

14. We do not regard the services which are provided on a common-user basis by Air Department, such as library, registry, typing pool, and accounts section, as having more than a minor bearing on the proper relationship of the Air Department with the Civil Aviation Directorate. Economy should continue to be served by the provision of these services by the Air Department so long as efficiency and the major principles of allocation of responsibility are not thereby impaired. To the extent required to enable the Director of Civil Aviation to fulfil his responsibilities and control his organisation—for example, accounts and control of expenditure—he should have the necessary staff in his own office.

*Relationship of Air Department with national operating organisations*

15. The governmental organisation for the administration of civil aviation must of necessity be moulded to the policy of Government in regard to the nationalisation of air transport, in pursuance of which Government have established a single national corporation for the operation of the internal air services and certain of the external air services of the Dominion. Government also participate with other Commonwealth Governments in the ownership and operation of the air services between Australia and New Zealand and across the Pacific, for the former of which New Zealand is operationally responsible. These two operating agencies created by Government have a responsibility to Government for the development and efficient operation (technically and financially) of the air transport which the country needs. The technical control of the operations of the New Zealand National Airways Corporation and Tasman Empire Airways is dealt with later (*vide* Chapter 8, paragraph 114; Chapter 9; and Chapter 11, paragraph 162), but it should be stated here that it does not appear to the Mission desirable that the Air Secretary or any member of the Air Department or the Civil Aviation Directorate should be a member of the Board of Directors either of the Corporation or of Tasman Empire Airways, Limited. In spite of parallels in Canada and Australia, it is more customary for the Government to be represented in such organisations by a director or directors having no responsibility for the governmental administration of civil aviation, the Government directors being briefed by the department responsible. While the Director of Civil Aviation is responsible to Government for the administration of the Acts and regulations, he is responsible to Government for this activity *through* the Air Secretary, who therefore is associated with the regulation of aviation. Moreover, the Air Secretary must carry responsibility for reviewing, on behalf of Government, the projects, estimates, operations, and financial results of the company. It is difficult to reconcile these duties with those of a director of the company.

16. We have seen no evidence that this dual responsibility of the Air Secretary has in fact resulted in the one responsibility having an undue influence on the other, but it is clearly possible that by inadvertence