2 Canton had a number of advantages which seemed to make it suitable for trans-


pacific aviation, while Enderbury Island had ample room for the construction of an airfield. Nevertheless, the Department of the Navy took a close interest in the islands because of their value for military aviation. United States experts seem to have believed that Canton was the best seaplane base in the Pacific and that Enderbury was equally valuable for land planes.

The British Government denied that the United States action in occupying Canton Island affected British rights to Canton and Enderbury Islands, or to any other islands in the Phoenix Group.¹ While the United States Government was occupying Canton Island the British Government, in consultation with the Australian and New Zealand Governments, was preparing proposals of its own to settle the dispute. Rather than discuss the sovereignty of the Phoenix Islands, the British Government offered to hold consultations with the United States Government on the possibility of co-operating in the establishment of a trans-Pacific air route. It informed the United States Government that, along with the Australian and New Zealand Governments, it was prepared to grant an American air service full facilities on any island under British jurisdiction on the basis of complete reciprocity.²

This offer was not confined to Canton and Enderbury Islands but extended to islands under New Zealand jurisdiction. Following the crash of the *Samoan Clipper* on 11 January 1938 Pan American Airways had approached the New Zealand Government for permission to survey a number of its islands in the vicinity of American Samoa, notably the Tokelau Islands and northern Cook Islands. It also sought landing rights on any islands found suitable for aviation purposes. These islands were to be included in a general agreement on trans-Pacific aviation based on the principle of reciprocal landing rights.¹

The British Commonwealth policy was based on the recognition that the islands in dispute had no value other than as bases for trans-Pacific aviation. The limited range of aircraft made it impossible for either a British service or an American service to fly the Pacific without using islands belonging to each other. This suggested the need for an agreement which would enable British and American aircraft to operate along a common route. An agreement for co-operation in trans-Pacific aviation would make it unnecessary for the United States to assert claims of sovereignty over islands in order to use them as air bases.

The matter was more complicated for the United States

The British proposal envisaged an arrangement based on the complete reciprocity of air facilities in the Pacific. This would have meant British landing rights at Hawaii, which was a necessary intermediate base for the "All Red" route round the world. The United States Government was determined to deny non-American aircraft landing rights at Hawaii, even though Pan American Airways had such rights in New Zealand. Pearl Harbour was of great strategic significance to United States defence. If a British service were granted landing rights at Hawaii other countries, particularly Japan, might demand similar treatment. There was also good reason for denying a specifically British air service landing rights at Hawaii, since this would have completed the projected "All Red" route.

The United States Government insisted on separating the problems of sovereignty and reciprocity so that it could avoid granting a British service landing rights at Hawaii. It treated them as two separate issues, and insisted that the question of trans-Pacific aviation could not be discussed in isolation from the rest of the world. An agreement as suggested by the British Government would give it the final link in the round-the-world service, whereas an American company would only receive landing rights in New Zealand "with no place to
Another factor was introduced into the dispute on 1 April 1938 when Secretary of the Interior Harold Ickes granted Pan American Airways a licence to use Canton Island as an air base. The licence, which was revocable at thirty days notice, provided that facilities built by Pan American Airways could only be used by American aircraft. The United States Government justified this action by saying that it was designed to allow Pan American Airways to use the Island while negotiations were in progress without prejudice to either side's claims. To the British Government the licence appeared to be a means of putting pressure on it for an early reply to the American proposal for the joint administration of Canton and Enderbury Islands.

The Anglo-American Condominium

The United States proposal for a joint administration was carefully studied during a meeting between Moore and Lindsay on 6 April 1938. Lindsay doubted that a joint administration would be feasible and suggested that control


2. Halifax to Kennedy, 23 May 1938. PM 301/6/1 Pt. 1A.
of the Islands might be rotated among those powers interested in trans-Pacific aviation. Moore countered that the problems involved in setting up a joint administration could be overcome by an exchange of notes outlining an agreement on the observance of certain administrative measures and leaving its application to the men actually on the Islands. This was the solution finally adopted. Lindsay expressed concern about the number of islands to which such an agreement would apply. Moore feared that the British Government, by linking discussion on the administration of islands to the establishment of non-competitive trans-Pacific air services, was moving towards an application for landing rights at Hawaii. Moore explained that for the United States Government this would raise all sorts of difficult problems bearing on our defence and on our relations with other powers who might feel we were discriminating against them.¹

At the outset the British Government regarded the sovereignty problem as inseparable from the wider problem of trans-Pacific aviation. It regarded the Pan American Airways licence unfavourably and expressed a desire that the airline should not use Canton Island as a result of

¹ Memorandum by Moffat of conversation between Moore and Lindsay, 6 April 1938; Foreign Relations of the United States: Diplomatic Papers. 1938, Vol. II, pp. 86-8.
it. It wanted a decision on the administration of Canton and Enderbury Islands to be part of an agreement which would grant a British Commonwealth airline landing rights at Hawaii as part of an overall settlement of the trans-Pacific aviation problem. The United States Government regarded the British insistence on linking the sovereignty of Canton and Enderbury to trans-Pacific aviation as complicating the issue. It regarded the question of British landing rights at Hawaii as a completely different problem on which there should be separate discussions.¹

The attitude of the New Zealand Government to this problem was important because it had the right to terminate its agreement with Pan American Airways over the question of reciprocity. There was some concern in the State Department that the Dominion Government would suddenly cancel the agreement as a means of forcing the issue over British landing rights at Hawaii. Such action would have denied Pan American Airways the terminal of its proposed trans-Pacific service. It was unlikely that the airline could reach agreement with the Australian Government because of the resolutions drawn up by the 1936 Civil Aviation Conference.² This in turn would

². See above, Chapter two.
have compromised the United States claim that its interest in Canton Island was the result of its importance as a stopping place on the Pan American Airways San Francisco-Auckland route.

In fact, no threat was made to terminate the agreement during these negotiations. There were more compelling factors which persuaded the British Government, after consultation with the Australian and New Zealand Governments, to change its attitude and accept Roosevelt's proposal for the joint administration of Canton and Enderbury Islands.¹ The British Government had been concerned about the publicity which the dispute was attracting, not only in the press but also in Parliament, where two members in particular persisted in questioning the Government on the matter.² The German and Japanese embassies in London had taken an interest in the dispute and it was feared that Japan in particular might try to assert claims to Pacific islands if the impression was given that their sovereignty was in doubt. The British Government was anxious that there should be no apparent difference between it and the United States Government because of the effect that this

¹ Kennedy to Secretary of State, 14 April 1938; Foreign Relations of the United States: Diplomatic Papers. 1938, Vol. II, pp. 94-5.

² Deb H.C. 5th Series. 332 pp. 1870-1; 333 pp. 1186-7; 335 p. 33; 337 p. 1053.
might have on international opinion.

It was these pressures which led the British Government to modify its policy and agree to discuss the status of Canton and Enderbury Islands independently of the general problem of reciprocal landing rights. But it did not abandon its desire for co-operation with the United States in flying the Pacific. On 15 April 1938 it suggested that when an announcement was made on the joint administration of Canton and Enderbury Islands it should also be announced that the United States Government had agreed to attend a Pacific aviation conference with the British, Australian and New Zealand Governments.¹

The United States Government, rather than rejecting the possibility of a conference, simply insisted that such a conference should not be held concurrently with the discussions on Canton and Enderbury Islands. It said that the problem of trans-Pacific aviation was a complex one and would require considerable study before a reply could be made to the British proposal.² These were delaying tactics by the United States Government


designed to avoid facing the question of granting a British air service landing rights at Hawaii. They succeeded because the British Government did not insist on a conference before announcing agreement on the joint administration of Canton and Enderbury Islands.

Before a final agreement was reached another new element was introduced into the sovereignty problem. The American and British interest in the uninhabited Pacific islands had been aroused by their potential value as air bases. The British Government, however, had a further interest in the Phoenix Islands. It regarded islands such as Canton and Enderbury as migration outlets for the seriously over-populated Gilbert and Ellice Islands Group. The British Government requested that any agreement on the administration of Canton and Enderbury Islands include provision for their eventual colonisation from the Gilbert and Ellice Islands. Natives from the Gilbert and Ellice Group had visited the Phoenix Islands to consider their suitability for settlement before the United States Government had claimed Canton and Enderbury by Executive Order. The British Government argued that such settlement would in no way hinder the development of Canton as an air base.

The United States Government opposed the colonisation scheme, and requested that it be abandoned. It regarded conditions on Canton and Enderbury, notably
the limited area, to be unsuitable for permanent settlement. At the same time it proposed that the two Governments announce that since both claimed title to Canton and Enderbury, they had agreed, without prejudice to the status of other Pacific islands, to a joint administration and common use of the islands for aviation purposes.¹

The British Government accepted this proposal in principle but raised two difficulties. The first was the licence which Pan American Airways had been granted by the Department of the Interior to use Canton Island as a base. Its terms appeared to give the airline a virtual monopoly by stating that the facilities which it provided could only be used by American aircraft. This was contrary to the United States suggestion that both parties should have equal use of aviation facilities on the island. The second difficulty was the colonisation scheme for the Phoenix Islands, of which the settlement of Canton Island was an integral part.² Lindsay made representations to the State Department on these difficulties³ but no definite agreement had been reached.

¹ United States aide-memoire to the United Kingdom, 28 April 1938. Enclosed in SSDA to N.Z. Gov. Gen., 27 May 1938. PM 301/6/1. Pt. 1A.
² Halifax to Kennedy, 23 May 1938. PM 301/6/1. Pt. 1A.
when on 9 August 1938 the two Governments agreed to issue a communique concerning the future administration of Canton and Enderbury Islands. The communique, which was made public two days later, stated

The Governments of the United States and of the United Kingdom have agreed to set up a regime for the use in common of the Islands of Canton and Enderbury in the Phoenix Group and for the employment of these islands for purposes connected with international aviation and communication, with equal facilities for each party. The details of the regime will be determined in notes to be exchanged between the two Governments.¹

It was, however, several months before the exchange of notes took place.

The delay was caused by the difficulties resulting from the British colonisation scheme and the Pan American Airways licence to use Canton Island. The British Government took the first substantial step towards removing these obstacles when it decided to suspend its plan for the colonisation of Canton and to eliminate mention of it from the exchange of notes.² The United States Government, after some delay while the matter was

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² SSDA to N.Z. Gov. Gen., 12 December 1938. PM 301/6/1. Pt. 1A.
considered, matched this concession by drawing up a new licence for Pan American Airways to use Canton Island.\footnote{1} The new licence was designed to ensure that a British airline would have equal use of the facilities provided on Canton Island by Pan American Airways. It was readily accepted by the British Government. The two Governments agreed that once a British company was ready to use the facilities established by Pan American Airways on Canton Island the United States Government would instruct the airline accordingly. The new licence was issued to Pan American Airways on 13 April 1939.

The actual exchange of notes took place between Lindsay and Hull on 6 April 1939. It was agreed that Canton and Enderbury Islands should be put under joint administration for a period of fifty years, and indefinitely thereafter unless the agreement was terminated or altered, without prejudice to either party's claim to sovereignty. The islands were to be used for the purposes of trans-Pacific aviation by British Commonwealth and United States civil aviation companies. British aircraft were to have equal facilities at any airport constructed and operated on

\footnote{1. Memorandum by Moffat of conversation with Lindsay, 16 March 1939; \textit{Foreign Relations of the United States: Diplomatic Papers}. 1939. Vol. II, pp. 309-10.}
Canton Island by an American company. 1

In reaching this agreement the problem of sovereignty was put to one side and the question of use was given priority. The agreement was as much a commercial arrangement as a political one. It dealt only with civil aviation and there was no provision for the joint defence of the island. The problem of sovereignty having been overcome, or at least suspended, Canton Island became an important point on the Pan American Airways trans-Pacific route. Rights had not been granted, however, for a British service to land at Hawaii.

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CHAPTER FOUR

THE PROBLEM OF A TRANS-PACIFIC AIR SERVICE.

The Pacific Defence Conference

The position of Pan American Airways in the race to establish a trans-Pacific air service was strengthened by the agreement for the joint use of Canton and Enderbury Islands. While the British and United States Governments were exchanging proposals for agreement on the islands Pan American Airways pushed ahead with its plans for a South Pacific service. During 1938 the airline took delivery of a number of Boeing 314 Clippers to replace the Sikorsky S-42's, one of which had crashed off American Samoa on 11 January 1938. The Company had postponed its San Francisco to Auckland service until the new flying boats could be brought into service.

Pan American Airways was anxious to strengthen its position in relation to the New Zealand Government before commencing its service to Auckland. In December 1938 the airline suggested to the Australian Government that, in co-operation with an Australian company, it should operate a service between Honolulu and Brisbane by way of Kingman Reef, Hull Island, Suva and Noumea. The
Australian Government, as required by the 1936 Civil Aviation Conference resolutions, consulted the British and New Zealand Governments on the proposal. These Governments regarded such a service as a threat to the proposed British service between New Zealand and Canada by way of Suva and Honolulu. For New Zealand it would have meant total exclusion from the Pan American Airways South Pacific service. The Dominion Government urged that the proposal be rejected while the British Government asked that it be given further consideration before a decision was made.

The Commonwealth Governments, by agreeing to consult in the event of foreign applications for landing rights on their territory, had ensured that Pan American Airways could not pressure the New Zealand Government by threatening to fly to Australia instead. The Company was mainly interested in securing the approval of the New Zealand Government for a change in the designated route of its San Francisco to Auckland service. On 14 March 1938 Gatty requested permission to change the route to include a stop at Noumea. He argued that an intermediate stopping place between Canton Island and Auckland was necessary for safety reasons.

The New Zealand Government rejected Noumea as a satisfactory intermediate base. If a further stopping place was required it preferred Suva. It was prepared to support an application to the British Government for landing rights in Fiji. The British agreed that Suva would be more suitable than Noumea. It regarded the company's request to use Noumea as an attempt to operate a South Pacific service without depending on the British Government for landing facilities between Honolulu and Auckland. It hoped to use a Pan American Airways request for landing rights at Suva as a means of persuading the United States Government to accept a policy of co-operation in trans-Pacific aviation based on reciprocal landing rights.

Despite persistent United States rebuffs, the British Government persisted in its desire for an agreement covering all aspects of trans-Pacific aviation. It placed the subject on the agenda for the Pacific Defence Conference, which met in Wellington during April 1939. This Conference was the result of New Zealand initiatives. At the 1937 Imperial Conference Savage suggested that the British, Australian and New Zealand Governments should hold discussions on the strategic importance of the Pacific. He renewed this

1. Savage to Gatty, 29 March 1939. PM 110/3/3. Pt. 1A.
2. Batterbee to Berendsen, 11 April 1939. PM 110/3/3. Pt. 1A.
suggestion a year later. It was accepted by the British Government, which recommended that the Conference should also discuss United States activities in the Pacific and the question of reciprocal air facilities.¹

The Conference discussions on trans-Pacific aviation had two purposes. The first was the establishment of a British trans-Pacific air route. The second was the formulation of a common British Commonwealth policy towards the United States in this matter. Much of the discussion was a repeat of that at the 1936 Civil Aviation Conference. The New Zealand delegation complained that no progress had been made towards the establishment of a British Commonwealth trans-Pacific air service since 1936. It then raised the problem of reciprocal landing rights, which the Minister of Defence, Frederick Jones, outlined in familiar terms,

All the negotiations that have gone on have been with the New Zealand Government dealing with a private company. That was not our fault; it was dealt with before we came into office, but if we gave away certain landing rights in the Pacific and on the other hand we got no landing rights in America, then we would be getting the worst of the bargain. The United States Government are leaving it to the Company to negotiate and they are not

¹ SSDA. to N.Z. Gov. Gen., 12 December 1938. PM 301/6/1. Pt. 1A.
involved at all in regard to reciprocal landing rights. 1

The New Zealand Government suggested that Pan American Airways should be granted landing rights at Suva in return for a British Commonwealth service being given landing rights at Honolulu. This had been its policy during its negotiations with Pan American Airways over the route which the American service was to follow.

Landing rights for an American company at Suva was the only bargaining counter that the Commonwealth Governments had in their attempt to secure landing rights at Honolulu. The New Zealand Government had the right to conclude its agreement with Pan American Airways if the United States Government did not grant a British company landing rights on United States territory. All that this would achieve, however, would be to cut New Zealand off from the United States. By 1939 the New Zealand Government was interested in maintaining and extending its links with the United States, not reducing them. The New Zealand Government was not blind to the weakness of its position in this respect. Its agreement was with a private company. Although the Company had agreed to exercise influence to obtain reciprocal landing rights for a British company, the United States Government had taken

exception to this undertaking. 1

The delegates were confronted with a very complex problem. They wanted to operate a British air service across the Pacific to link Canada and New Zealand, but such a service was impossible without landing rights on United States territory. The Australian delegation offered a compromise to overcome this problem. It suggested that the Pacific route be broken into two sections. The link between the United States and the Equator should be operated by Pan American Airways and that between the Equator and New Zealand by a British company. 2

This was not yet practical in view of the fact that there was at this time no British Commonwealth company capable of operating a trans-Pacific service and no suitable aircraft available for such a company. This was one of the chief weaknesses of the Commonwealth position in Pacific aviation. While Pan American Airways had aircraft available to fly the Pacific, British interests did not. The delegates were, however, prepared to consider the Australian proposal as an interim measure.

The delegates drew up a report on trans-Pacific

aviation which stated

the Conference agrees that the objective to be aimed at is the establishment of a through British air service running side by side and in close co-operation with a United States service from New Zealand via the Western Pacific Islands, Hawaii and San Francisco to Canada.¹

There were still thoughts of co-operation with the United States in the establishment of trans-Pacific aviation. The delegates examined the strategic value of the six islands in the Line Group - Malden, Starbuck, Filippo, Vostok, Flint and Caroline - which were of no value to aviation except as possible meteorological stations. They agreed that providing British title to Christmas and Fanning Islands - which were also part of the Line Islands - was secure these islands might be offered to the United States as part of an agreement on trans-Pacific aviation based on reciprocal landing rights.

In their report the delegates gave detailed consideration to the route which a British service should follow. Their discussions were based on a report made by Squadron Leader E.A. Gibson, an engineer, following the New Zealand Pacific aviation survey, carried out in November and December 1938 by HMS Leander.² The survey

¹ Pacific Defence Conference Report, Pt. III. "Policy in Relations to Trans-Pacific Air Route." Army Department AD 12/22 (National Archives, Wellington).
was the result of British and New Zealand concern about American activities in the Pacific. It was a response to fears that United States claims were not confined to Canton and Enderbury Islands. This concern was justified since as early as 12 April 1938 Roosevelt had made it clear that

our discussions in regard to the use of unoccupied Islands... relates not only to Canton and Enderbury but to any other unoccupied Islands of the Phoenix, Gilbert and Ellice groups and even smaller Islands south of them and east of them...¹

The British Government was particularly anxious to protect its sovereignty over Christmas Island, which was "of first class importance both for air route and defence purposes."² It believed, in view of the United States Government's attitude to Canton and Enderbury Islands, that its sovereignty over Christmas Island would only be secure if it was making actual preparation for an air base there. The New Zealand Government agreed to arrange for the survey and development of Christmas Island. Later it agreed to take similar action on Hull Island in the face of United States plans for a hydrographic survey of the Phoenix Group. The British Government thought it important that a British "claim

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² SSDA, to N.Z. Gov. Gen., 14 October 1938. P/31 Repeated in N 5/7/6 and PM 301/6/1. Pt. 1A.
was staked" before the arrival of the United States survey expedition.¹

HMS Leander left Auckland on 7 November 1938. It spent one day at Hull Island, where it landed a survey party to erect notices reserving land for aviation purposes and to delineate areas for buildings and other constructions. It then spent three days at Christmas Island, marking out two landing grounds in order to establish that development was in progress. The ship then visited Fanning and Gardner Islands before returning to Auckland on 12 December 1938.

Gibson based his report on two fundamental assumptions. Firstly, the aim of the survey was the establishment of a trans-Pacific air route between New Zealand and North America. Secondly, such a service could not operate without the use of Hawaii as an intermediate base. He treated the problem as one of finding the most suitable route between Hawaii and New Zealand and presented a number of alternatives. The first stop from Auckland could be either Fiji or Tonga, and the first stop from Hawaii could be either Christmas or Fanning Islands. A further stopping place was required between these two sets of alternatives. Gibson

suggested Gardner, Hull, Canton, Nukunono, Upolu and Danger Islands as possible choices. His own preference was for an Auckland-Suva-Hull-Christmas-Honolulu route. ¹

Gibson's recommendations were carefully considered at the Conference. In choosing between Tonga and Fiji the delegates acknowledged that Tonga was on a more direct line and had the better weather conditions. Fiji was given preference as the main landing area, however, because of its greater political importance and the role planned for it in the defence of the Southwest Pacific. Tonga was to be developed as an emergency alternative landing area. The next stopping place was to be Nukunono, chosen before Western Samoa and Hull Island. Western Samoa was to be developed as an emergency alternative and thought was also given to developing Hull in the future. For the final stopping place before Hawaii it was decided to develop both Fanning and Christmas Islands, and leave the choice of which was to be the main base and which the emergency until later. ²

In making this choice the delegates recognised that while in the immediate future flying boats would be used on the route, the prospect was for land planes to be used sometime in the future. The islands chosen were

all capable of being developed as land airfields as well as flying boat bases. It was agreed that survey flights should be carried out to demonstrate the establishment of a British trans-Pacific route.

Consideration was given to Pan American Airways' application to the New Zealand Government for permission to change its route to include Noumea. There was a strong suspicion that Pan American Airways had already made an agreement with the French authorities in New Caledonia to fly to Noumea. At this stage, however, the New Zealand Government had not been advised by the airline along these lines. The Company had simply implied that unless its request was granted it might not be able to commence a service as early as had been expected.

Pan American Airways' plans to fly to Noumea had important implications for the proposed British service. It would have weakened the British claim to landing rights on United States territory by reducing Pan American Airways' dependence upon landing rights on British territory. While the New Zealand Government had the power to cancel its agreement with Pan American Airways on the issue of reciprocal landing rights public opinion might make this politically inadvisable. It was feared that if Pan American Airways was flying to Noumea public opinion in both Australia and New Zealand
for an air connection with Noumea might be too strong to resist.

It was decided to overcome this problem by offering Pan American Airways landing rights at Suva as an alternative to or, if necessary, in addition to landing at Noumea. The main concern of the delegates was not to prevent Pan American Airways from landing at Noumea, but to persuade the airline to land at Suva. No decision was made as to the policy in the event of Pan American Airways refusing to fly to Suva. In the event of this happening it was decided only that the New Zealand Government should consult the British and Australian Governments before taking further action.¹

The need to establish a company to operate the proposed British trans-Pacific route was also considered. While it was agreed that a new company, preferably with Canadian participation would be necessary, in the meantime Tasman Empire Airways Limited was given responsibility to make survey flights over the route and to establish a British service to Suva. Tasman Empire Airways was the only British company in Australia or New Zealand with aircraft – the Short Empire S.30 class flying boat – suitable for this purpose. It also

represented the three Commonwealth Governments concerned in the venture.

The service was to be operated in sections, linking New Zealand and Hawaii as soon as the ground organisation was ready, and continuing on to San Francisco once suitable aircraft were available. Application was to be made to the United States Government for permission to fly from New Zealand to Canada by way of Hawaii and San Francisco. In the event of the United States Government refusing to grant reciprocal landing rights the delegates agreed that the New Zealand - Pan American Airways agreement should be terminated.

The participation of Canada in the proposed British trans-Pacific air service was regarded as essential. The New Zealand Government was given the responsibility of informing the Canadian Government of the decisions taken at the Conference. The report on trans-Pacific aviation concluded that urgent action should be taken in the matters raised and that "the New Zealand Government should be asked to take the initiative in promoting such action." 1

Resumption of the Pan American Airways Service

Following the end of the Pacific Defence Conference

the New Zealand Government advised Gatty that it rejected Noumea as a stopping place on the Pan American Airways route to New Zealand and proposed Suva instead. 1 At this point Gatty informed the Dominion Government that the airline was already committed to land at Noumea. 2 Gatty indicated verbally, however, that Pan American Airways was interested in the possibility of using Suva and enquired about the preparation of a base there. The Dominion Government suggested to the British Government that Pan American Airways be informed of the plans to develop Suva and that it be offered equal facilities there with any British company operating a trans-Pacific air route. 3

The New Zealand Government accepted that it could not induce Pan American Airways to abandon Noumea in favour of Suva. It preferred to rely on the alternative suggestion of the Pacific Defence Conference, that the Company should fly to Suva as well as to Noumea. The New Zealand Government no longer wished to insist upon reciprocal landing rights on American territory in return for Pan American Airways landing at Suva. Insistence on such a condition would make it unlikely

1. Savage to Gatty, 29 April 1939. PM 110/3/3. Pt. 1A.
2. Gatty to Savage, 9 May 1939. PM 110/3/3. Pt. 1A.
that the airline would fly to Suva. Rather, it argued,

the more Pan American Airways are committed to the use of British territory, the greater will be the inducement to grant reciprocal rights to a British company formed to operate the trans-Pacific service.\(^1\)

The British and Australian Governments accepted this argument. They agreed that the New Zealand Government should undertake the development of a base at Suva and that the cost should be shared equally by the three Commonwealth Governments concerned. The British Government also insisted that Pan American Airways' difficulties over its obligation to fly to Noumea was its own fault. The Company had entered into an agreement to change its route without first seeking the approval of the New Zealand Government.\(^2\) The British Government was not happy with the way that the problem was being resolved. It told the United States Government that there was New Zealand pressure to cancel the Pan American Airways agreement unless a British company received reciprocal rights on American territory. In fact, by this time, the New Zealand Government was anxious that this should not happen. By the middle of 1939 any pressure to end the 1935 agreement was coming from

British rather than New Zealand sources.¹

On 22 June 1939 Gatty advised the New Zealand Government that Pan American Airways hoped to resume its service by the end of July 1939. He again sought permission under the terms of the 1935 agreement for the airline to use Noumea. He also stated that the Company was prepared to make experimental flights to Suva and, if practical, to use it as a stopping place between Canton Island and Noumea.² On this basis the New Zealand Government consented to the change of route.³ It was expected that the Pan American Airways service would resume almost immediately. On 21 July 1939 Roosevelt requested that Congress vote $900,000 for a contract to carry air mail between San Francisco and Australasia. Pan American Airways applied to the Civil Aeronautics Authority for permission to operate a service from San Francisco to Auckland via Honolulu, Canton Island and Noumea.⁴ At this point, however, the resumption of the service was delayed by further


2. Gatty to Minister of Defence, 22 June 1939. PM 110/3/3. Pt. 1A.

3. Savage to Gatty, 7 July 1939. PM 110/3/3. Pt. 1A.

difficulties.

Pan American Airways asked the New Zealand Government to approve the change of route without qualification instead of insisting that the Company make experimental flights to Suva. This requirement had raised difficulties for the airline with the Post Office and Civil Aeronautics Authority in the United States, which claimed the right to regulate the route. The New Zealand Government was inclined to reply that it still expected experimental flights to be made to Suva, but that if the Company found such a service impractical it would be prepared to hold further discussions. Before advising the airline along these lines, however, it sought the opinion of the British Government. ¹ The British rejected this approach. It would have left it to the Company to decide whether to call at Suva or not, when under the 1935 agreement the New Zealand Government's approval was required for any change in route. It believed that Pan American Airways could be forced to accept the New Zealand condition because it had invested considerable money and prestige in the route to New Zealand.² The Dominion Government, accepting this view, simply informed Pan American Airways that it rejected

The request.  

Gatty replied angrily,

my Company is disappointed
that their gestures of co-operation
with the New Zealand Government
have been extended to one of
obligation to continue to operate
through Suva even if found
by the Company to be
impracticable.  

The Company, Gatty continued, had no choice but to meet
the New Zealand demands. It agreed reluctantly to make
preparations towards including Suva on its route. The
New Zealand Government, in reply, took strong exception
to Gatty's tone, but accepted the Company's willingness
to include Suva on its route.  

In line with the recommendations of the Pacific
Defence Conference the trans-Tasman flying boat Aoteora
made a survey flight to Fiji in early September 1939.
On board was Gatty, who accompanied Tasman Empire
Airways officials to consider the suitability of Suva
as a base. The survey showed that Lautoka rather than
Suva would be most suitable as the main base for a
trans-Pacific air service. It was intended to construct
a base to meet the requirements of both the British and
Pan American Airways services. The base itself was to

1. Minister of Defence to Gatty, 25 August 1939.
   Air 98/8/1.
2. Gatty to Minister of Defence, 4 September 1939.
   Air 98/8/1.
3. Minister of Defence to Gatty, 11 September 1939.
   Air 98/8/1.
be the property of the Fijian Colonial Government. 1

There was a further delay of a year after Gatty's acceptance of the New Zealand conditions that the airline fly to Suva before the Pan American Airways service was resumed. The Company had to await the approval of the Civil Aeronautics Authority in the United States before it could commence the service. When this was received a special survey flight was made during July 1940. A new factor entered the situation with a report from the Australian Minister in Washington that Pan American Airways planned to operate a yacht service between Noumea and Sydney. The airline was prepared to abandon this plan if it received permission to extend its service from Auckland to Sydney. 2

Pan American Airways' real intention, however, seems to have been landing rights in Sydney so that it could fly on a direct route from Noumea to Sydney omitting New Zealand. This prospect alarmed the New Zealand Government. The Australian Government was under considerable pressure, which it believed inspired by Pan American Airways, to grant the Company landing rights in Australia. 3 A meeting was held in Wellington on 26 July 1940 to discuss this problem. The New

3. Aust. PM. to N.Z. PM., 19 July 1940. PM 110/3/3, Pt. 1A.
Zealand Government was represented by Fraser, Jones, Nash and Air Secretary T.A. Barrow. The meeting was attended by the British High Commissioner, Sir Harry Batterbee, and the Australian Deputy Controller of Civil Aviation, Captain E.C. Johnston. Also present was the New Zealand representative on the Tasman Air Commission, J.G. Young.

The meeting was concerned with countering any American request to operate an air service between Noumea and Australia. Barrow insisted that there was no reason for such a service. The Tasman Empire Airways service between Auckland and Sydney was to be extended from one to two return services a week on alternate weeks to connect with the Pan American Airways service to Auckland. He claimed this could be used to counter demands in Australia for a direct air link to Noumea.

Johnston feared that the yacht service would stimulate demands in Australia for a direct air connection to Noumea. His solution was another approach to the United States Government for a conference to settle the problem of reciprocal landing rights. This was rejected by Batterbee, who said that the international situation made it unwise to hold such a conference. No decision was made except that the New Zealand Government should consider what action could be taken to persuade Pan American Airways to abandon the
There was optimism that this could be achieved. In August 1940 Gatty visited Suva with Captain J.W. Burgess, the chief pilot of Tasman Empire Airways. Their purpose was to arrange the establishment of facilities which were to be equally available to a British and an American service. After the survey Gatty went to Noumea to establish the proposed yacht service to Sydney, which was scheduled to commence on 26 August 1940. He assured the New Zealand Government, however, that the service would not interfere with the frequency of the Pan American Airways service to Auckland.\(^2\)

The next month, September 1940, Pan American Airways commenced its scheduled service to New Zealand. The first flight reached Auckland on 11 September 1940, with stops at Honolulu, Canton Island and Noumea, a route of 7,928 miles. For over a year the service operated on this route, making one return trip a fortnight. In October 1941 Suva and Palmyra Island were added to the route of the Boeing clippers.

There still remained Pan American Airways' desire to fly to Australia. The Australian Government insisted that it would discuss the granting of landing rights to

1. Notes on discussions held on 26 July 1940. Air 98/8/1.

an American company only with the United States Government. Nevertheless, in October 1941 Pan American Airways made a new approach to the Australian Government. The British Government, pre-occupied with the European war, preferred to leave this matter to the Australian and New Zealand Governments to settle. It urged, however, that any extension of the Pan American Airways service to Australia by way of the Tasman Sea should be a wartime manoeuvre only.¹

Nothing came of this proposal. The Pan American Airways service through the Pacific to New Zealand was terminated in early December 1941, following the Japanese attack on Pearl Harbour.²

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¹ UKHC. to N.Z. PM., 20 October 1941. Air 98/8/1.
CHAPTER FIVE

THE PROBLEM OF SOVEREIGNTY II: WIDENING

UNITED STATES DEMANDS.

Differing Approaches to the Sovereignty Problem

The problem of sovereignty in the South Pacific did not end with the settlement of the dispute over Canton and Enderbury Islands. Since August 1937 the United States Government had been proposing a general settlement of the island sovereignty problem. It had, however, never named the islands which it intended to claim.

During the negotiations over Canton and Enderbury Islands an important difference in attitude between the United States and British Governments had emerged. The United States Government wanted a general settlement of the conflicting claims to sovereignty. It wanted the question of trans-Pacific aviation to be dealt with separately. The British Government regarded the sovereignty problem as minor. The important issues were those of aviation and colonisation. The small islands of the Pacific had no value on their own. They were useful only for aviation purposes and as part of a system of colonisation to relieve the over-populated Gilbert and Ellice Islands.
On 8 November 1938 the United States Government repeated its willingness to discuss the status of disputed islands in the Pacific. It did not, however, name the islands it had in mind. The New Zealand Government was consulted before the United States approach was answered. The British Government wanted to tell the United States Government that it was prepared to consider the sovereignty problem as part of a discussion on trans-Pacific aviation. The only islands open to dispute, in its view, were Caroline, Flint, Malden, Starbuck, Vostok and Filippo Reef, the six southern islands of the Line Group. As part of a general agreement on trans-Pacific aviation it was willing to consider renouncing its claim to these islands. The British title to all other islands was secure and if the United States Government felt otherwise it could submit the matter to arbitration.

The New Zealand Chiefs of Staff rejected any offer of arbitration to the United States Government. They also refused to agree to the renunciation of the British claim to the Line Islands. Sovereignty over islands which might be important to the defence of


2. SSDA. to N.Z. Gov. Gen., 7 March 1939. P/31
New Zealand or which might prove, on survey, to be of use in trans-Pacific aviation should not be surrendered. Furthermore, such an offer might commit the British Government to a course of action before the Pacific Defence Conference met to discuss the defence of the Pacific and the policy to be adopted towards United States claims in the area. At the same time, care should be taken so as not to antagonise the United States Government in any way. 1

The New Zealand views were reflected in a British aide-memoire handed to the United States Government on 5 April 1939. The note made no reference to the six Line Islands and warned that the British title to some islands was so sound that it could not be a topic for discussion. It assumed that the United States Government, which had never explained its objectives in the South Pacific, was interested in the islands for aviation purposes, perhaps military as well as civil, and not in the mere acquisition of territory. The British Government did not omit mention of arbitration completely but was reluctant to follow such a policy because

it would necessarily be accompanied by the drawback of calling international attention to the existence of differences on colonial questions between the two

Governments. It might well result in attempts by other Powers to assert claims to the islands in question.¹

Aviation was responsible for the interest in the islands. The problem could be solved by each country making its islands available to the civil aircraft of the others. The British Government renewed its suggestion that a conference involving the United States, Britain, Australia and New Zealand be held to discuss trans-Pacific aviation.

The United States Government felt that it had been presented with a choice of two clear alternatives. It could either take the disputed islands to arbitration or it could make an agreement on trans-Pacific aviation. It preferred to avoid such extremes. The Chief of the Division of European Affairs at the State Department, J.P. Moffat, suggested to Lindsay that a group of experts could discuss the various claims and attempt to find an amicable settlement.² The United States Government had still not produced a list of the islands it claimed and in a later conversation Moffat informed

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Lindsay that this would be done shortly.\textsuperscript{1} At the same time Lindsay warned that the British Government considered its title to most islands to be secure. He hinted, however, at a willingness to compromise over some islands in return for an overall settlement concerning trans-Pacific aviation. This reflected a decision taken at the Pacific Defence Conference. Since the strategic value of the six southern Line Islands was not great it was decided that they might be given to the United States as part of an overall agreement on trans-Pacific aviation.\textsuperscript{2}

United States Survey Activities in the Pacific

Meanwhile, the United States Government was carrying out a hydrographic survey of a number of Pacific islands. Late in 1938 it informed the British Government that during 1939 it would be making such a survey of certain islands in the Phoenix Group, including Canton, Enderbury, McKean, Birnie, Gardner, Hull and Sydney. The survey, it insisted, was for scientific reasons only and had nothing to do with

\textsuperscript{1} Memorandum by Moffat of conversation with Lindsay, 15 June 1939. \textit{Foreign Relations of the United States: Diplomatic Papers.} 1939. Vol. II, p. 316.

\textsuperscript{2} Pacific Defence Conference Report. Pt. III. "Policy in Relation to Trans-Pacific Air Route." See above, chapter four, p. 88.
the question of sovereignty over the islands. Any information obtained by the Department of the Navy during the survey would be passed on to the British Government. It was, however, a clear hint as to the identity of the islands in which the United States Government was interested.

The British Government did not object to the survey. When approached in May 1939 the New Zealand Government did not object to the hydrographic expedition surveying the Tokelau Islands, which included Nukunono, considered to be suitable as an air base. Nukunono had already been chosen as an intermediate stopping place on the proposed British trans-Pacific air route.

The United States survey concentrated on Hull Island. A party of thirty men was landed there by the Bushnell on 7 July 1939 and remained there until 18 July. Coral obstructions were blasted out of the lagoon and a complete hydrographic survey of the coastline made. Four one hundred foot high steel towers and seven fifty foot high flag staffs were erected to assist the party

2. Air Secretary to Secretary of External Affairs, 12 May 1939. Air Department. Air 103/3/1. (National Archives, Wellington).
in sound readings to judge the depth of the lagoon and to fix the position of every coral head in the lagoon.¹

The result of the Hull survey surprised the United States Navy. It suggested that Hull was a potentially better air base than Canton, whose lagoon had been found to contain more coral than originally expected. This had already become apparent to the British Government as a result of surveys carried out in 1938. There was much regret in the United States that Canton had been chosen, and rights to it secured after long negotiations, when Hull offered the better prospects.

Less extensive surveys were made at Sydney, Gardner and Birnie Islands during July 1939. The Tokelau Islands were visited during August. The party made an aerial survey of Nukunono and inspected the lagoon. The Island was reported to be suitable for a seaplane base.²

The United States activities in the Phoenix Islands during the survey especially on Hull Island caused considerable concern to the British Government. The blasting of lagoons and the erection of steel towers was normal procedure in such surveys. It was

1. Acting Administration Officer, Hull Island to Secretary, HCWP, 16 July 1939. Air 103/3/1.

2. ADMOR to External Affairs Department, Wellington. 28 August 1939. Air 103/3/1.
the erection of flag staffs which caused alarm. This was regarded as a means of marking out desirable areas on the islands, perhaps as the first step towards taking possession of them for the establishment of air bases. The British Ambassador in Washington protested at these developments. He warned that any repetition of United States action over Canton Island was likely to cause difficulties between the two countries. The State Department assured the British Government that "the hydrographic survey was without prejudice to political claims." 

The United States Lists its Claims

On 16 August 1939 the United States Government finally replied to the British proposal for a conference on trans-Pacific aviation. It insisted that its claims to sovereignty had nothing to do with how the islands might be used, and went on

the American Government has stated on several occasions its readiness to enter into discussions with the British Government concerning the status

1. Foreign Secretary to British Ambassador (Washington), 4 November 1939. PM 301/6/1 Pt. 1B. (Ministry of Foreign Affairs, Wellington).

and use of those islands which both Governments claim, but it feels that it is important at this stage that there be no confusion of the terms of sovereignty and use.¹

The British proposal that islands be made available for civil aviation regardless of sovereignty was rejected. In the United States Government's view "the subject of the status of these islands and the subject of trans-Pacific aviation are two wholly separate matters, only indirectly related."²

The United States Government finally submitted a list of the islands which it claimed. In addition to the remaining islands of the Phoenix Group³ - Hull, Phoenix, McKean, Gardner, Birnie and Sydney - the list contained seventeen islands. Of those over which the British Government claimed sovereignty there were a number of the Line Islands - Christmas, Vostok, Malden, Starbuck, Caroline and Flint - and the Ellice Islands - Nukufetau, Funafuti, Nurakita and Nukulaelae. Also on the list were the northern Cook Islands - Tongareva,

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³ A settlement had already been reached concerning the use of Canton and Enderbury. See above, chapter three, pp. 80-1.
Disputed Islands of the Pacific.

Source: A. Coates; Western Pacific Islands (London, 1970) p. 34.
Manahiki, Rakahanga and Pukapuka - and the Tokelau Islands - Atafu, Nukunono and Fakaufu. These islands were under the New Zealand Government's administration. It was significant that of all the seventeen islands listed only Vostok, Malden, Starbuck and Flint did not contain lagoons extensive enough for seaplanes to land safely in any weather. This explains the new importance suddenly being given to these islands.

The United States Government did not disclose the basis of its claims to these islands. Roosevelt's press secretary Stephen Early had, however, discussed the principles which governed the United States approach to the island sovereignty problem on 7 March 1938. The first claim to sovereignty depended upon discovery. Many Pacific islands had first been discovered by United States ships. Discovery alone did not give claim to final title, however, it must be followed by some sort of occupation. Early said that the United States Government could base claims on discovery, former occupation and the failure of any other nation to occupy the islands.¹ Islands might have been discovered, mapped or named by United States ships, either whalers or exploring expeditions. Islands might have been occupied at some time by American nationals such as

1. Report by P.D. MacDonald on the Southern Ellice and Tokelau Islands, no date. PM 301/6/1 Pt. 1B.
traders and missionaries. Finally, the 1856 Guano Act was likely to be used as a base for claims.

The British claim to these islands was based mainly on its effective occupation and administration of most of them. The British Government could point to the annexation and establishment of protectorates over the islands and the involvement of British trading and missionary interests there. New Zealand claims were based on British Orders in Council giving it responsibility for the northern Cook Islands and Tokelau Islands, and on the effective administration and occupation of these islands with the consent of the inhabitants.

From 1934, when Kingsford-Smith had used Hull Island as an emergency landing ground on his flight between Fiji and Hawaii, the Phoenix Group had attracted particular attention because of their value for aviation. The British Government, anxious to establish its control over the islands, included them within the Gilbert and Ellice Islands Group by Order in Council on 18 March 1937. This was ignored by the United States Government, which claimed Canton and Enderbury Islands by Executive Order on 3 March 1938 and then extended its claim to include the other islands in 1939.

Who first discovered the islands in the Phoenix
Group is not clear. Gardner Island is believed to have been discovered about 1828 by an American Joshua Coffin on board the Ganges from Nantucket. There are suggestions that Sydney and Birnie were discovered by a Captain Emmett of the British vessel Sydney, but the evidence is not clear. Phoenix might have been discovered as early as 1794 by an American ship the Phoenix and McKean by the United States Exploring Expedition in 1840. The evidence is even more uncertain on the discovery of Hull.

It was clearly impossible for any country to base a claim to any of the islands in the Phoenix Group on discovery alone. McKean, Birnie, Hull and Gardner were all visited and surveyed by the United States Exploring Expedition in 1840-41 with Hull and McKean both being named by Wilkes. Phoenix and Sydney were not visited by the Wilkes Expedition.\(^1\) This did not meet Roosevelt's criteria that effective occupation and not just discovery were necessary to prove sovereignty over these islands. It meant that there had to be other grounds on which the United States claims might be based.

The most likely ground was the 1856 Guano Act.

McKean and Phoenix were bonded as guano islands on 27 December 1859 while Birnie, Gardner, Sydney and Phoenix (for a second time) were bonded on 8 February 1860. Only two of the islands, McKean and Phoenix were actually worked, until they were abandoned in 1871. There was no other American activity in the Phoenix Islands.

The closest line on United States thinking came from an article published by S. Whittemore Boggs, of the State Department, in 1938. Boggs was involved in the preparation of the United States claim. He listed McKean, Gardner and Hull as American discoveries and wrote that these three plus Phoenix had names of American origin. The positions of McKean, Birnie, Phoenix, Gardner and Hull were first accurately fixed by Americans. Only McKean and Phoenix, according to Boggs, were worked by American guano diggers. He excluded Sydney Island from all consideration.

The British Government's claim was based partly

1. The discoverer had the exclusive right to exploit a guano island under the protection of the United States Government, provided he entered into a "bond" to sell it to United States citizens at a prescribed price. See above, chapter one, p. 13.


on possession. In 1889 HMS *Egeria* declared a British protectorate over Birnie, Hull, Phoenix and Sydney while in 1891 HMS *Curacao* did likewise with Gardner. The British Government leased Sydney, Hull, Gardner, Phoenix, Birnie and Canton Islands to the Samoa Shipping and Trading Company in 1912. The lease passed to the Burns Philp South Sea Company in 1926. This Company surrendered its lease to the British Government in 1938 for £7,500. McKean Island had been annexed in August 1936 by HMS *Leith* and on 18 March 1937 they had all been placed under the jurisdiction of the Gilbert and Ellice Islands Colony.

The British Government took over the Phoenix Islands for colonisation from the Gilbert Islands. It could base a claim on the argument that it could give the Phoenix Group "permanent value and benefit humanity by planting it for the use of the natives of the Gilbert Islands, where the shortage of land is most acute."¹

The colonisation scheme was inaugurated in December 1938 when parties of settlers from the Gilbert Islands were landed on Hull, Sydney and Gardner Islands. The other three, lacking water and vegetation, were of

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¹ Report by H.E. Maude on the Phoenix and Line Islands. no date. PM 301/6/1 Pt. 1B.
no value for settlement. 1

For almost fifty years no government had challenged the licences granted to British subjects and firms to use the islands. Nor were British claims to the islands challenged. On the other hand, while the validity of British claims were never questioned by the United States Government, it was never acknowledged by it either. Thus in the late 1930's, when the advent of aviation in the South Pacific gave these islands a new importance, the United States Government felt in a position to assert claims to them.

The United States Government claimed six islands in the Line Group but only one, Christmas Island, was of value for aviation purposes. From the time that the United States had occupied Howland, Baker and Jarvis Islands in 1935 the British and New Zealand Governments had feared that it would claim Christmas Island. This was the largest of the low-lying coral islands of the Central Pacific, being about one hundred miles in circumference. Not only did it lie on the path of trans-Pacific air routes, it was also uninhabited. This made it valuable as a migration outlet for the Gilbert and Ellice Islands.

1. "Unattached Islands in the Western Pacific". Memorandum by British delegation for the 1939 Pacific Defence Conference, 13 April 1939. PM 301/6/1 Pt. 1A.
Christmas Island had had a chequered history.

Discovered by Captain James Cook on 24 December 1777, it was bonded under the 1856 Guano Act in 1859 and, according to Boggs, worked by American diggers for a number of years. In 1865 the British Government granted a lease to the Island to the Anglo-Australian Guano Company which lapsed in 1869. A new lease was granted to Alfred Holden in 1871 but cancelled at his request in 1872 when the USS Narragansett took possession of Christmas Island for the United States. It was annexed to the British Government by HMS Caroline in 1888, despite strong United States protests. The British Government leased the Island to Lever's Pacific Plantations Limited in 1902 and then to the Central Pacific Coconut Plantations Limited in 1914. On 30 July 1919 it included Christmas Island within the Gilbert and Ellice Islands Colony. In 1937, reflecting concern about United States activity in the Pacific, an administrative officer was posted to the island and a radio station established there.

By 1939 the British Government had effective control of Christmas Island. In 1888, however, the United States Government had reserved its position in all matters relating to British activity on Christmas

Island. On this basis it felt justified in asserting a claim to the Island in 1939.

The United States Government could not base its claims to Malden, Starbuck, Caroline, Vostok and Flint on discovery. Caroline was discovered by the British sloop **Providence** in 1795, Starbuck by the British whaling ship **L'Aigle** in 1821 and Malden by HMS **Blonde** in 1825. Vostok was the discovery of the Russian explorer F. Von Bellingshausen in 1820. There is no evidence on the discovery of Flint. The nearest that the United States Government could come to a claim on these grounds was the fact that the commander of the British ship which discovered Starbuck was an American. This would be contrary to international law, however, which declared that new discoveries should go to the nation under whose flag the discovering ship sailed. ¹

The United States Exploring Expedition of 1840-41 fixed the positions of both Vostok and Flint but did not land on either. ²

Malden was bonded as a guano island in 1859 and the remaining four in 1860. ³ The islands were not worked by United States companies. Malden and Starbuck were mined by Australian companies until they were

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abandoned at the start of the twentieth century. In 1902 Caroline and Vostok were leased to S.R. Maxwell and Company of Auckland, which still had the lease in 1939. No leases were granted for the use of Flint Island.

Caroline was taken possession of for the British Government by HMS *Encounter* in 1868 and Starbuck by HMS *Mutine* in 1886. The other three were not taken possession of, although in 1936 HMS *Wellington* visited Malden and left a notice that the Island belonged to the British Government. A visit was also made to Caroline at this time. *Wellington* visited Starbuck in 1938 so that it could be examined by an official of the Western Pacific High Commission.¹

It is difficult to know why the United States Government wanted these islands. In addition to Howland, Baker and Jarvis it already possessed Palmyra and Kingman Reef in the Line Islands. Kingman Reef had been used by Pan American Airways as an intermediate base on its South Pacific route while Palmyra provided a good emergency seaplane landing

¹ "Unattached Islands in the Western Pacific" Memorandum by British delegation for the 1939 Pacific Defence Conference. 13 April 1939. PM 301/6/1 Pt. 1A.
area. The five islands that it was now claiming were neither necessary nor suitable for aviation purposes. The only ones of any value were Caroline, Starbuck and Flint, for settlement purposes from the Gilbert and Ellice Islands. Boggs was unable to find any grounds for United States claims to these islands.¹

The United States Government claimed only four of the Ellice Islands, Nukufetau, Funafuti, Nurakita and Nukulaelae. Two of them, Nurakita and Nukulaelae were discovered by the American whaling vessel Independence in November 1821. Funafuti and Nukufetau were discovered by Captain de Peyster of the Rebecca in 1819. These two had their positions fixed by the United States Exploring Expedition in 1841.² None of these islands were bonded under the 1856 Guano Act. The United States case rested on discovery and survey. Except perhaps for some deserters from American whaling ships they were only again visited by Americans with the permission of the British Government. This was only for scientific and similar expeditions.³

These islands, unlike the Phoenix and Southern Line Islands, were settled. British traders were

³ Report by P.D. MacDonald on the Southern Ellice and Tokelau Islands. no date. PM 301/6/1 Pt. 1B.
established here from about 1856. The London Missionary Society had arrived by 1865. In 1872 they were surveyed and mapped by British ships before being declared a protectorate by HMS Curacao in September 1892. The following year a resident commissioner was appointed and the British Government assumed effective jurisdiction over the area. The Ellice Islands were annexed at the request of the inhabitants by Order in Council in November 1915 and became part of the Gilbert and Ellice Islands Colony. This made their inhabitants British subjects.

It was the two islands not first discovered by Americans that were the most valuable for aviation. Funafuti and Nukufetau had large, deep and sheltered lagoons suitable for use by seaplanes. Nukulaelae and Nurakita were of no value for such purposes.

The United States Government first displayed an interest in the northern Cook Islands in 1938 when the New Zealand Government approved a visit to Manahiki and Pukapuka by the Coast Guard cutter Taney. Manahiki was discovered by the American ship Good Hope in 1822, Pukapuka was discovered by HMS Dolphin in 1765.

and Tongareva by the British ship Lady Penrhya in 1788. The Russian explorer Bellinghausen discovered Rakahanga in 1820. Tongareva was visited by the United States Exploring Expedition in 1841 and Boggs claimed that its position was first accurately fixed by an American vessel.²

The four islands were bonded as guano islands in 1860.³ They were, however, never worked for guano. Indeed the nature of the islands made it unlikely that they would contain commercial quantities of guano. They are subjected to heavy rainfall and are therefore heavily vegetated. In such conditions the deposits of birds were unlikely to accumulate to form guano.

The London Missionary Society was involved in the northern Cook Islands from 1854. Tongareva was taken possession of for the British Government by HMS Caroline on 22 March 1888. On 9 August 1889 HMS Espeigle declared a British protectorate over Manahiki and Rakahanga. HMS Curacao took possession of Pukapuka on 2 June 1892. The Cook Islands, plus Tongareva, Rakahanga, Manahiki and Pukapuka were included within the boundaries of New Zealand at the request of the


Cook Island chiefs by an Order in Council of 13 May 1901 under the 1895 Colonial Boundaries Act.¹

The New Zealand claim to the northern Cook Islands was based on the British Order in Council giving it responsibility for the islands. It assumed responsibility with the full consent of the inhabitants of the islands. From 1901 the New Zealand Government administered them, providing such things as health and education facilities and the maintenance of law and order.²

The northern Cook Islands possessed large lagoons which were sheltered in all weather. Each was suitable for seaplane landing areas. It was because of their value for aviation that they were included on the United States list.

The final group of islands on the United States list was the Tokelau Islands; Atafu, Nukunono and Fakaufu. Here it had no claim on the basis of discovery. Atafu was discovered by HMS Dolphin in 1765 and Nukunono by HMS Pandora in 1791. Fakaufu was a French discovery, found by the Adolphe in 1840. The

1. AJHR, 1901 A3G "Order in Council Extending Boundaries of the Colony of New Zealand, 13 May 1901."

United States Exploring Expedition charted the position of the islands and surveyed Atafu and Fakaufu during 1840-41. All three were bonded as guano islands, but they were not worked. Like the northern Cook Islands, the Tokelau Islands were too well vegetated for the accumulation of guano deposits.

HMS *Egeria* declared a British protectorate over the Tokelau Islands between 19 and 23 June 1889. They were ceded to the British Government at the request of the inhabitants and incorporated into the Gilbert and Ellice Islands Colony by Order in Council on 29 February 1916. In order to facilitate the administration of the Tokelau Islands responsibility for them was handed over to the New Zealand Government on 4 November 1925.

The United States Government's claim to the Tokelau Islands was no stronger than its claim to the northern Cook Islands. Each of the Tokelau Islands had large lagoons which gave them value for aviation purposes. Nukunono was considered a key island in trans-Pacific aviation. It was, as with most of the other disputed islands, aviation which aroused the United States

interest in these islands. For almost half a century the islands being claimed by the United States Government in 1939 were commonly regarded as British possessions. It was only the advent of aviation into the South Pacific which attracted United States attention to them.

The United States Government insisted that sovereignty had to rest on more than mere discovery. Discovery had to be followed by the effective occupation of the islands concerned. Yet the only example of occupation which the United States Government could cite was the work of American guano diggers in the 1860's and early 1870's. In the case of the Ellice Islands it did not even have this on which to base a claim. While most of the disputed islands were bonded, many of them did not fulfill the conditions of the 1856 Guano Act. Before an island could be bonded proof had to be produced that guano had been discovered on the island by an American citizen. A claim could not be made merely in the hope that an island might contain guano. No such evidence was available in the case of the northern Cook Islands and Tokelau Islands, which were unsuited to the formation of guano accumulations.

Such a weakness did not exist in the claim to the Phoenix and Line Islands but other provisions of the
Guano Act suggested that it was not designed to be a basis for claims to sovereignty. The Act stated that:

> nothing in this title contained shall be construed as obliging the United States to retain possession of the islands, rock or keys after the guano shall have been removed from the same.\(^1\)

The United States Government did not want to be left with unproductive territory as a result of the Guano Act. When the guano deposits of the Pacific islands had been worked out the American diggers abandoned and, in some places, were replaced by British diggers. After this American citizens did not occupy any of the disputed islands, either as traders or missionaries, for any length of time. Furthermore, with the exception of Christmas Island the United States Government did little to resist the British Order in Council of 13 August 1877, which claimed British jurisdiction over all Pacific islands not claimed by other powers. Nor did it protest the British actions that followed. The United States Government could not have foreseen that one day these derelict islands of the Central and South Pacific would assume new importance because of the development of aviation.

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British Response to United States Claims

In the negotiations over Canton and Enderbury Islands the question of sovereignty had been pushed into the background to enable use to be made of Canton Island for civil aviation. The United States Government was not prepared to adopt a similar approach to its new list of claims. It put forward a principle different from that embodied in the agreement for the administration of Canton and Enderbury Islands. It now said that a Government's claim to sovereignty could not be affected by the use to which that Government might want to put those islands in the future. It was anxious that in its latest claims sovereignty should be clearly established so that there would be no limitation imposed on the use of the islands, as was the case with Canton and Enderbury.

The British Government gave careful consideration to the United States demands. A meeting to discuss the problem was held at the Foreign Office on 14 November 1939. It was attended by Balfour of the Foreign Office, Wiseman of the Dominion's Office, Whittle of the Colonial Office, and Berendsen, the New Zealand Secretary of External Affairs. The Foreign Office, whose primary responsibility was to maintain friendly relations with the United States, wanted to submit the
sovereignty question to arbitration. This approach was rejected by the Colonial Office, which was responsible for the inhabitants of the Gilbert and Ellice Islands Colony and for settlers from the Gilbert Islands who had recently been placed on Hull, Sydney and Gardner Islands. Whittle said that an agreement to submit their future to arbitration would be unfair to the inhabitants of the islands concerned.

Berendsen agreed with Balfour that it was important to maintain friendly relations with the United States. At the same time he opposed the inclusion of the northern Cook Islands and the Tokelau Islands in any offer which the British Government might make to the United States for arbitration. It would be better for the British Government to offer to hold oral discussions on all the disputed islands and not mention arbitration. He warned that the British claim to uninhabited islands was not as strong as its claim to the inhabited ones. The discussions should be held as soon as possible because if the United States Government decided to occupy any of the islands, as it had at Canton Island, nothing could be done to stop it. Above all, Berendsen wanted the New Zealand Government represented at any discussions with the United States Government.1

1. Note on a discussion on Pacific Islands held at the Foreign Office, 14 November 1939. PM 301/6/1 Pt. 1A.
With Howland, Baker, Jarvis, Canton and Enderbury the United States Government had claimed uninhabited islands. Now it was claiming islands - the Ellice Islands, northern Cook Islands and Tokelau Islands - which had been administered as settled British possessions by the British and New Zealand Governments. They were settled by sizeable communities of inhabitants who believed themselves to be under British sovereignty. The British Government informed the United States that it was prepared to hold oral discussions on the disputed islands but insisted upon certain conditions. It wanted the United States Government to justify why the eleven inhabited islands, to which British title seemed secure, should be included in the discussions. It hoped that the United States Government's list was complete and that it would not claim any other islands. Confirmation of this was sought before the British Government would actually hold the discussions. The need to prepare a fully documented case and to consult with the New Zealand Government would take considerable time and the British Government wanted to delay the discussions until its case had been fully prepared. ¹

In the preparation of the British aide-memoire the

¹ United Kingdom aide-memoire to the United States, 8 June 1940. PM 301/6/1 Pt. 1B.
New Zealand Government was closely consulted. On New Zealand advice it was changed slightly. Initially the British Government wanted to postpone the discussions until the end of the European war. It had more pressing problems at hand and it did not want to antagonise the United States Government at a time when good relations with it were vital. The New Zealand Government, fearing that the United States Government would act as it had at Canton Island and occupy some of the disputed islands, wanted no delay in holding the discussions. It was unsure of the United States Government's intentions and knew that if it chose to act in this way nothing could be done to stop it. The Dominion Government also wanted the wishes of the inhabitants of the islands to be of "paramount importance" in the discussions. The British Government accepted that such wishes were important, but not of paramount importance. The proposed discussions would have to centre on the legal basis of the respective claims.

The United States Government agreed to hold oral

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1. Eden to N.Z. Gov. Gen., 25 January 1940. PM 301/6/1 Pt. 1B.
2. N.Z. Gov. Gen. to SSDA., 11 March 1940. PM 301/6/1 Pt. 1B.
3. SSDA. to N.Z. Gov. Gen., 24 April 1940. PM 301/6/1 Pt. 1B.
discussions on the disputed islands. It was prepared to wait for the British Government to document its case before holding the discussions. It was not prepared, however, to announce in advance the reason for its claim to the inhabited islands. In its reply it made no mention of the British request to know whether the list of islands which it was claiming was complete. In the discussions Hull wrote, the respective claims of both Governments to the listed islands could be considered, "as well as to any other islands in the central Pacific to which either Government asserts claim." ¹ This was designed to keep open the possibility that the United States Government might claim other islands, probably Tonga. In October 1938 Lindsay had warned that the United States Government might some time contemplate a claim to Tonga.

An impression developed that in fact the United States Government was in no hurry to hold the discussions. This suited the British Government. It advised the British Ambassador in Washington not to raise the matter with the State Department. ² By early 1941 the New Zealand Government was also coming around

¹ Secretary of State to British Ambassador (Washington), 10 August 1940. PM 301/6/1 Pt. 1B.
² Foreign Secretary to British Ambassador (Washington), 19 December 1940. PM 301/6/1 Pt. 1B.
to this point of view. On 10 February 1941 Fraser informed the British Government that "there now appears to be much to be said for a delay." This was the first sign that the New Zealand Government no longer wanted early discussions, although it was not an agreement to let the matter drop completely. The growing fear of Japan increased New Zealand desire to encourage United States interest in the Pacific and to avoid any sign of disagreement with the United States Government. A delay in holding the discussions would enable the British and Dominion Governments to decide how best to encourage United States interest in the Pacific and at the same time protect British sovereignty over its islands.

1. Fraser to Batterbee, 10 February 1941. PM 301/6/1 Pt. 2.
CHAPTER SIX

NEW ZEALAND'S RESPONSIBILITY FOR AIR DEFENCE
IN THE SOUTH PACIFIC.

New Strategic Situation Facing New Zealand

The Pan American Airways service to Auckland drew the Dominion into the orbit of world air communications. The development of aviation altered New Zealand's strategic situation in the Pacific. It broke down New Zealand's isolation. This increased its vulnerability to attack. In July 1919 Colonel A.V. Bettington, in a report urging the establishment of a New Zealand Air Force, warned that the Pacific would become a future trouble spot. Japan had emerged from the First World War in a much stronger position than it had been in before 1914. ¹

The New Zealand Permanent Air Force was established as a part of the re-organised Permanent Forces in 1923. At the same time part of the Territorial Forces was designated the New Zealand Air Force. More than ten years later, when the Permanent Air Force became the

Royal New Zealand Air Force it consisted of only nine officers and forty four men. The Territorial Air Force had seventy five officers. During this period military air policy was based on the assumption that in the event of war aircraft would remain in New Zealand. The delays involved in transporting planes by sea to wherever a war might occur made it impracticable for the New Zealand Government to maintain an air force for service outside New Zealand.

By the middle 1930's this had changed. Under the pressure of new developments in aviation New Zealand's defence planners were becoming increasingly aware of the significance of air power for Dominion defence. The development of new types of military aircraft made it possible to consider the use of an air force for strategic purposes in the Pacific. It also made it possible for an enemy power to attack New Zealand by air if it could secure island bases close enough from which to operate. The Labour Government, elected in 1935, seemed keenly aware of the new situation. It paid greater attention to the development of the Air Force than any of its predecessors. The first step was to

1. In February 1934.
develop a policy to meet the new strategic situation. To do this the Dominion Government sought the advice of the British Government.

The British Government sent an official of the Air Ministry to New Zealand in 1936 to advise on trans-Pacific aviation. The Dominion Government hoped that the official sent would also be able to advise on military aviation. This was refused. The British Government regarded civil and military aviation as separate problems but agreed to send a second official to advise on defence questions. Wing Commander R.A. Cochrane spent over two years in New Zealand, and laid down the guidelines for the development of the New Zealand Air Force in the years leading up to the Second World War.

Cochrane stressed New Zealand's responsibilities in the Pacific. The Dominion was not in danger of invasion while the British Government maintained Singapore as a major base and could move its fleet into the Pacific if required. The most likely threat to New Zealand was small raiding parties, which would require

1. See above, chapter two, p. 29.
Pacific islands bases from which to launch attacks. New Zealand should therefore be prepared to defend such island bases from occupation by a potential enemy. Its Air Force should have two medium bomber squadrons capable of attacking enemy raiders before they reached New Zealand. Such planes should be capable of reaching bases in the South Pacific and, if necessary, fly to Singapore.¹

The South Pacific islands lay in the path of any Japanese attempt to move southwards. The New Zealand Government realised that

the islands of Oceania lie along the route likely to be taken by a raider on its way to New Zealand waters. They flank the main Pacific trade routes and they provide centres from which a watch can be kept in war on activities in the Japanese islands. Furthermore, an enemy established in the southern group of islands will be within air range of New Zealand and Australia.²

For the Japanese the South Pacific islands might provide sheltered anchorages and refuelling bases for raiders


2. Draft Cable, no date. PM 156/2/1 Pt. 1. (Ministry of Foreign Affairs, Wellington).
operating against New Zealand. They might also provide air bases from which Japanese aircraft could attack Australia and New Zealand. The same islands were equally valuable to New Zealand. They could be used as observation points to watch Japanese activities in the South Pacific. The Dominion Government was anxious to prevent a Japanese incursion into the South Pacific, which would be a direct military threat to it.

The Pacific Defence Conference

The problem of dealing with this new strategic situation was discussed at the Pacific Defence Conference held in Wellington during April 1939. This important Conference originated from suggestions made at the 1937 Imperial Conference by the New Zealand Government that discussions should be held on the establishment of air routes in the Pacific and the strategic importance of the Pacific islands. The British Government widened the agenda to include its rivalry with the United States over the sovereignty of various Pacific islands. The Dominion Government widened the agenda even further to include the "time of arrival of naval reinforcements at Singapore in the event of war in the East and the West." 

1. Discussed above in Chapter four.
2. Proposals leading to the 1939 Pacific Defence Conference, PM 86/27/1 (Ministry of Foreign Affairs, Wellington).
The Government's major fear was that war in the Pacific might coincide with war in Europe if Japan sought to exploit British pre-occupations in the West. It questioned the validity of the Singapore strategy. In the event of a world war it doubted that Britain could hold Singapore. Even if it did this would not protect New Zealand from small raiding parties and sporadic bombardment. In order to attack New Zealand the Japanese Government would need to acquire island bases in the South Pacific. In 1939 these islands were virtually undefended. Furthermore, there was little co-operation with Australia in defence matters, despite the fact that they had similar strategic interests in the Southwest Pacific.

At the Conference the Dominion representatives gave full expression to these concerns. The nearest Japanese island bases were in the Marshall and Caroline Islands, some 2,600 miles from Auckland. The size of Japanese forces likely to attack New Zealand would depend upon how close its nearest base was to its targets. Japan seemed most likely to proceed south by way of New Guinea, the Solomon Islands, the New Hebrides, Fiji and Tonga. While the most suitable places for Japanese forward bases would be New Guinea and Fiji, numerous other islands provided sheltered anchorages. The delegates recognised that they could
not garrison all of the Pacific islands with troops. They would have to select a small number of air bases on key islands from which they could keep all of the islands between Tonga and New Guinea under observation. Air power would have to be used as a substitute for manpower. It was the only way by which all of the islands could be kept under frequent surveillance.

The delegates had to determine the best means of maintaining air reconnaissance over the South Pacific islands. The New Zealand Government insisted that this was not an exclusively New Zealand problem but one that should be settled in co-operation with Britain and Australia. The solution was suggested by the leader of the British delegation, Sir Arthur Longmore. He proposed that the New Zealand and Australian Air Forces should co-operate in providing an air reconnaissance scheme between Suva and Port Moresby. Each country should be given responsibility for specific areas. In reply to New Zealand fears that Japan might seek to avoid this reconnaissance screen by moving south from the Marshall Islands on a more easterly line Longmore suggested that the establishment of an air base at Tonga would make it possible to cover this approach.

Wing Commander Jones, a member of the Australian delegation, outlined Australian planning in military aviation. The Royal Australian Air Force planned to send some flying boats to Port Moresby to reconnoitre the area from New Guinea down to the Solomon Islands and possibly to the New Hebrides. It hoped to establish a chain of landing grounds at 600 mile intervals in positions where they could be defended. The Australian and New Zealand delegates agreed that airfields should not be established in the Gilbert and Ellice Islands, which would be impossible to defend. There was no point in building bases for Japan to snap up. The Australian Air Force hoped, some time in the future, to have land planes with a range of 1,000 miles for both reconnaissance and strike purposes.

The plans of the New Zealand Chiefs of Staff were presented by Group Captain H.W.L. Saunders, who had replaced Cochrane as Chief of Air Staff in March 1939. These included the establishment of landing grounds in Fiji and Tonga. In this way it could reconnoitre an area 500 miles north and west of Fiji and 300 miles north and east of Tonga. Rather than use the few medium-range Wellington bombers that the Royal New Zealand Air Force had for this purpose, the Chiefs of Staff wanted to use the trans-Tasman flying boats, the Short S-42s.
The South Pacific was divided, then, into two spheres of responsibility on the basis of the capabilities of the two air forces. Australia was to provide air reconnaissance along a line New Guinea-Solomon Islands-New Hebrides, while New Zealand would watch the New Hebrides-Fiji-Tonga line. The aim of such reconnaissance was to provide ample warning of any approach by Japanese raiding vessels. This was necessary if Commonwealth naval and air forces were to launch an effective attack under favourable conditions against the raiders.

The Australian Government was already constructing an air base at Port Moresby and it was agreed that New Zealand should do likewise in Fiji. Two landing grounds should be built on Viti Levu, the main island of the Fijian group. One should be at Nandi, near Suva, and the other on the drier northwestern coast. Two bases were necessary for climatic reasons. The severity of tropical storms in Fiji meant that often one base would be unusable. The construction of the bases was to begin immediately with a view to having at least one of them operational by the start of 1940. Their cost, estimated at £56,300, was to be shared by the British and New Zealand Governments. To enable New Zealand aircraft to operate from Fiji part of its reserves of

fuel, bombs and ammunition were to be stored there. Finally, a survey was to be made of Tonga for possible landing grounds.¹

Particular emphasis was laid on the strategic importance of Fiji. It was considered the key to the defence of Australia and New Zealand. In 1938 the New Zealand Chiefs of Staff warned the Government that in the event of a Japanese attack on the South Pacific Fiji rather than New Guinea or the Solomon Islands would be the most likely target.² The Chiefs of Staff saw Fiji as the key to the air defence of the South Pacific. Viti Levu was a centre of cable, wireless and air communications. Lauthala could provide base facilities for a large naval force, including units of the United States Pacific fleet. For Japan Fiji would be an ideal advanced base in the South Pacific. It could be used by large naval forces as well as by raiders. Fiji's geographical position and its facilities made it the key to the defence of the South Pacific.

Tongatabu, in the Tongan Islands was the only other area of similar value for naval and aviation purposes. It had a large anchorage for ships and facilities for land and sea planes. Its value as a


². C.A. Gillespie; The Pacific (War History Branch, Department of Internal Affairs, Wellington, 1952). p. 19.
large base was limited, however, because it lacked a natural water supply. Japan was likely to want it not so much for its own use but rather to deny it to the Commonwealth Governments.

After the Pacific Defence Conference the New Zealand Government began preparations for the construction of bases in Fiji and Tonga. In June 1939 the islands were surveyed by Saunders and Gibson, the Air Force's chief aerodrome engineer. They found Nukualofa, in Tonga, suitable as an air base with shelter from all but the worst weather. Another well-sheltered lagoon was found ten miles from Nukualofa. This might be used as an alternative landing site provided it was deep enough. In Fiji the survey party chose a landing ground fifteen miles from Suva as the best site in the vicinity of the capital. The seaplane landing areas of Lauthala Bay and Suva Bay were found suitable for military aviation.

Saunders and Gibson also visited Western Samoa, although there was no immediate plan for the development of an air base there. Vailele was the only suitable site for a landing ground there. This site should be reserved for such a purpose. In addition, seaplane bases could be developed on Upolu with little difficulty. ¹

1. Chief of Air Staff to Minister of Defence, 20 June 1939. Air Department. Air 103/2/7 (National Archives, Wellington).
On 4 August 1939 the New Zealand Government approved the construction of two landing grounds in Fiji. An aerodrome with three runways was to be built at Nandi, on the west coast of Viti Levu, and another one with only a single runway was to be built at Nausori. With the approval of the British Government a contract for their construction was let to the Southern Cross Construction Company. Work was begun on 3 September 1939 and most of it was completed at both fields by March 1940.

There had been no definite plans for the construction of a base at Tonga, only for a survey of the area. This was despite the fact that it would be impossible to fulfill New Zealand's reconnaissance obligations in the South Pacific without a base in Tonga. The New Zealand Government decided, however, to use the plant already in Fiji to build a base in Tonga. This would have been cheaper than returning it to New Zealand and then shipping new plant to Tonga when the need arose. The cost of construction, estimated at £25,000, was again shared by the British Government. The Tongan Government provided a site for the landing

1. COS. Paper No. 35. 2 February 1940. PM 86/14/7 (Ministry of Foreign Affairs, Wellington).
2. SSDA. to N.Z. Gov. Gen., 13 December 1939. PM 86/14/7.
ground at a nominal rental. Work began in April and was completed by September 1940.

**Air Defence in Fiji**

The recommendations of the Pacific Defence Conference were designed to strengthen the defence of the South Pacific. A major concern of the New Zealand delegation had been the lack of co-operation with the Australian Government in defence matters, despite their complimentary interests in the Pacific. After the Conference the two Governments consulted much more closely. They kept each other advised of the steps that they were taking to set up the South Pacific reconnaissance system. By July 1940 the Australian Air Force had four planes operating from Port Moresby and planned to add two more. It had built bases at Port Moresby, Rabaul, Tulagi and Vila and established a coastwatching service in the area.  

The completion of the air strips in Fiji and Tonga was another major step towards strengthening the defence of the South Pacific. Now decision had to be

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2. Chief of Air Staff to Minister of Defence, 11 July 1940. Air Department. Air 123/2/4. (National Archives, Wellington).
made on how they would be used. In the early months of 1940, during the period of the phoney war in Europe, there was little tension in the Pacific. The New Zealand Government decided that it would only send reconnaissance aircraft into the South Pacific if there was a direct threat from Japan. No such threat was apparent to the Dominion Government during early 1940. This was not, however, the view of the Governor of Fiji. Sir Harry Luke warned about the inefficiency of the coastwatching service in the Fiji Islands. This system was designed to maintain a twenty-four hour watch from various points in the islands to report on the presence of hostile shipping in the South Pacific. Information was to be sent to Suva and, if necessary, to New Zealand. Communication was, however, as often by canoe and smoke signal as by efficient wireless equipment. Luke asked the New Zealand Government to station some aircraft in Fiji for reconnaissance purposes.¹ The Dominion Government declined this request. It planned to send two flying boats and perhaps four land planes to Fiji for reconnaissance duties, but only in the event of a direct threat.²

The fact was that the New Zealand Government did

not have its own flying boats to carry out reconnaissance duties. In September 1939 it received the approval of the British Government to acquire the Tasman Empire Airways flying boats for this purpose should the need arise. Now, in July 1940, it requested and received similar approval from the Australian Government. This meant that in the event of a threat the Dominion Government could requisition the Tasman Empire Airways flying boats immediately, without consulting the two other countries involved in the Company.

The lack of urgency in sending aircraft to Fiji was short lived. It had been feared that Japan would exploit British pre-occupation with Europe to make gains in the Pacific. This was happening by the middle of 1940. The fall of France was followed by Japanese demands that the British Government close the Burma Road and the Hong Kong frontier, and withdraw its troops from Shanghai. The loss of French naval support and the entry of Italy into the war made it essential for the British Government to concentrate its naval strength in European waters. The New Zealand Government, which had questioned the Singapore strategy at the Pacific

Defence Conference rapidly lost confidence in it. With the exception of the Pacific islands all that lay between New Zealand and Australia and Japan, in theory, was the Singapore naval base. Without a fleet it was useless. There was nothing that the New Zealand Government could do about Singapore, but it could strengthen its defences in the South Pacific islands.

At the end of July 1940 the New Zealand Chiefs of Staff General J.E. Duigan, Commodore W.E. Parry, and Air Commodore H.W.L. Saunders, visited Fiji on board HMS Achilles. They spent four days examining the defence of Fiji and conferring with Luke. They recommended that, along with a Brigade to garrison Viti Levu, two flying boats and four land planes should be based in Fiji. They could carry out New Zealand's responsibilities for air reconnaissance in the area.1

In response to the growing tension in the Far East the New Zealand Government, in November 1940, sent a detachment of the Royal New Zealand Air Force to Fiji. It took four De Havilland 89 Dragon Rapides and one De Havilland 60 Moth aircraft with it to carry out reconnaissance patrols. They made periodic

reconnaissance flights over outlying islands in the Fijian group, dawn and dusk patrols over the approaches to Suva, and extended ocean searches. Two of the DH 89s were destroyed at Nausori airfield during a storm on 19 February 1941 and another was damaged in a crash three days later. This seriously reduced the effectiveness of the reconnaissance unit. Two more DH 89s were sent to Fiji as replacements in March 1941. The squadron was strengthened in August 1941 by the addition of six Vincents, which were used for short-range reconnaissance patrols.

While the landing grounds were being prepared in Fiji flying boat landing areas were also being chosen. Suva Harbour, Lauthala Bay and Lautoka were chosen as possible sites. Lautoka was the most suitable except that it was too far from Suva. There had been much interest in the establishment of a flying boat base in Fiji by the New Zealand Government and later by Pan American Airways for civil aviation purposes. The growing tension in the Far East emphasised the need for such a base for military aviation purposes. In February 1941, after several months of discussion, the British, New Zealand and Fijian Governments decided to build a flying boat base at Lauthala Bay. Since much development was required on this site Suva Harbour,

1. Ross; *Royal New Zealand Air Force* p. 73.
though unsatisfactory for large flying boats, was to be used as a base in the meantime.

The De Havillands were substitutes for flying boats and Hudsons, which were not available in November 1940. This deficiency caused considerable concern to the New Zealand Government. It had long hoped that, despite the priority given to providing aircraft for the European war, a few Hudsons could be sent to New Zealand. On 28 November 1940 Fraser approached the British Prime Minister, Winston Churchill with a request for some Hudsons.¹ Over the preceding three days two New Zealand ships, the Holmwood and the Rangitane had been sunk by the German raiders Orion and Komet, one off the Chatham Islands and the other off East Cape. The activities of the German raiders, disguised as Japanese ships, caused alarm in New Zealand. It had no aircraft to deal with such a menace. The two Tasman Empire Airways flying boats were the only planes of sufficient range for ocean reconnaissance work. At the time of the Rangitane attack one of them was out of operation and the other was on a scheduled flight from Sydney. In any case these planes could not retaliate against the German raiders, they could only observe their progress.

Churchill rejected Fraser's request.² The New

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Zealand Prime Minister was not prepared to let the matter rest without one last expression of "our present very grave anxieties" and "the disheartening effect upon our people of our present obvious helplessness in this matter." 1 Fraser reminded Churchill that the Wellington bombers that the Dominion Government had ordered in 1937 had been assigned to Bomber Command when the war in Europe started. New Zealand defence policy had been based on British assurances that a fleet would be sent to the Pacific if needed. Such a fleet was not available and

at present local naval forces are far from adequate to protect New Zealand shores and shipping against attack, and it is a plain fact that at present the New Zealand Air Force possess not one single aircraft suitable either for reconnaissance or for attack against a raider at any substantial distance from the shores of New Zealand. 2

Although the British Admiralty suggested that six Hudsons be sent to New Zealand, they were not sent. The needs of the Middle East were far more urgent than those of New Zealand in the South Pacific.

Throughout 1941 the New Zealand Air Force carried out its reconnaissance responsibilities in the South

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Pacific with obsolescent aircraft. The defence of Fiji and Tonga was closely studied by the military adviser to the New Zealand Government, General Sir Guy Williams during July 1941. He urged major changes in the defence of Fiji. The main task of the reconnaissance patrols was to watch the 600-mile gap between the New Hebrides and Fiji, and the 400-mile gap between Fiji and Tonga. The four De Havilland aircraft in Fiji were inadequate for this purpose. Their radius of action was only 250 miles, insufficient for covering all of the New Zealand reconnaissance area. Williams recommended that flying boats and Hudsons be sent to Fiji as soon as possible. The Hudsons were not forthcoming but on 18 November 1941 the New Zealand Air Force received its first flying boats, two Short Singaporees. By January 1942 it had four flying boats based on Suva Harbour. They carried out long-range reconnaissance patrols and shipping escort duties.

The reconnaissance unit would also be required to make periodical observances of areas beyond the sight of coastwatching services. It would have to investigate suspicious incidents and follow any enemy shipping which might enter the area. Williams considered that further landing areas would be required to the north of the main

reconnaissance line. Such bases should be as few in number as possible and not vulnerable to enemy capture. He suggested Canton Island, Satapaula in Western Samoa, Nukunono in the Tokelau Islands, Nukufetau in the Ellice Group, and Suwarrow in the Cook Islands. These bases would make it possible to exploit fully the range of modern flying boats. Especially valuable would be a base at Nukufetau. From here long-range flying boats could reach the Gilbert Islands and even the Marshall Islands. This would avoid the need to develop a base in the Gilbert Islands, which were much closer to Japanese bases and therefore more vulnerable. No action was taken on these recommendations, however, before the Japanese attack on Pearl Harbour.

At one blow "the Japanese had gained control of the Pacific." It dramatically highlighted the New Zealand Government's concern for the defence of the South Pacific and in particular for the South Pacific air route. A Government which for a number of years had been watching the United States interest in the Pacific islands with suspicion now turned to that same country


as its saviour. Churchill visited Washington between 22 December 1941 and 14 January 1942 for discussions with Roosevelt. The Dominion Government asked Churchill to advise Roosevelt of

the extreme importance of Fiji not solely or primarily as an outpost of the defence of New Zealand, but as an essential link with the United States in the general Allied scheme of operations in the Pacific and the Far East.¹

The New Zealand Government realised that while the landing grounds which it had built on Fiji were a valuable asset, they were also a dangerous liability unless they were adequately defended. The Dominion could not carry out this task alone. Churchill was urged to request United States assistance in the defence of the Islands. Fiji must be held, and not only to secure the defence of New Zealand against air attack. With the loss of Guam and Wake,² its island bases in the North Pacific, the United States would find Fiji essential if it was to reinforce the Far East by air.

The defence of Fiji, in the absence of adequate naval forces, could best be assured with the use of air power. The New Zealand Government advised the British


². Guam fell on 10 December and Wake on 22 December 1941.
Government that two squadrons of bombers would be necessary in Fiji to resist a Japanese attack. In addition a squadron of flying boats was requested to carry out long-range reconnaissance extending as far as the New Hebrides and Tonga. ¹

The United States Government had shown little interest in becoming involved in war simply to protect Australia and New Zealand. As a result of United States interests in the Pacific, however, it was impossible for Japan to directly threaten Australia and New Zealand without first antagonising the United States Government. For much of 1941 the British and Dominion Governments had sought to protect their sovereignty over various islands to which the United States Government had laid claim, while also trying to encourage United States interest in the South Pacific. The Japanese attack on Pearl Harbour took the matter out of their hands.

CHAPTER SEVEN

UNITED STATES MILITARY AVIATION AND THE PROBLEM
OF SOVEREIGNTY.

Early United States interest in the Pacific

The only surprise to United States military and
naval planners in the Japanese attack on Pearl Harbour
on 7 December 1941 was the target. They had long
expected an attack, but they thought the Philippines
as a more likely target. They believed that a Japanese
attack on the Philippines would be combined with the
movement of the Japanese fleet into the South Pacific to
prevent United States reinforcement of the Philippines.

The main focus of United States interest in the
Pacific was its possession of the Philippines. Their
acquisition from Spain in 1898 gave the United States
Government responsibility for their defence. By 1914
it had drawn up War Plan Orange, designed to move the
United States fleet to the Philippines by way of Midway
and Guam should there be a war with Japan.1 During the
First World War the United States Government had
watched Japanese activities with growing concern. It

1. J.A.S. Grenville; "Diplomacy and War Plans in the
United States, 1890-1917." TRANSACTIONS OF THE
ROYAL HISTORICAL SOCIETY, 5th Series, Vol. II, 1961,
p. 16.
was especially concerned by the Japanese occupation of the former German island groups of the Marianas, Marshalls and Carolines. These were the German colonial territories north of the equator which the Japanese Government had been promised by the British Government in return for naval support after the resumption of unrestricted German submarine warfare in 1917.

The significance of the Mariana, Marshall and Caroline Islands to the United States Government was that they lay across American lines of communication to the Philippines. Japanese possession of these islands put a potential hostile power in a position to obstruct its main link with the Far East. The United States Government could not, however, prevent Japanese possession of these islands. An undated report to the Chief of United States Naval Operations, Admiral William S. Benson, stated that

the Carolines and Marshalls in the hands of the Japanese is opposed to the interest of the United States. Yet these islands cannot be taken from Japan and given to another nation without violating the principle of fair play and arousing the enmity of Japan.¹

At the Paris Peace Conference Woodrow Wilson did not

seek the Mariana, Marshall and Caroline Islands for the United States Government, despite their strategic location. He did oppose granting a mandate over the islands to the Japanese Government. Yet the islands were awarded to Japan as class C mandates. This meant that they could be governed as part of Japan, but military and naval bases were not to be established on them.

Thus, the Japanese Government acquired mandates which lay astride United States communications to the Philippines by way of Guam. In any future war they would be of great strategic value to Japan. United States military planners were forced to accept this situation and find some way to offset it. While they decided to retain the mid-Pacific route, it was also decided to seek a more southerly route, based on islands farther away from the centre of Japanese power. For a brief period in 1919-21 the United States Government showed a keen interest in the South Pacific. It made no territorial gains but its interest foreshadowed what was to come in the late 1930's. In 1919 United States interest was in a naval route, by 1939 this had become an air route. The strategic motivation of the two instances was identical: the search for a southern and safe route to the Philippines less vulnerable to Japanese attack than that across the mid-Pacific.

Naval planners were thinking in terms of a route
between Panama and the Philippines by way of the Galapagos Islands, French Polynesia and American Samoa. The Commander in Chief of the Asiatic Fleet, Admiral Albert Cleaves, believed that bases would be needed at the Galapagos Islands, Tahiti, the Marquesas and Tuamotu Islands. Such a route would require United States requisition of islands belonging to two other powers. The Galapagos Islands were controlled by Ecuador while the others were French possessions. There were suggestions that the Galapagos Islands might be occupied to prevent their acquisition by another power. The French Government might be persuaded to cede to the United States Government some of its Pacific islands as payment of its war debts.

Nothing came of these suggestions. At this time, in contrast to the late 1930's, the United States Government was not prepared to push its claims to Pacific islands with any degree of firmness. The State Department was, however, careful to acquire information on Pacific islands which might be useful in the future. In 1920 it approached the Departments of the Army and the Navy for information on Tonga. Tonga was a constitutional monarchy under the protection of

the British Government. Both Departments considered Tonga to be outside the area of United States defence interests, although the Army did warn that the British Government might use Tonga as an air base.\textsuperscript{1} United States interest in the South Pacific was again expressed in March 1921. Secretary of State Charles Evans Hughes asked the Department of the Navy for a report on the strategic value of the South Pacific islands. The report stated that the islands of greatest value were Johnston and Palmyra, particularly as air fuelling stations. The Marquesas, New Caledonia and the Admiralties were of value as naval bases, while Tarawa in the Gilbert Islands was of lesser value. In making this report the Navy asked for a clarification from the State Department of United States policies in the Pacific. This was never given.\textsuperscript{2}

At this point the Washington Naval Conference of 1921-22 intervened. Article XIX of the Washington Naval Treaty prohibited the establishment of bases on certain Pacific islands. The British Government could not strengthen or fortify Hong Kong and its islands east of the 110 East meridian, except those along the coasts

\textsuperscript{1} W.R. Braisted; \textit{The United States Navy in the Pacific 1909-1922} (University of Texas Press, Austin, 1971) p. 525.

\textsuperscript{2} ibid, pp. 525-7.
of Canada, Australia and New Zealand. The United States Government was not permitted to fortify its Pacific islands, except along its coastline, the Panama Canal and Hawaii. The Japanese Government had to maintain the status quo in the Kurile, Bonin and Ryuku Islands, Formosa and the Pescadores. The Mariana, Marshall and Caroline Islands were not mentioned in the Treaty. They had been mandated to the Japanese Government, which was responsible to the League of Nations for the maintenance of the status quo on them.

The British Commonwealth and United States Governments sought two clear objectives in the Washington Naval Treaty. They were anxious to prevent a build-up of naval power in the Pacific in competition with Japan. They also wanted to prevent Japan from establishing advanced naval and air bases in the Pacific. The Japanese position had been strengthened. Its possession of the Mariana, Marshall and Caroline Islands extended its defensive perimeter greatly. Article XIX of the Washington Naval Treaty prevented the British and United States Governments from establishing bases nearer to Japan than Singapore and Hawaii.

The Department of the Navy disliked the Washington Naval Treaty. It seriously weakened its ability to defend United States interests in the Pacific. In this situation it began to examine the possibilities of air
power for the defence of United States Pacific possessions. The Naval War College gave considerable study to the potential of air power in naval warfare. By 1924 it was tentatively suggesting that land-based planes could be used in the defence of the Philippines. Should the Philippines fall carrier-borne aircraft, because of the mobility of their base, could be used to give local air superiority during recovery operations.¹

Little decisive action was taken in this direction, however, until the later 1930's. Until 1936 the Washington Naval Treaty was in operation. In December 1934 the Japanese Government gave formal notice of renunciation of the Treaty. This cleared the way for unlimited base construction after 1936. Little was done, however, to strengthen island defence. A landing ground was constructed on Howland Island in 1937 but by 1941 it had been allowed to fall into disrepair and was considered to be useless.² The development of air landing facilities on Canton Island was left to Pan American Airways.

The Heavy Bomber Air Route

Likewise, Pan American Airways had been left with the

1. Wheeler; Prelude to Pearl Harbour, p. 96.
2. "Rangi" (Washington) to Acting N.Z. PM., 31 August 1941. PM 86/1/11 (Ministry of Foreign Affairs, Wellington).
responsibility of pioneering the mid-Pacific air route to the Far East. For many years the Department of the Navy wanted to build bases in the mid-Pacific. Until 1939 their plans were rejected by Congress. It was left to a commercial airline to provide facilities at Guam, Wake and Midway during 1935. Only in 1939 did the Navy receive approval for limited base construction there. By April 1940 it was constructing aviation facilities at Midway, Johnston and Palmyra Islands. Towards the end of 1940 it began construction on a base at Wake Island.¹

During 1941 it was decided to reinforce the Philippines as a bulwark against a possible Japanese attack. In July the Army Forces Far East Command was created in the Philippines under General Douglas MacArthur. The defences of the Philippines were not only to be strengthened, it was also to be turned into a major air base. From here it was believed that recently developed heavy bombers, the B-17s, could disrupt Japanese sea communications and even attack Japan itself. It was hoped that this would dissuade the Japanese Government from launching an attack in the Pacific. Japan, however, controlled the area between

Hawaii and the Philippines with the exception of the island outposts of Wake and Guam. In September 1941 nine B-17s flew this route to the Philippines, but the route was obviously vulnerable to Japanese attack.¹

The defence of the Philippines remained the chief concern of United States military planners in the Pacific. An alternate route, less exposed than the mid-Pacific one, was needed to ferry aircraft to the Philippines. Otherwise, in a war with Japan it would be impossible to guarantee their continued reinforcement. From 1939 the Army Air Corps sought a South Pacific ferry route by which heavy bombers could reach the Philippines without passing over Japanese islands. It wanted to construct bases on a number of South Pacific islands so that full use could be made of the range of the new B-17s. The War Department persistently rejected these approaches. In February 1941 it stated that a ferry route in the South Pacific was not necessary. It argued, somewhat incongruously in view of the construction which had been started on the North Pacific islands, that it was unwise to establish air bases which "might possibly fall into the hands of the enemy."²

By September 1941, as the likelihood of war with

1. ibid.

Japan grew, this policy had changed. The War Department approved Air Force plans for a South Pacific route and gave it top priority. Roosevelt authorised the construction of the route on 3 October 1941. He instructed the Secretary of War to "deliver aircraft to any territory subject to the jurisdiction of the United States, to any territory within the Western Hemisphere, to the Netherlands, East Indies and Australia." The Secretary, Henry L. Stimson, was also to arrange the construction of any bases necessary for the aircraft.

General Walter C. Short, Commanding General of the Hawaiian Department, was given responsibility for the project. The State Department was given responsibility for approaching the governments of Britain, New Zealand, Australia, the Netherlands and the Free French to secure authority for the use of territory under their jurisdiction in the South Pacific.

New Zealand and the Air Ferry Route

In early September 1941 the British Government was approached for information about air base facilities in New Zealand, Christmas Island, Western Samoa, Tonga,

1. ibid. See also M. Matloff and E.M. Snell; United States Army in World War II (Office of Military History, Department of the Army, Washington, 1953) p. 71.
Fiji, New Caledonia, New Hebrides, and the Solomon Islands. The United States Government explained that it wanted "to establish in conjunction with British Commonwealth authorities a chain of landing grounds across the Pacific suitable for heavy bombers."\(^1\) The British Government passed on what information it had on Pacific islands and left it to the Australian and New Zealand Governments to do likewise with the islands under their administration or protection.

The British Government was not prepared to allow the United States a completely free hand on its Pacific islands. The sovereignty dispute, although overshadowed by more pressing problems, was still unresolved. It suggested to the Australian and New Zealand Governments that "if surveys are to be undertaken on British Territory in the Pacific as much as possible of the work should be contributed from British sources."\(^2\) It asked these Governments, presuming they agreed, to assist in such work.

The Dominion Government welcomed the establishment of a chain of landing grounds across the South Pacific. It readily passed to the United States Government

1. SSDA. to N.Z. PM., 9 September 1941. Defence Archives, DA Z 121/9/B16/2 (National Archives, Wellington). Repeated in PM 86/1/11.

2. SSDA. to N.Z. PM., 9 September 1941. DA Z 121/9/B16/2. Repeated in PM 86/1/11.
information concerning Christmas Island, Western Samoa, Tonga and Fiji. Like the British Government, however, it wanted surveys on British territory to be made by British parties. The New Zealand Government wished to remain responsible for air base developments in Fiji, Tonga, islands under the administration of the High Commissioner for the Western Pacific, and those under its own administration.¹

On 15 October 1941 the United States Government sought British permission to survey some Pacific islands. It wanted to send, the next day, two patrol planes to Fiji with an army survey party. It also wanted to send a warship to Christmas Island, one of those on its list of claims.² This time, in contrast to 1937 when the American eclipse expedition visited Canton Island, the United States Government did not act as if the island was unclaimed. Rather, it sought British approval before visiting Christmas Island. The United States Government was no longer interested in reviving the dispute over island sovereignty. By October 1941 it was, like the British Government, content to leave the dispute in abeyance while more urgent matters were faced. The possibility of war with Japan was growing and the United

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¹ N.Z. PM. to SSDA., 18 September 1941. DA Z 121/9/B16/2. Repeated in PM 86/1/11.

² See above, chapter five, p. 112.
States Government was as reluctant as the British Government to draw attention to a disagreement between the two likely allies in a Pacific war. It feared, as the British Government had long feared, that Japan would exploit such a disagreement to make claims of its own, or even to launch an attack in the Pacific. 1

The urgency of the request made the usual consultation with the New Zealand Government impossible. The British Government gave its approval the day it was approached.2 It was anxious to avoid delay in the establishment of a South Pacific air route to the Philippines. There was an obvious military need for the surveys and no suggestion that they would be used as a basis for United States claims to sovereignty. The Dominion Government, with little option, did not dissent from the British action. It did, however, ask for greater warning before United States aircraft visited islands within its reconnaissance area.3

The State Department opened direct negotiations on the ferry route with the New Zealand Government through

1. United States planners expected that Japan would attack the Philippines and send its fleet into the South Pacific to prevent the United States reinforcing the archipelago.
3. N.Z. PM. to SSDA., 17 October 1941. DA Z 121/9/B16/2. Repeated in PM 86/1/11.
its consul in Wellington on 24 October 1941. This approach was made in conjunction with approaches to the British and Australian Governments. It followed discussions in Washington with the British Military Mission there. The United States Government not only wanted to make surveys of the Pacific islands, it also sought "blanket permission... for the entry of the necessary construction parties on sites jointly decided upon." It did not want to enter into formal agreements, but wanted only informal arrangements enabling it to use the islands concerned. While the United States Government was prepared to carry out the construction of bases itself, it preferred to give financial and technical assistance to the other Governments for such work. Once bases had been built United States military personnel would have to be stationed on the islands to operate the heavy bomber route.

The United States consul raised the possibility of an air base being built in Western Samoa in his approach to the New Zealand Government. The Dominion Government, expressing its willingness to co-operate in the establishment of an air ferry route, drew attention to the construction work it had already carried out in Fiji.

1. United States Consul (Wellington) to N.Z. PM, 24 October 1941. PM 86/1/11.
2. United States Consul (Wellington) to N.Z. PM., 24 October 1941. PM 86/1/11.
and Tonga. It already had vague plans for the construction of a base in Western Samoa. The Island had been surveyed for this purpose by Saunders and Gibson after the 1939 Pacific Defence Conference. It could, if necessary, provide a landing ground there by July 1942. One could also be provided on Christmas Island by March 1942.¹

Meanwhile, two United States patrol planes visited Fiji between 23 and 25 October 1941. An army party surveyed the bases already built by the New Zealand Government and examined how they could be made suitable for use by heavy bombers. While apparently impressed by the base facilities already provided in Fiji the survey party seemed to believe that it could carry out whatever construction work it thought necessary.² This prospect caused some alarm in Fiji. The Governor told Fraser he believed

that the United States authorities contemplate carrying out construction work on their own behalf in Fiji should they deem it necessary and that they also propose to carry out certain works at Christmas Island.³

¹ N.Z. PM. to United States Consul (Wellington), 24 October 1941. PM 86/1/11.
² O.C. RNZAF., Fiji to Air Department (Wellington), 26 October 1941. DA Z 121/9/B16/2.
³ Gov. of Fiji to N.Z. PM., 25 October 1941. PM 86/1/11.
The British and New Zealand Governments did not intend to allow the United States this much latitude in Fiji. This was not, of course, wanted by the United States Government. It wanted to survey the islands before asking the British Commonwealth Governments to carry out the necessary work. The Governor and New Zealand Air Force men may have misunderstood the activities of the United States survey party. More likely, the surveyors were not aware of their Government's intentions in this matter.

The United States Government had finally decided to establish a heavy bomber route in the South Pacific in the middle of October 1941. The Department of the Army wanted to build bases at Palmyra, Christmas, Canton, American Samoa, Fiji, the New Hebrides, New Caledonia and the east coast of Australia as stepping-stones on the route between Honolulu and the Philippines. When it received this decision the British Government consulted the Australian and New Zealand Governments before accepting it. It discovered, to its surprise, that the United States Government had already communicated directly with the Dominion Governments and received their approval.¹ It should be emphasised that the events of October 1941 were the first time in the

¹. SSDA. to United States Ambassador (London), 2 November 1941. PM 86/1/11.
negotiations over civil and military aviation that there was direct communication between Washington and Wellington, rather than through London.

The British Government agreed to the United States plans. It repeated, however, its desire to carry out surveys and construction on its own islands wherever possible, with United States technical and financial assistance when necessary.\(^1\) The New Zealand Government agreed with this approach. If the United States Government wanted to carry out construction work at Fiji and Christmas Island the Dominion Government "would much prefer to do the work themselves."\(^2\)

The sovereignty issue was not quite dead. In its consultations with the New Zealand Government over the heavy bomber route the British Government said

> while we welcome the proposals we are anxious that present project should not in any way prejudice the post-war position and the above reply is designed not to give the United States authorities grounds for claiming the use of facilities in question after the war for civil aviation purposes or a permanent foot-hold on the British territories in question.\(^3\)

In his reply to the United States Ambassador, John S.

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1. SSDA. to N.Z. PM., 28 October 1941. PM 86/1/11.
2. N.Z. PM. to SSDA., 29 October 1941. PM 86/1/11.
3. SSDA. to N.Z. PM., 28 October 1941. PM 86/1/11.
Winant, the Foreign Secretary, Anthony Eden was not so explicit. The implication was, however, clear. The British insistence on carrying out work on its own islands was an attempt, as far as possible, to prevent the United States Government from gaining too much of a foothold on them.

**Base Construction on Christmas Island**

This approach was not followed in the construction of a base on Christmas Island. Winant told Eden on 29 October 1941 that the next day a United States supply ship would be leaving Hawaii for the Island. He sought British approval to construct a base there. Eden replied that the New Zealand Government was responsible for the defence of Christmas Island. He suggested that the United States Government communicate directly with the Dominion Government on the matter.¹

The New Zealand Government was eager to build a base on Christmas Island. On 26 October 1941 it asked the High Commissioner for the Western Pacific to arrange for the charter of a ship to transport equipment and men to the Island.² The United States Government insisted, however, that it would carry out any construction work

¹ SSDA, to N.Z. PM., 30 October 1941. PM 86/1/11.
² N.Z. PM. to HCWP., 26 October 1941. PM 86/1/11.
on Christmas Island, forcing the Dominion Government to abandon its plans.¹ A party of United States Army Engineers arrived on Christmas Island during the first week of November 1941 and the Dominion Government did not dispute their right to build a base there. Nevertheless, it did remain concerned about the question of sovereignty. A military force would be necessary to defend any base on the Island. There was still a hint of a race for possession of the Island in a paper prepared by the New Zealand Chiefs of Staff on 10 November 1941, less than one month before the start of the Pacific war, a claim to the sovereignty of this Island has been made by the United States Government. If it is accepted, for political reasons, that a British garrison should be installed... then it would be desirable to act quickly, as otherwise the Americans may well install such a force without any prior notification.²

In the same paper, however, the Chiefs of Staff warned that in a war against Japan the Dominion Government could not maintain a garrison on Christmas Island. In such a war the United States Government would have to assume the responsibility.

The Dominion Government was anxious that United

1. N.Z. PM. to HCWP., 8 November 1941. PM 86/1/11.
2. COS. Paper No. 104, 10 November 1941. PM 86/1/11.
States activities on Christmas Island should not be a means of consolidating its claim to the Island. It offered the British Government a military force to garrison the Island.¹ The British Government did not share this urgency. It did not believe that its claim to sovereignty was threatened. The United States Government had sought British approval to construct a base on Christmas Island, a sign of its willingness to suspend the sovereignty issue. The New Zealand offer was rejected on the advice of the British Ambassador in Washington. He warned that to post a New Zealand garrison to Christmas Island would not strengthen the British claim to sovereignty. The United States Government would take strong exception to such action, regarding it as an attempt to assert a claim at its expense.² The United States and British Chiefs of Staff had reached an informal arrangement on the defence of Pacific islands. The defence of the islands, other than those on which there were United States bases, was the responsibility of the Government exercising sovereignty over them. The British Ambassador in Washington assumed, although this had not been agreed upon, that the United States Government would be responsible for

¹ N.Z. PM. to SSDA., 11 November 1941. PM 86/1/11.
² SSDA. to N.Z. PM., 5 December 1941. PM 86/1/11.
the defence of its heavy bomber route. The New Zealand Government was advised to seek clarification of United States policy in this respect before taking action of its own.

This advice was given two days before the Japanese attacked Pearl Harbour. War in the Pacific changed everything. New Zealand lacked the resources to defend Christmas Island. It was told by the Commanding General of the Hawaiian Department that its assistance in this respect would not be required. The United States Government would send troops for this purpose. The British Government had wanted to avoid the sovereignty question until the United States Government actually sent troops to Christmas Island. When this happened after the start of the war against Japan the question was not raised. The New Zealand Government, appropriately, had the last word on the problem of sovereignty. It accepted the United States decision to garrison Christmas Island on 18 December 1941 when it said

notwithstanding that the United States authorities have now despatched a force for the defence of the island, it appears to His Majesty's Government in New Zealand that little would be gained by opening at this juncture a discussion on sovereignty or even emphasising our views on this
question with the United States Government.1

Base Construction in Fiji and Tonga

Fiji was an essential link in the United States ferry route. Here the British principle of construction on its islands being done by Commonwealth countries was followed. Negotiations were held in Fiji between the New Zealand Minister of Defence, Jones, and the United States Chief Engineer in Honolulu, L.J. Sverdrup. Sverdrup was prepared to leave it to the Dominion Government to carry out the necessary construction, providing the work could be finished by April 1942. Jones recommended that the War Cabinet give priority to this work and delay defence work planned in New Zealand.2 The War Cabinet accepted this advice on 17 November 1941. Air base development in Fiji was given priority over all civilian and military development projects in New Zealand.3

A memorandum of arrangement for the construction of landing grounds at Nandi was agreed to on 22 November 1941 by the United States and New Zealand Governments.

1. N.Z. PM. to SSDA., 18 December 1941. PM 86/1/11.
3. N.Z. PM. to Minister of Defence, 17 November 1941. PM 86/15/15.
The latter was to construct three runways each 7,000 feet long and 200 feet wide and provide facilities necessary to station twenty aircraft and 250 men at the base. Plant and equipment was to be provided by the Dominion Government, although any shortages would be made up by the United States Government. The full cost was to be met by the United States Government, less the cost of any equipment provided for the project. Payment was to be in the form of dollar credits from the National City Bank of New York to the Bank of New Zealand. The base was to be completed by 15 April 1942, unless weather or war made this impossible. The work was to be carried out entirely by New Zealand personnel and under New Zealand control, although Sverdrup could assume full responsibility for it should progress be unsatisfactory. The memorandum was effected by an interchange of letters between the acting New Zealand Prime Minister, Nash, and Sverdrup.

In another letter Nash insisted that "the facilities of all runways and aerodromes at Fiji will be mutually available to the aircraft of the United States and the British Commonwealth." There was no attempt to


2. Nash to Sverdrup, 22 November 1941. PM 86/15/15.
determine the duration of the arrangement. On the other hand, there was no suggestion that it should continue after the war. The Dominion Government's responsibility for the defence of Fiji was limited to the war period. It entered the arrangement on the assumption that the future of bases constructed in Fiji or other British islands would be the subject of negotiations with the United States Government after the war.¹

The New Zealand Government promptly started work on the Nandi air base. By the end of November 1941 the Public Works Department had 440 men in Fiji. The first strip was ready by 10 January 1942, when three flying fortresses landed on it. From this time on the base was in constant use as a vital stepping-stone on the air ferry route. O.A. Gillespie, New Zealand's official historian on the Pacific war described the construction of the Nandi aerodrome as "one of New Zealand's most important achievements in the Pacific theatre of war."²

Tonga was also part of the heavy bomber route. Sverdrup visited Tongatabu in December 1941³ but it never became any more than an alternate stopping-place on the ferry route. The 68 (US) Pursuit Squadron was

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1. N.Z. aide-memoire to UKHC (Wellington), 6 December 1941. PM 86/15/15.
2. Gillespie; The Pacific p. 41
3. Sverdrup to District Engineer (Honolulu) 15 December 1941. PM 86/14/7 (Ministry of Foreign Affairs, Wellington).
stationed there for much of 1942 before being replaced by No. 15 Fighter Squadron of the Royal New Zealand Air Force. Tonga was used mainly as a base for aircraft involved in escort and reconnaissance duties. It never assumed the importance of Fiji as an air base.

**Defence of the Heavy Bomber Route**

The outbreak of war added a new problem to the heavy bomber route, the need to defend it. Except for Fiji and Tonga, where the New Zealand Government was exercising garrison duties, the islands on the route were defenceless. There had been no clear plan for the defence of the route, only an assumption that in war it would be a United States responsibility. At first the New Zealand Government had been concerned at the prospect of United States troops garrisoning British islands. This concern changed to desire once war started.

On 14 December 1941 the United States Commanding General in Hawaii, W.C. Short, expressed concern about the defence of Fiji to the New Zealand Chief of Air Staff, V. Goddard. Short warned that

> the defence of Fiji has assumed a high degree of importance as, with the development of the landing ground at Nandi, it will be a vital link in the
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SOURCE; Craven and Cate; The Army Air Forces in World War II, Vol. I p. 433.
United States air reinforcing route. On this account the Japanese can be expected to attach importance to the capture of the island, and they may be able to employ greater forces than were previously anticipated for this purpose in view of their initial success. 1

Short urged that the New Zealand Government do all it could to ensure the defence of Fiji. It had been made more vulnerable by the Japanese advances in Malaya, the Philippines, Hong Kong, Guam and Wake, and by the sinking of HMS Prince of Wales and HMS Repulse. The Fijian base, like any other Pacific island base, was as much a liability as an asset while it was insufficiently defended.

The New Zealand Government could send a further brigade to Fiji but it could not equip it properly. So many of its men and much of its equipment were already in Fiji, causing "the gravest concern for the safety of this Dominion." 2 It was decided that Churchill, while in Washington for the Arcadia Conference, should ask Roosevelt for assistance in the defence of Fiji. The problem of defending the air ferry route was raised on British initiative. 3 The sovereignty question was no

3. Matloff to Snell; The United States Army in World War Two. p. 114.
longer a concern, pressing military matters forced it into the background.

The United States Government accepted responsibility for the defence of Palmyra, Christmas, Canton, Bora Bora (in the Society Islands) and American Samoa. It also agreed to assist the New Zealand Government in the defence of Fiji and the Australian Government in the defence of New Caledonia. On 12 January 1942 the United States Combined Chiefs of Staff approved this plan and immediately put it into effect. Within a month sufficient United States military and air units had been stationed in the South Pacific to offer some, although not total, resistance to Japanese attack. The air ferry route had not been made impregnable, but at least it was no longer defenceless.

There were two final indications that the problem of sovereignty had been put aside in the face of more urgent military matters. On 4 March 1942 the State Department sought, and received, permission from the New Zealand Government to survey the Cook Islands and the Kermadec Islands. This was to enable the War Department to establish a further air route from Hawaii to Australia by way of the Tuamotu, Society, Cook, New Hebrides and

2. N.Z. Minister (Washington) to N.Z. PM., 4 March 1942 PM 86/1/11.
Kermadec Islands. The United States Government then asked for authority to use any British or Commonwealth islands without prior permission. The British Government granted this authority it was given prior notification whenever possible.¹ The New Zealand Government, anxious not to antagonise the United States or obstruct the war effort, readily agreed to the proposal.² A Government which had recently watched every United States activity in the South Pacific with mounting suspicion now eagerly welcomed any United States assumption of responsibility in the area.

CONCLUSION.

The development of trans-Pacific aviation, and with it plans to link the United States and New Zealand, turned barren coral reefs and sandflats into essential stepping-stones in the 1930's. The ownership of these islands, a matter of indifference for half a century, became a question of urgency as this new strategic value became apparent. The United States Government, without warning, raised its flag over Howland, Baker and Jarvis Islands in 1935. This started the diplomatic wrangle which lasted until after the outbreak of war with Japan over six years later. The British Government, with active support from New Zealand, maintained that the islands were part of the Phoenix Group, over which it claimed sovereignty. From here the dispute grew until by 1939 the United States Government was making widespread claims which embraced the Phoenix Islands, the southern Line Islands, the Ellice Islands, the Tokelau Islands and the northern Cook Islands.

Behind this sudden scramble for tiny islands were very practical motives. It was not an example of acquisition for its own sake on either side. It was a desire to secure control over potential air bases in the Pacific. In its early years the dispute was closely identified with Pan American Airways, which had secured landing rights in New Zealand in November 1935.

At first glance the airline would appear to have had
little interest in Howland, Baker and Jarvis Islands. They were suitable only for land planes, and the Company planned to use flying boats in the early years of its New Zealand service. The islands were occupied four months before Gatty opened negotiations with the New Zealand Government for landing rights in Auckland. There were indications that the Department of the Navy wanted a landing ground on Howland Island. Yet Trippe was distressed when he learned of New Zealand plans to make an aeronautical survey of the islands in 1936. They were obviously valuable as navigation aids, but his interest went deeper. Trippe probably wanted to prevent the islands being used by another airline which might compete with Pan American Airways in the South Pacific.

There was a closer link between the needs of Pan American Airways and the actions of the United States Government in the case of Canton Island. In March 1937 a Pan American Airways clipper made an experimental flight between San Francisco and Auckland. The flight showed the need for more suitable stopping-places than those designated, Kingman Reef and Pago Pago. The same month, but before the experimental flight, the State Department told the Department of the Navy that it did not recognise the sovereignty of any government over the Phoenix Islands. It was not necessary to seek British permission for an eclipse expedition to visit Canton and Enderbury Islands. The Navy was eager for a base on
Canton Island. The crash of the Samoan Clipper off Pago Pago in January 1938 convinced the airline that American Samoa was inadequate as a base. It looked to Canton Island as a logical alternative. The agreement between the British and United States Governments setting up the joint administration of Canton and Enderbury Islands was designed to put aside the question of sovereignty so that Canton Island could be used by civil aircraft.

The nature of the relationship between Pan American Airways and the Roosevelt Administration has not become clear. The airline had very active lobbyists in Washington while Trippe himself was known as "an unscrupulous person who cajoles and buys his way." Roosevelt never doubted Trippe's influence with Congress. The President seemed willing to use Pan American Airways as a "chosen instrument" to establish an American air service in the Pacific. At the same time he was anxious not to allow the airline to become too powerful. He adopted different attitudes towards trans-Pacific and trans-Atlantic aviation.

The 1926 Air Commerce Act laid down the principle of reciprocal landing rights. Foreign aircraft might be granted landing rights on United States territory if the government involved granted United States aircraft

similar, though not necessarily exactly equivalent, rights. Only governments, of course, could grant landing rights on their territory. This caused problems in negotiations between a private company of one country and the government of another. A private company could not grant landing rights on behalf of its government. This problem was well illustrated by the negotiations between Pan American Airways and the New Zealand Government. The Dominion Government sought assurances from the United States Government that a British Commonwealth service would be granted landing rights on United States territory in return for Pan American Airways having landing rights in Auckland. The United States Government refused to become involved. The best the New Zealand Government achieved was the right to cancel its agreement with Pan American Airways should the United States Government deny a British service landing rights when they were requested. The United States Government was left free of commitments. On the other hand, in its approach to trans-Atlantic aviation, it had insisted on direct negotiations between governments.

The difference in policy was partly the result of the United States Government's reluctance to allow any company to gain a monopoly of the potentially lucrative trans-Atlantic route. Yet there were other reasons. The United States Government did not at this stage wish to
grant a British service, or any other foreign service, landing rights at Hawaii. Pearl Harbour was its main naval base.

Pan American Airways received landing rights at Auckland without a British Commonwealth service receiving similar rights on United States territory. The airline exploited the New Zealand Government's desire for an air service linking the Dominion to the outside world. At this time there was no immediate prospect of a British service fulfilling this role. The New Zealand Government was unwilling to risk losing the Pan American Airways service by taking an uncompromising stand on the question of reciprocal landing rights. Instead it settled on a formula which was not tested before the start of the Pacific war.¹

The United States Government's attitude had important implications for the problem of sovereignty. Pan American Airways had to find stepping-stones between Honolulu and Auckland to replace Kingman Reef and Pago Pago. The United States Government did not wish to negotiate with the British Government for landing rights at Canton Island. It would have had to concede landing rights to a British service on United States territory, presumably

¹ After the War Pan American Airways resumed its South Pacific service, this time flying from San Francisco to Sydney by way of Honolulu, Canton Island, Fiji and Noumea.
Hawaii. The British Government refused to deal with a private company and it had advised the New Zealand Government to adopt a similar attitude.

Instead the United States Government claimed Canton Island as its own. The result was an agreement which enabled Pan American Airways to use Canton Island without raising the question of reciprocal landing rights. When a further stopping-place was required Pan American Airways received the right to land at Noumea. In their anxiety to get Pan American Airways to land in Fiji, either instead of, or in addition to, Noumea, the British and New Zealand Governments granted landing rights there. Again they received none on United States territory. Thus, Pan American Airways established a service in the South Pacific, while the United States Government had made no commitments to grant a British service reciprocal landing rights on its territory.

It is clear that the needs of civil aviation dominated the dispute in its early years. Increasingly, however, they were overtaken by military considerations. Here is the explanation for the long list of United States claims submitted to the British Government on 16 August 1939. None of the listed islands were necessary to the Pan American Airways service. The United States Government repeatedly rejected British suggestions of a conference on trans-Pacific aviation. This would solve the problem of sovereignty by granting reciprocal landing
rights on each other's islands. The only reason for United States claims to these islands, some of which were inhabited, was their potential value for military aviation in a war in the Pacific.

No settlement was made of the sovereignty dispute over these islands. The United States Government, in claiming the islands, refused to say how they would be used. It took two years for a final decision to be made to use the islands as stepping-stones for an air ferry route to the Philippines. During this two year period the Department of the Navy and the Army Air Corps persistently sought approval to establish such a route.

The United States Government probably hoped that it could settle the sovereignty problem before building bases on the islands. As the prospect of war with Japan increased and it became apparent that the British and New Zealand Governments would not surrender their claims lightly, the United States policy changed. It decided to establish air bases in the South Pacific in co-operation with the Governments exercising jurisdiction over the islands. The only exception was Christmas Island. Here neither the New Zealand nor the British Governments protested when the United States Government assumed sole responsibility for the development and defence of the Island.

A number of the disputed islands played vital roles in the war against Japan. Canton and Christmas Islands
were vital stepping-stones between Hawaii and Australia. Canton, Funafuti, Nukufetau and Baker Islands were all used as staging points in the recovery of the Gilbert Islands in the last months of 1943.

The dispute was essentially a diplomatic wrangle between the United States and British Governments, but the New Zealand Government played an important role throughout. Not until October 1941 were there direct negotiations between the United States and New Zealand Governments. In the prolonged negotiations before this, however, the Dominion Government was not only kept informed, it was fully consulted.

The active involvement of the New Zealand Government requires explanation. Until August 1939 - when the northern Cook Islands and the Tokelau Islands were claimed by the United States - no islands under its jurisdiction were disputed. Nevertheless, the Dominion had a very real interest in the development of aviation in the South Pacific. Trans-Pacific aviation broke down its isolation. This was a welcome development in spite of the problem of increasing its vulnerability. It preferred, however, that Pan American Airways should not have a monopoly of such a service. It sought a British service operating in co-operation with a United States service. If the United States claims succeeded a British service might be deprived of the necessary stopping-places for a trans-Pacific service. The United States
Government was lodging claims to islands which, while not under New Zealand jurisdiction, were within the area patrolled by the New Zealand Division of the Royal Navy. There was a desire to defend British territorial interests in the Pacific. Savage and his Government do not fit into the tradition of the nineteenth century imperialists Grey, Vogel and Seddon. They did not dream of a British Empire in the Pacific centring on New Zealand. They were, however, becoming increasingly aware of the importance of the Pacific to the Dominion's defence, trade and communications. It was this concern and not any residual imperialist ambitions which led the New Zealand Government into the middle of a dispute between the two great powers to which it looked for its security.

The dispute over sovereignty was a by-product of the rise of air power. It arose in part from plans for the establishment of commercial aviation in the South Pacific, and in part from United States military requirements, namely the need to secure the defence of the Philippines. The need for bases drew attention to islands which had long been ignored.
APPENDIX I.

Resolutions on Trans-Pacific Aviation, drawn up by the 1936 Civil Aviation Conference, Wellington.

1. That Pan American Airways be advised that the New Zealand Government cannot agree to any modifications of the 1935 Agreement.

2. It is understood that in the event of the failure of Pan American Airways to carry out the Agreement with the New Zealand Government for the provision of a Trans-Pacific Service, the Government of Australia will not provide alternative landing facilities in Australia.

3. That in the event of Pan American Airways deciding to carry out the 1935 Agreement with the New Zealand Government, steps be initiated through the Governments of the United Kingdom, the Dominion of Canada, the Commonwealth of Australia, and the Dominion of New Zealand with a view to considering the early establishment of a service in line with the reciprocal rights referred to in Clause 12 of the Agreement.

4. That in any case steps be taken at once to initiate discussions between the Governments of the United Kingdom, Canada, Australia and New Zealand with a view to the full consideration of the establishment of an air service across the Pacific at the earliest possible date.

5. Following the discussions between the Governments of the United Kingdom, Canada, Australia and New Zealand negotiations to be opened with the Government of the United States of America with a view to exploring the possibilities of the establishment of the best and most efficient services on a completely reciprocal basis.

6. The New Zealand Government will take the initiative in promoting the discussion mentioned in 3, 4 and 5.

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1. These recommendations were to be submitted to the respective Governments for consideration.
Exchange of Notes between His Majesty's Government in the United Kingdom and the United States Government regarding the Administration of the Islands of Canton and Enderbury, 6 April, 1939.

1. The Government of the United States and the Government of the United Kingdom, without prejudice to their respective claims to Canton and Enderbury Islands, agree to a joint control over these islands.

2. The islands shall, during the period of joint control, be administered by a United States and a British official appointed by their respective Governments. The manner in which these two officials shall exercise the powers of administration reserved to them under this paragraph shall be determined by the two Governments in consultation as occasion may require.

3. The islands shall, during the period of joint control, be subject to a special joint ad hoc regime the details of which shall be determined by the two Governments in consultation from time to time.

4. The islands shall be available for communication and for use as airports for international aviation, but only civil aviation companies incorporated in the United States of America or in any part of the British Commonwealth of Nations shall be permitted to use them for the purpose of scheduled air services.

5. The use of any part of either of the islands or their territorial waters for aviation purposes, except as herein agreed upon, or for any other purpose shall be the subject of agreement between the two Governments.

6. An airport may be constructed and operated on Canton Island by an American company or companies, satisfactory to the United States Government, which, in return for an agreed fee, shall provide facilities for British aircraft and British civil aviation companies equal to those enjoyed by United States aircraft and by such American company or companies. In case of dispute as to fees, or the conditions of use by British aircraft or by British civil aviation companies, the matter shall be settled by arbitration.

7. The joint control hereby set up shall have a duration of fifty years from this day's date. If no agreement to the contrary is reached before the expiration of that period the joint control shall continue thereafter until such time as it may be modified or terminated by the mutual consent of the two Governments.
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