

## **HUGHES MINISTRY**

**8 August 1918**

**Council of Defence Meeting - Agenda Item 7**

**CRS A2028**

After very carefully considering the report of the Committee and hearing the remarks contained in Wing Commander H Maguire's memorandum of 8/8/18, the Council decided, on the motion of the President, to recommend that the matter be referred for the consideration of the Cabinet, with a view to ascertaining what amount the Government would be prepared to grant for Naval and Military Aviation, the Council to then reconsider the matter and submit revised programme accordingly.

**28 August 1918**

**Council of Defence Meeting - Agenda Item 6**

**CRS A2028**

Naval and Military Aviation - Cabinet's Decision

The President said this matter had been considered by Cabinet and after very careful deliberation on the question of finance, it had decided to take a 3 years view of the aviation proposition and was prepared to find £3,000,000, such amount to be allocated by the Council between the Navy and Army Aviation Branches, and to be available for expenditure between now and the 30th June 1921. Cabinet therefore desired the Council to allocate the sum in question and to arrange all details in connection with the matter.

**14 February 1919**

**Council of Defence Meeting, page 5**

**CRS A2028**

Report of the Air Services Committee

The President [Acting Prime Minister] intimated that he was prepared to take the matter to Cabinet on the following Tuesday. The situation had changed since the question was previously before Cabinet - prior to the Armistice - and he desired to secure a renewal of the expression of the views of Cabinet on the subject.

**18 February 1919**

**Council of Defence Meeting**

**CRS A2717, Vol I, Folder 4**

5. Resolution of Council of Defence that the report of the Air Service Committee be adopted.

Cabinet approved of recommendations of Council of Defence.

**Undated Prime Minister's Minute**  
**(after 30 January 1919)**  
**CRS A2, 1919/662**

AVIATION (COMMERCIAL)  
Lloyd's Proposal.

In December 1918 Reginald Lloyd was authorised by the Commonwealth Treasury to register a Company 'Aerial Services Limited' with a nominal capital of £10,000 for the purpose of surveying an aerial route from Sydney to Port Said. He is not allowed any other flying rights whatsoever or any rights to establish aerial passenger, goods or mail services.

It is understood that eventually a new company is to be formed in England with a capital of about £500,000 to carry on commercial aviation between England and Australia.

The High Commissioner, London, to whom the above was communicated. Has advised that the Imperial Air Ministry would welcome an sound scheme for furthering aerial passage etween Englant and Australia. Pending fresh legislation schemes of this nature could not be established by private persons or companies. Action was being taken to draft the articles of an International Convention for submission to the Allied countries, and if approved an International Air Conference is to be held. The Air Ministry considered that there should be no State monopol but that there should be co-operation with private firms.

Major Murray's proposal.

A preliminary prospectus has been issued by Major Murray for a company to be called Australian Aerial and Passenger Services Ltd. for the purpose of establishing passenger and mail services in Australia, and for manufacture at first of aeroplanes and ultimately aeroplane engines in Australia, to obtain manufacturing rights from leading British aeroplane firms, etc. The proposed capital is £500.000.

New Zealand

The Government of New Zea land has an Act entitled Aviation Act 1918. This Act provides that regulations may be made for the issue of licenses for flying-schools, etc. for the prescribing of course of instruction and examination for candidates for flying certificates, and for the registration of aircraft. It is further enacted that flying schools are not to be established without licenses, and power is given the Governor-General to prescribe areas for the navigation of aeroplanes.

Postmaster-General's Dept.

The Secretary, Postmaster-General's Department, under date 30<sup>th</sup> January 1919, advised

that, in view of information received from the Defence Department as to the cost of maintaining an Aerial Mail Service in Australia, and having regard to figures recently published as to a service of this kind in America between Chicago and New York, this mode of conveying mails in Australia would be so expensive as to be beyond practical consideration.

#### Defence Department

The Government has now under consideration the creation of an Air Service in Australia to provide for naval and military necessities. The adoption of this scheme, it is considered, will result in the encouragement of commercial aviation.

Proposals regarding the future commercial air traffic in Australia are now awaiting consideration by the Australian Council of Defence. Decisions on the points set out in these proposals are vitally necessary before any commercial ventures can risk the expenditure of any large sums. The Department considers that it would be of great advantage to the Commonwealth if some reliable business firm would undertake the manufacture of planes and engines in Australia, and especially so if the whole of the processes from the raw material could be established here.

With regard to Major Murray's proposal the Department of Defence does not recommend that the Commonwealth should establish an aeroplane service, but that encouragement should be given to public companies to undertake civil aerial navigation.

#### Naval Department.

Up to date no opinion has been expressed by the Department of the Navy as to its attitude towards commercial aviation.

**24 February 1919**

**Cabinet Decision**

**A2717 - Vol I folder 4**

5      Aerial flight, England to Australia (Prime Minister's cable)

Resolved that Prime Minister be informed that the Government will give prize of £10,000 for first machine landing in Australia from Great Britain manned by Australians. Conditions to be sent later. Navy and army experts to confer and draft conditions for consideration of Cabinet.

**28 March 1919**

**Minute for Cabinet**

**CRS A461, C314/1/3 Part 1**

For Cabinet Consideration

## REGISTRATION OF COMPANIES IN CONNECTION WITH CIVIL AERIAL TRANSPORT

Treasury consent has been requested to the formation of the following companies:-

- (1) Sydney Aerial Company - Capital £20,000.  
*(Marginal note: The promoters have purchased two machines from Defence Dept.)*
- (2) Aerial Excursions Proprietary Limited (a Victorian scheme) - Capital £10,000.
- (3) Australian Aerial Transport Company Limited - Capital £10,000.

The first two propositions, Nos. (1) and (2) above, contemplate the carrying of passengers on pleasure and business flights, thus demonstrating the possibilities of commercial aviation.

The proposed Australian Aerial Transport Company Limited - No. (3) above - seems to be one of much importance. The company desires to make surveys, acquire rights over aerodrome sites and aeroplanes, collect meteorological information and generally investigate the position regarding commercial aviation in Australia with a view to the formation of another company with a capital of about £500,000. The idea is that the ultimate company would establish an aerial passenger transport and mail service throughout the Commonwealth. Major Lee Murray and Lieutenant Sleeman, both formerly of the Aviation Branch of the Defence Department, are the principal promoters of the initial company.

It is intended that the ultimate company shall offer to train 50 Army pilots, without charge, if their salaries are paid by the Commonwealth; also that the organisation generally would be placed at the disposal of the Government in time of war.

### RECOMMENDATION OF MR MILLS.

Mr Mills considers that the expenditure of money on pro- *(following lines missing from copy)*

He recommends that application No. (3) - that which is put forward by Major Lee Murray and Lieutenant Sleeman - be approved, on condition that the capital of £10,000 is to be raised privately and that the Commonwealth shall have the right at any time to take over the company's organisation and undertaking or that of its successor.

The Secretary to the Treasury thinks it advisable, also, to draw the promoters' attention to the fact that the company will be subject to any restrictions and regulations that may hereafter be imposed by law.

### STATUTORY CONTROL.

The necessity of providing some statutory control of aviation in Australia had been brought under the notice of the Council of Defence, for the attention of the Air Traffic Board.

The Acting Solicitor-General is preparing an opinion as to the constitutional powers of the Commonwealth regarding the control of civil aerial transport generally, but is unable to say when the opinion will be available.

28<sup>th</sup> March 1919

**1 April 1919**

**Cabinet Decision**

**A2717 - Vol I folder 4**

5        Registration of companies in connection with civil aerial transport

(a)     Air Traffic Board to be directed by the Council of Defence to complete as early as possible the recommendations with respect to Defense.

(b)     Acting Attorney-General to develop for early consideration of Cabinet questions of constitutional powers of Commonwealth, and proposals for legislation. (Conference with States to be kept in mind). Later on, communications to be addressed to the States. (British legislation to be obtained.)

(c)     Resolved that companies may be registered who satisfy Examining Officer of their bona fides. Promoters to be advised that they will be subjected to all legislation which may be imposed by Commonwealth and/or States. Meantime, no rights or immunities (other than registration) are conferred.

**8 May 1919**

**Cabinet Decision**

**A2717 - Vol I folder 4**

7        Aerial flight between England and Australia

Cable to be sent to the Prime Minister expressing regret that airmen now in Australia will be debarred from competition and explaining why flight to Britain is at present impossible. Mr Hughes to be informed that the Government will await conditions of flight before finally deciding matter of postponement.

**18 July 1919**

**Cabinet Decision**

**A2717 - Vol I folder 4**

2        Aeroplane Construction in Australia

Minute of Secretary, Prime Minister's Department, dated 15<sup>th</sup> July, 1919, approved.

**May 1920**  
**Legal Opinion**  
**A2, 1920/2257**

----- AVIATION -----

Aviation includes two phases :---

- (a) Combatant (exclusively within powers of Commonwealth as Defence question).
- (b) Non-combatant or Civil (within powers of Commonwealth in it relation to Custons, Post Office, Home and Territories (aliens & passports).

Legislation Necessary

The Commonwealth is a signatory of the Air Convention under the League of Nations. Legislation is required in Australia to carry out the provisions of the Convention.

Defence aspect receiving attention

The Commonwealth is now organising a combatant force equipped with aerodromes workshop etc. Nevertheless a large reserve of civil aviators and aircraft will also be essential for adequate defence.

Commonwealth Constitution silent as to 'Aviation'

There is no specific mention of 'Aviation' in the Constituion Act. Thus there is a possibility of minor matters of civil control beind held to be outside the scope of Commonwealth legislation.

Accordingly the States are requested to give to the Commonwealth the necessary powers to deal with all matters affecting Aviation.

**4 May 1920**

**Letter from G Pearce, Minister for Defence, to W M Hughes, Prime Minister**  
**A2717XM, Volume 2 Folder 7**

My dear Prime Minister,

I am forwarding herewith a Memorandum on Defence policy, which I hope to have brought forward at an early meeting of the Cabinet.

Yours faithfully,

*(The meeting may have taken place on 14 May 1920. The following memorandum has a number of amendments and strike-outs which presumable represent the changes made to the draft policy document during Cabinet discussions. These are noted in italics.)*

FOR CABINET

CONFIDENTIAL

AVIATION IN AUSTRALIA - CIVIL AND DEFENCE  
PROPOSAL FOR POLICY

1. GENERAL CONTROL OF AVIATION:

It is proposed that aviation in Australia, whether civil or defence, shall be under the control, so far as policy is concerned, of an Air Council under the Minister for Defence, or such other Minister as Cabinet may determine. It is pointed out, however, that it is essential that there should be a close connection between civil aviation and both Naval and Military (*unclear in this copy*) policy and administration.

This Council is at present composed of the Assistant Minister from Defence as Chairman with two members from the Navy and two from the Army and one from the Air Service.

It is proposed that the Controller of Civil Aviation shall also be a member.

*(This paragraph was amended by replacing the word 'two' with the word 'one' in relation to the Army and Navy having to Air Council members and making an addition which does not make sense as it is written but probably has the intention of giving the Air Council one member each from the Navy, Army and the 'Air Service'.)*

The advisability of adding a civil member to this Council will be considered in due course. The advice and co-operation of a proved business man of business interests would be valuable.

*(This paragraph has been crossed out.)*

2. DEFENCE AIR SERVICE - AUSTRALIAN AIR FORCE

(a) Administration:

It is proposed that the Air Force shall be administered by an Air Board composed of:-

1 <sup>st</sup> or Senior Member	- Flying Officer.
2 <sup>nd</sup> Member	- Equipment Officer.
3 <sup>rd</sup> Member	- Finance Member.

The Senior Member to be a member of the Air Council.  
*(The final line is crossed out)*

(b) Personnel.

At present the Aust. Air Corps consists of 18 Officers and 127 Other Ranks (including 2 Officers and 127 Other Ranks (including 2 Officers and 2 O.R. allotted to H.M.A Fleet) who are employed on maintenance and repair work in connexion with

equipment.

Estimate last submitted provided for the employment during this year of about 80 Officers and 600 Other Ranks permanently and of 100 Officers and 500 O.R. in the Citizen Forces, but owing to a reduction of the Estimates and the fact that Works Dept. will probably not erect the required buildings, it is not likely that this number will now be employed this year.

*(Both paragraphs in this section have been crossed out.)*

(c). Air Craft.

There are at present in Australia or on the water (including the gift of 128 military aeroplanes from the Imperial Government) - 154 aeroplanes.

In addition provision is made on this year's estimates for.

9 Flying Boats

18 Seaplanes.

18 Torpedo carrying aeroplanes.

A proportion (about 60) of the aeroplanes referred to above are suitable only for training purposes.

(d) Equipment - General:

At present the whole of our equipment is obtained from England.

There is an enormous amount of equipment required to supplement the actual aircraft to make a defence unit. This consists of motor transport, workshops, tools, metals, woods, fabric, dopes paints, armoury, wireless, photographic and other materials.

Australia is receiving from the gift aircraft referred to above a [unreadable] amount of this equipment, but we are receiving such as is surplus to R.A.F. requirements, so that provision has to be made for the purchase of such as is necessary and which we do not receive free and for that required with the Blying boat, Seapland and Torpedo carrying uints, including motor boats etc.

3. CIVIL AVIATION:

The Government recognises the urgent necessity of controlling and encouraging civil aviation not only from the point of view of development of the country but also from the point of view of defence in case of emergency.

The power of control of civil aviation is to be handed over to the Commonwealth Government by the States, and the necessary legislation is in hand (see para. 7).

(a) Administration



In order to administer any legislation in regard to civil aviation, it is considered essential that a Director or Controller of Civil Aviation be appointed, to be separate from the Air Force, but to be a member of the Air Council and to be controlled by that Council so far as related policy is concerned so as to secure co-operation between civil and defence aviation, similarly to the Senior Member of the Air Board, who represents the Naval and Military Air services.

*(A large marginal tick appears next to this paragraph.)*

It is essential that this Controller be appointed as soon as possible in order that the many subjects involved may be given the required attention. This is not possible at present.

(b) Encouragement of Civil Aviation:

Companies or firms at present engaged in civil aviation in Australia are practically confining their energies to 'joy riding'.

This class of work is of little use to the country and it is only the establishment of definite regular services between centres of commercial importance that will be of benefit to Australia.

To carry out this latter work, a thorough ground organization in the matter of landing grounds, petrol and oil depots etc. and the establishment of meteorological stations and the rapid distribution of meteorological information is necessary.

If civil aviation firms have to carry out this ground organization (referred to below) themselves, it will absorb a large amount of their capital and in many places would probably be duplicated.

It is therefore considered that if the Government undertook this organization and the production of maps, it would be going a long way towards the encouragement of civil flying and at the same time improving the position from a defence point of view.

It seems a question for consideration as to whether the Commonwealth Government would be prepared to do more than this at present, but should it consider it desirable to go so far as to grant a subsidy, such subsidy should only be paid in connexion with routes as may be approved by the Government from time to time, should only be paid to firms using British machines and engines and should be paid on the firms takings for the year, as the value of the service to the country will probably be reflected in these takings.

*(A line of emphasis has been drawn alongside this paragraph.)*

(c) Aerial Navigation - Rules for the Air.

Australia is already a contracting party to the Convention for the Regulation of

Aerial Navigation (October 1919) and any legislation in this regard will be in accordance with that Convention (see para. 7).

*(A marginal tick appears next to this paragraph.)*

(d) Funds:

Funds will be necessary to carry out the work referred to in this and other paras. in connexion with civil aviation. The estimates already submitted by the Air Council provide for the Air Force only.

It is therefore recommended that a sum of at least £100,00 be provided to meet expenses as may be found necessary in connection with civil aviation during the year 1920-21.

*(A line of emphasis has been drawn alongside this paragraph.)*

4. AERIAL ROUTES.

From every point of view it is essential that routes over which aircraft fly, whether for commercial or defence purposes, shall be surveyed from the ground and proper maps prepared.

If this is not done, loss of material and perhaps life must result.

From a defence point of view alone it is necessary that coastal areas and routes between main strategical centers be surveyed and mapped.

In this, as well as many other matters, the civil and defence sides must work in the closest co-operation and Air Force personnel can be largely used for this work.

This will involve:-

1. Examination of the ground from the ground.
2. Examination of the ground from the Air, and probably photographed.
3. Preparation and printing of maps.
4. Arrangements with owners for the use of the ground.
5. Marking of grounds in accordance with Aerial Convention.
6. Arrangements for the supply of petrol and oil.
7. Establishment of meteorological stations and probably wireless stations for distribution of information gained.

8. Legislation to empower the Commonwealth Government to declare certain areas as 'Aircraft landing grounds' etc.
9. Provision of funds.

5. USE OF AIRCRAFT FOR POSTAL SERVICES.

Mails were often carried on service by one of the Australian Squadrons after the armistice but no sufficient data is available to show whether such cartage of mails can be said to be a commercial proposition.

An Aerial mail has, since the armistice, been established between London and Paris, but has been a failure owing to:-

1. The saving of time over other other means of transport was not very much.
2. Letters had to be posted at certain offices only.
3. An extra charge of 2/6 per letter was made.

At present the position in Australia appears to be that neither the Postmaster-General's Department nor Civil Aviation firms approaching the Department regarding the matter have the necessary data or experience on which to form definite opinions.

The whole question, therefore, appears to boil down to one of actual trial as it depends entirely on the attitude of the public in respect to paying extra for faster service.

It is therefore suggested that a unit of the Air Force be formed as soon as funds material, and personnel are available and be allocated a route as may be decided between the Air and PMG's Dept. over which to carry mails for a definite period, in order to gather such data as will enable the Government and people to judge as to the advantages or otherwise of such a service.

*(This paragraph is highlighted by a cross, marginal line and tick.)*

After such a period, and if so desired, the service might be taken over by some civil aviation company.

6. MANUFACTURE OF AIRCRAFT AND AERO ENGINES.

At present aircraft can be repaired at the Central Flying School - it cannot be manufactured on a commercial basis.

Aero engines cannot be manufactured there.

It is considered that the manufacture of aircraft should be entirely separate from

the Air Force.

If the Government decide to manufacture its own aircraft, it would have to get a designing staff and foremen from England for aeroplanes, flying boats and engines, and as Europe is the home of aircraft development, it is doubtless that we would always be behind in Australia.

There are no firms in Australia now in the position to design and manufacture aircraft and also engines - they haven't the experience.

During the War English manufacturers gained considerable experience in these matters and it is considered that Australia would be best served by taking such steps as will encourage some well established firms from England, which designs and manufactures both aircraft (including aeroplanes and flying boats) and aero engines, to establish a branch of its business here. Such a firm would bring men of experience, such as managers, foremen and designers, at the commencement,; the bulk of the labor could be Australian and in time the whole branch would become Australian. Such an establishment would be automatically advised for commercial purposes by its own head office of the latest developments in Europe and so be kept up-to-date.

It would, of course be necessary to stipulate that such a firm must manufacture to any design required by the Government and not necessarily to its own designs only.

Perhaps a bonus on each machine and each engine manufactured would help towards attracting such a firm.

Such a bonus would, of course, only be given for such types as are approved by the Government from time to time. It must, however, be strongly affirmed that the preliminary organisation and work set out in Paras. 1, 3, 4 & 5 above should precede the adoption of such a policy.

## 7. LEGISLATION.

In order to give effect to this policy, it is necessary to provide the following legislation:-

### 1. An Act for the Constitution of an Air Force.

This Act could be embodied in the Defence Act and could probably be so framed as to allow the Air Force to be established and administered under Commonwealth Military Regulations and King's Regulations for the Air Force with such modifications as may be found necessary.

*(There is a big tick next to this paragraph.)*

### 2. An Act embodied in the Defence Act to provide for the Discipline and

### Regulation of the Air Force.

This will give authority for the making of necessary regulations etc., provided Commonwealth Military Regulations and the King's Regulations are not used.

### 3. Air Navigation Act.

This Act will allow all necessary regulations for civil aviation to be made as may be found necessary from time to time.

It must provide for:-

#### 1. Powers to apply Convention

- (a) Powers to give effect to Convention.
- (b) Power to apply Convention to internal flying.
- (c) Establishment of aerodromes by Air Council and local authorities.
- (d) Trespass, nuisance and responsibility for damage.
- (e) Penalties.
- (f) Wreck and salvage.
- (g) Power to provide for investigation of accidents.
- (h) Infringement of patents.
- (i) Jurisdiction.
- (j) Acquisition of land.
- (k) Expenses of the Air Council.
- (l) Provisions as to Orders-in-Council.
- (m) Savings.
- (n) Short title, repeal and commencement.

**18 July 1919**

**Cabinet Decision**

**CRS A2717, Volume I Folder 4**

#### 2. Aeroplne Construction in Australia

Minute of Secretary, Prime Minister's Department, dated 15th July, 1919, approved.

**5 August 1920**

**Commonwealth of Australia, Parliamentary Debates**

**Volume XCII, pages 1781-3648, 8<sup>th</sup> Parliament, 1<sup>st</sup> session, Page 3282.**

SUPPLY BILL No 2

Senator PEARCE (Western Australia - Minister for Defence) - ... The Government are not overlooking the question of aviation, and the proposed expenditure is now receiving final attention before inclusion in the Estimates which come before Parliament for approval. Certain preliminary steps have had to be taken in connexion with civil aviation, as when the Constitution was drawn up aviation was not considered, and it is questionable whether the Commonwealth or State Parliaments have power to regulate civil aviation. Some authorities say that the Commonwealth have full power, but in order to be sure the matter was discussed at the recent Premier' Conference, where it was recognised that we should not deal with the air in six compartments, and that it was necessary to agree on the question of legislation. The State representatives were quite prepared to vest power to control civil aviation in the Commonwealth, and the State Government have undertaken to pass the necessary legislation, reserving to themselves police powers such as they have in connexion with other matters under Federal control. Legislation is now being framed in accordance with the terms of an international agreement drawn up at an International Conference last year, at which the Commonwealth was represented. We are now legislating on the lines of that agreement, with such additions and modification as we consider necessary to meet local requirement. When the Estimates are submitted the Government will announce what they are prepared to do to assist civil aviation. Senator Thomas will admit that under the present circumstances I am unable to say more.

**9 September 1920**  
**Copy of Minute**  
**CRS A1, 1924-20321**

Copy.

## COMMONWEALTH OF AUSTRALIA

Department of Defence

- - - - -

### NAVAL, MILITARY AND CIVIL AVIATION

The attached memorandum on the subject of Aviation Policy, Naval, Military and Civil, was submitted by me to Cabinet and has been approved subject to the following amendments:-

- (1) General control of Aviation by Air Council is approved.
- (2) Constitution of Air Council to be -
  - Minister or Assistant Minister for Defence
  - Chairman.
  - One member representing the Navy.
  - One member representing the Army.
  - Two Flying Air Force officers from the Air Board, one of whom shall be

nominated by the Navy.

The Controller of Civil Aviation.

(3) Constitution of Air Board of Administration.

Two members of Air Force one of whom shall be nominated by the Navy.

An Equipment Officer.

A Finance Member.

(4) Para 3 of memo is approved and Controller of Civil Aviation is to be appointed.

(5) Para 3(b) sub-paras marked (1) (2) are approved and necessary steps to be taken can be prepared.

Re para 3(b) note (3) on page (3).

Whilst approving of the necessity for encouragement the principle of the form of assistance will be set out later in a statement by the Prime Minister.

Para 3(d) note X. Cabinet distinctly laid it down that this vote is for Civil Aviation purposes only.

Para 4 approved.

Para 5. Note (a) approved, negotiations can therefore be opened up between this Department and the Postmaster-General's Department to this end.

Para 6. Same decision as in Para 3(b) note 3.

Para 7. Approved. Necessary preliminary arrangements to be put in hand at once.

(Sgd.) G. F. PEARCE - 7/9/20.

**9 September 1920**

**Extracts from Prime Ministerial Speech**

**Commonwealth of Australia, Parliamentary Debates Volume XCIII, Pages 3649-5452, 8<sup>th</sup> Parliament, 1<sup>st</sup> Session, Pages 4389-4393, 9 September 1920**

**AUSTRALIAN DEFENCE POLICY:  
DEFENCE EXPENDITURE**

Mr HUGHES (Bendigo - Prime Minister and Attorney General) - ...

The most vital point of our policy is the one to which I have just alluded - a White Australia. That same policy is calculated to be one of the most fruitful means of provoking international complications. However, I do not believe that there are any Australians who will not readily declare that, on this principle, there can be no concession whatever. I had the honour

to place the position of the Commonwealth before the great Peace conference, and whether the people of Australia agree with me or not politically, I think the overwhelming bulk of them. will indorse my attitude on this subject. We must always be ready to defend this principle. We cannot hope to maintain it merely by pious or blatant declarations of our intentions. Behind all this there must be some force - the utmost resources of the nation. So much is obvious. But quite apart from our obligations with regard to the White Australia policy and our other ideals, there also rest upon us important obligations as a partner in the great British Empire, and these obligations we must always be ready to discharge.

... Now, let us consider our geographical situation. Australia is a continent almost as big as Europe, but is as remote as possible from European nations. To the north-west and north of us there are 750,000,000 people - half the population of the entire world, and about 150 times our population - living nearer to us than the nearest people of European race. Irkutsk, on lake Baikal, in the middle of Siberia, is nearer to Australia than is any part of British South Africa, or any other land inhabited by people of European extraction, except, of course, New Zealand. We are, as it were, the advance guard of the white population of the world ringed about, at a distance much less remote than is the case in regard to any European nation, by half the population of the world, and set down in an ocean which is one-third of the size of the surface of the whole globe, counting land and water. We have to defend a coast-line of 12,000 miles, as great as is the distance from here to Great Britain ...

Now I desire to turn attention to the air. I am among those who believe in aviation. I think that every man possessed of imagination must believe in it. As for any man who has not the imagination, I am afraid I cannot attune myself to his intelligence. To an imaginative man there is something exhilarating and inspiring about this conquest of the last element by mankind. It is very splendid to think that in the air, as on the land, and on the water, Australia have held their own. It is grand to realise that Australians have made the longest and the greatest world flights. With one machine we have bridged the enormous gap between Britain and Australia; and we have lately seen arrive here a little machine which more timid souls would hesitate to fly from this spot to Flemington racecourse. Yet it has beaten and fought its way right through these thousands of leagues of airway to Australia. Our aviators, in the matter of performance, have been no whit behind our infantry and light horsemen. As for what they did, their deeds are written in letters of fire which will live for ever. I believe in the air. Its conquest is a matter to which this country lends itself very specially. The possibilities of aviation are infinite. No country affords greater scope for commercial purposes; and the Government recognise that. We believe, too, that in the air we may hope to create a force which will be of incomparable service in defending us against an enemy. The Government, therefore, are placing on the Estimates a sum sufficient for the building up of an efficient air force. The recommendations upon which the defence policy of the Government are founded are the outcome of deliberations by the Council of Defence, the members of which comprise the best of our permanent and citizen officers, naval and military. The air force is to be under the control of a Board upon which there will be representatives of the Navy and the Army, with a representative also of civil aviation.

It is proposed to place such a sum on the Estimates as will encourage commercial aviation. It is intended to pass legislation in order to insure the safety of aviators and of ordinary citizens. It is proposed to map out air routes immediately, to make out landing places, and to create petrol depots. It is proposed to afford such inducements as are hoped will encourage manufacturers to make engines and aeroplanes in this country, and the Government will not



hesitate to give a very substantial bonus for that purpose. It is very obvious that unless we can repair our machine, and, if necessary, make them here, we may be left, in an emergency, in an absolutely helpless position. It is proposed, as I have already announced, to appoint a Director of Civil Aviation, and he will have a seat on the Air Board Council. We believe that commercial aviation will afford us that reserve of personnel and machines which, in an emergency, will be necessary for our fighting forces. The Government proposes to apply themselves to these matters without delay.

It is proposed to place a sum of £500,000 on the Estimates for the purposes of military aviation, and £100,000 for civil aviation. I am - if honorable members care to say so - a fanatic in my belief in aviation. I do not say that I am a fanatic on aviating. I have had my ups and downs; and I am bound to say that, so far as I am concerned, a very little of that kind of thing goes a long way. As for the amount of £100,000 which has been placed on the Estimates for the encouragement of commercial aviation, it rests with enterprising men in this country to demonstrate that it is the duty of the Government to provide still more. What the Government desire to do is to encourage commercial aviation. But let us have twenty shillings' worth of value for every pound spent. We believe that money will be well spent by encouraging commercial aviation. ...

**17 September 1920**

**Minister for Defence Statement**

**Commonwealth of Australia, Parliamentary Debates, Volume XCIII, Pages 3649-5452, 8<sup>th</sup> Parliament, 1<sup>st</sup> Session, Pages 4717-81., 17 September 1920.**

#### BUDGET (1920-21)

#### MINISTERIAL STATEMENT: DEFENCE POLICY

Senator PEARCE (Western Australia - Minister for Defence) ...

We recommend a vote of £100,00 for purely civil aviation purposes. As I have indicated the controller of civil aviation will take a seat on the Air Council, where policy will be co-ordinated with the defence aspects of aviation and co-operation with the Air Board authorities will be insured. The Commonwealth is a party to the International Convention for the Regulation of Aerial Navigation, and the Premiers of the States have agreed that the subject matter should, with unimportant, reservations, be referred to the Federal Parliament in terms of section 51 (XXXVII) of the Constitution. A federal Bill is being drafted in anticipation of the necessary State legislation being passed. It will be the duty of the controller to administer the traffic regulations. Amongst other things will be required machinery for the inspection, registration, and certification of airmen, aircraft, and aerodromes. The controller will also advise on matters affecting the organization of air lines and schemes for the encouragement of the growth of civil aviation.

It is also proposed that the permanent section of the Air Force shall not be idle, but shall be used in assisting civil aviation to get on a proper basis. We propose to use the personnel of that Force very early for surveying, map-making, and doing the necessary pioneer work in arranging air routes in Australia which will eventually be utilized for commercial purposes. It is obvious that, if commercial firms are to enter into the work of civil aviation and at the same time are to be asked to map out the routes, prepare surveys, depots, and landing places, the

undertaking would be overloaded and would prevent commercial aviation from being successfully undertaken. It is believed that many depots will be required for military purposes, and as we have established a permanent nucleus the staff might well be employed in carrying out this important work and thus provide the facilities which will not only lessen the cost to be incurred by commercial firms, but will enable them to take up the work more speedily.

Senator PRATTEN - It really means an expenditure of £600,000 on aviation.

Senator PEARCE - Yes; but in the first year it will be directed along lines to help commercial aviation, and at the same time will assist necessary work of a military character.

There is another important phase to this question. From time to time honorable senators and others have asked if something could not be done to test the possibilities of carrying mails in Australia by aeroplane. The ordinary procedure is that the Postal Department calls for tenders for the carrying of mails. It would be farcical to call for tenders for carrying mails by air to any part in Australia, as the firms engaged in the work of aviation have no data on which to base tenders. The department is therefore now asking the Postal Department to work in conjunction with the Defence Department for several months and to carry mails over certain routes. By keeping a correct record of the expenditure incurred the Postal Department will have some information on which to work, and will be in a position to give some indication of the cost, and thus enable outside firms to tender, if they so desire, for carrying mails.

**4 November 1920**

**Commonwealth of Australia Gazette,  
No 94, 4<sup>th</sup> November 1920, p.2037.**

#### CONTROLLER OF CIVIL AVIATION

Applications are invited from persons qualified to accept an engagement as Controller of Civil Aviation.

The Controller will advise the Minister in respect to the development of civil aviation, and will be responsible for the administration of the control by the law of civil aviation. The Controller will be a member of the Air Council, which will have the general control of Commonwealth aviation policy in its naval and military aspects and co-ordinate civil aviation therewith.

The successful applicant will be required to enter into an agreement to serve for a period of five years, and will be eligible for re-engagement.

Remuneration will be at a rate commencing at £750 and rising by annual increments of £50 to £1,000 per annum, including all allowances excepting traveling.

Applications will close on Saturday 20<sup>th</sup> November, 1920, and should be addressed to the Secretary, Air Services, Victoria Barracks, Melbourne.

Preference will be given to returned sailors and soldiers.

G F Pearce  
Minister for Defence

**4 November 1920**

**Air Navigation Bill, Senate - Second Reading**  
**Commonwealth Parliamentary Debates, Vol XCIV, pp.6231-62354**

**22 November 1920**

**Air Navigation Bill, House of Representatives - Second Reading**  
**Commonwealth Parliamentary Debates, Vol XCVI, pp.6800-6807**

**18 April 1921**

**Letter from Pearce, Minister for Defence, to Hughes, Prime Minister**  
**A2717 - Vol III fold 11**

My dear Prime Minister

In connection with the proposed experimental aerial and mail service, I forward to herewith for the consideration of Cabinet the attached information which has been supplied by the Air Board

Yours faithfully

EXPERIMENTAL AERIAL AND MAIL SERVICE - NORTH-WEST AUSTRALIA  
REQUIREMENTS AND ESTIMATE.

The Air Board is of the opinion that:-

- (i) 7 pilots and 36 other ranks are necessary to maintain the service; (Table 'E')
- (ii) 11 aeroplanes will be required of which 6 will be considered as reserve; (Table 'B')
- (iii) The estimated running cost for 12 months, excluding any allowance for crashes, compensation for injuries to personnel, travelling expenses of personnel and ground organisation other than hangars, would be at least £28,600 (Table 'E')
- (iv) Excluding the cost of ground organisation the value of the equipment necessary to commence the service will be:-
  - (a) showing value of equipment at vocabulary price £52,556 (Table 'B')
  - (b) showing value of equipment at present replacement cost £31,762 (Table 'C')

In addition the cost of transport of personnel and materials from Melbourne to its destination is estimated at £5,000 (Table 'D').

- (v) The following expenses should be chargeable against the Civil Aviation

vote:

- (a) All running expenses as set out above.
- (b) Cost of renewals and replacement of equipment, i.e., value of equipment supplied from Air Force stocks minus the value of equipment returned (vide para 11).

- (vi) It would take at least 4 months to complete the organisation necessary before the service could be commenced, (vide para. 12).

**3 May 1921**

**Cabinet Decision**

**CRS A1195, 863/2/50**

Cabinet prefer that of the two proposals this service should be by way of subsidy of £25 000 to a private company for 12 months. The Minister for Defence to have prepared the conditions under which Companies should be invited to offer to undertake the service and resubmit to Cabinet.

J Cook 3.5.21

**4 May 1921**

**Minister for Defence, marginal note on Controller of Civil Aviation minute 8 March 1921**

**CRS A6006/1, 4<sup>th</sup> Hughes Jan-June 1921 and CRS A1194, 863/2/50.**

To Col Brinsmead Controller of Civil Aviation

The two proposals referred to in Cabinet decision are (1) Carrying out experimental services by Air Force & (2) Subsidy to a private firm or company. You will in accordance with Cabinet decision draft and submit proposals under which firms will be invited to submit offers. This applies to WA proposal

G F Pearce

4/5/21

**16 May 1921**

**Minute from Controller of Civil Aviation to Secretary, Department of Defence.**

**CRS A1195, 863/2/50**

Secretary

With reference to Cabinet decision of 3.5.21 and Ministerial minute of 4.5.21, I attach hereto for approval and submission to Cabinet a draft advertisement inviting firms to submit offers for the maintenance of an Aerial and Mail service over the Geraldton-Derby route in Western Australia, together with draft Conditions of Tender and Conditions of Contract. These have been prepared after consultation with the Postmaster-General's Department.

H C Brinsmead

16/5/21

Controller of Civil Aviation

**16 May 1921**

**Cabinet Decision**

**CRS A1195, 863/2/50**

Cabinet approves provided that condition be inserted that aviators and mechanics shall be available for war service.

J Cook 17.5.21

**15 June 1921**

**Minute from Controller of Civil Aviation**

**CRS A1195, 863/2/114**

### SUBSIDISING AERIAL ROUTES

Up to the present time the principal sources of revenue to the owners of aeroplanes has been through payments by the public for aerial 'joy-rides', but it is not obvious that but little further profit is to be anticipated through this form of enterprise, especially in Victoria and New South Wales. In any event the progress of civil aviation could not be materially hastened by this means, and as long as the Companies interested in aviation specialise in that form of activity the considerable investors can only take the view that civil aviation is perhaps interesting but not encouraging from the commercial standpoint, as the financial prospects would not go down too well in a prospectus.

The publication of the conditions of Contract for an aerial service in Western Australia has created a great deal of interest in the industry, and I am informed that at least two of the prospective tenderers have already secured the underwriting of sufficient capital to enable them to make a satisfactory proposal, and I have been further informed that if the route selected had been from Sydney to Adelaide or from Melbourne to Tasmania there would be no difficulty in obtaining any capital necessary to purchase machines, etc.

I am strongly of opinion that to put civil aviation in Australia on a sure and lasting foundation it is desirable to obtain approval for an immediate extension of the principle underlying the subsidising of the Western Australian route - and that the vite in aid of civil aviation can most advantageously be expended by ensuring by means of subsidy the opening up of further aerial routes, more particularly Sydney to Adelaide, Melbourne to Launceston, and subsequently from Charleville to Cloncurry. It is only on these lines that I can foresee in the near future a volume of public aerial activity sufficient to justify a big volume of official activity, and from the defence point of view an assurance that an adequate reserve of pilots, mechanics and machines will be available in case of necessity.

I therefore recommend that tenders should be invited for the establishment and maintenance -

(a) of an aeroplane service between Sydney and Adelaide, via Goulburn, Cootamundra, Hay, Mildura, (760 miles), once weekly each way with a subsidy of not more than L.17 500.

(b) of a seaplane service between Melbourne and Launceston (250 miles) twice weekly each way with a subsidy of not more than L.20 000 per annum.

[added by Minister]

(c) Sydney to Brisbane; approximately L.8 000.

H C Brinsmead

**15 June 1921**

**Cabinet Decision**

**CRS A1195, 863/2/114**

Cabinet approved of calling applications for (1) Sydney-Adelaide L.17 500 (2) Sydney-Brisbane L.8 000 or such amount as may be approved by Treasurer.

J COOK

12-7-21

**14 July 1921**

**Minute from Controller of Civil Aviation**

**CRS A1195, 863/2/114**

#### SUBSIDISING AERIAL ROUTES

With reference to Cabinet decision that tenders are to be called for a SYDNEY to ADELAIDE Aerial Service with subsidy not to exceed L.17 500, and for a service from SYDNEY to BRISBANE AT L.8 000 or such amount as may be approved by the Treasurer. I beg to submit that the Treasurer's sanction should be obtained to increase the maximum subsidy that would be allowed to a successful tenderer for a SYDNEY - BRISBANE service to L.11 500 for the following reasons:-

(a) The maximum subsidy for the Western Australia Service, L.25 000, was arrived at by multiplying the total number of air miles to be flown per annum by 4/s (the estimated minimum overhead cost per air-mile); thus  $1200 \times 104 \times 4/s = L.24\ 960$ .

(b) The approved subsidy for the SYDNEY - ADELAIDE service was fixed on the same basis, namely  $825 \text{ air-miles} \times 104 \times 4/s = L.17\ 160$ , say L.17 500. It is submitted that unless there are reasons to the contrary with which I am not acquainted, and for the sake of consistency, the maximum subsidy SYDNEY to BRISBANE should be fixed by the same formula, - air-miles per journey  $(550) \times 104 \times 4/s = L.11\ 440$ , say L.11 500.

2. It is evident that the figure of L.8 000 mentioned in the Cabinet decision of 12-7-1921 was fixed tentatively at the amount as a result of Mr F L Roberts' proposal dated 30th June,

1921, to the effect that if the Government guaranteed, inter alia, that the returns of his company should not be less than L.4 000 for the first six months, he, on his part, would endeavour to form a company of L.30 000, of which L.17 000 should be called up. Three days previously Mr Roberts had submitted to me a different proposal to the effect that if the Government would guarantee returns to the amount of L.5 000 for the first six months, he would proceed with the organisation of a L.20 000 company called up to L.12 000. As a result of my conversations with Mr Roberts I have to advise that he has not as yet matured his ideas as to the type or number of machines that are necessary to maintain the service, amount of capital that will be required or from whence it may be obtained. No reliance should therefore be placed on his estimate of subsidy necessary to attract capital to a company organised to maintain a SYDNEY to BRISBANE Aerial Service.

3. It should be remembered that whatever sums are approved are maximum amounts, but tenderers may put in what may prove to be acceptable proposals at considerably lesser figures. I do not anticipate that any satisfactory tender will be received for the Western Australia Service at less than the maximum allowable subsidy, but in the case of the SYDNEY - ADELAIDE and SYDNEY - BRISBANE routes the competition will almost certainly be keener, and a considerable saving may thus be effected with no corresponding loss of efficiency in the maintenance of such services.

H C Brinsmead  
14-7-1921      Controller of Civil Aviation

**14 July 1921**  
**Cabinet Decision**  
**CRS A1195, 863/2/114**

Approved on the lines suggested by Col Brinsmead.

J Cook  
15/7/21