

It is true that the first air regulatory legislation passed in 1934 was a part of the steps taken by the Government of that time to co-ordinate the development and operation of all forms of transport through the activities of the Transport Department and statutory Licensing Authorities. The change in Government in 1935 brought a change of policy for the following year: the administration of commercial aviation was transferred to the Air Department and the Minister for Air was made the Licensing Authority. It was not until 1945 that the major step was taken to place commercial aviation under one statutory operator.

The original Act of 1934 made it necessary for the Licensing Authority to take into account, *inter alia*, the transport services already in existence as well as the value in air defence. The Act establishing the N.A.C. in 1945 did not repeal the 1934 Act, but made an extremely important change. Thus, section 21 of New Zealand National Airways Act, 1945, reads as follows :—

Notwithstanding anything to the contrary in the Transport Licensing (Commercial Aircraft Services) Act, 1934, in any case where an application for an aircraft-service licence is made by the Corporation or by a contractor to whom the Corporation has requested the Licensing Authority to issue such a licence, the Licensing Authority may issue the licence subject to such conditions as he thinks fit to impose notwithstanding that other transport services, whether by air or otherwise, may already be provided in respect of the localities to be served or the proposed routes, or any of them.

There could be no doubt that this change meant that the expansion of aviation was not to be retarded by any objections from or consideration of other forms of transport, and just as logically that its development had infinitely wider objectives than just an addition to internal transport utilities.

In 1948 the National Airways Corporation Act was again amended and Parliament entirely repealed the 1934 Act. The N.A.C. was empowered to operate any service without having to go through the procedure of applying for a licence. Provision was retained, however, under which the Minister could issue licences to other operators, and here again a significant change was made in that any reference to other forms of transport was eliminated and the specific reference to air defence retained.

Experience of what happened in the last war is too fresh in the minds of those directly concerned with the operation of commercial aviation for them to be in any doubt as to its real value in national emergency. The majority of aircraft and trained personnel were commandeered for national service for the duration of the war. Conversely, since the war it has acted as the main medium for the rehabilitation and continued training and equipment of valuable air personnel. It has purchased aircraft, plant, and equipment from War Assets to the value of nearly £250,000. In addition, the Corporation has during its term paid to the Government the following amounts :—

Duty and sales tax on—	£
Fuel and lubricating-oil	77,304
Spare parts	30,305
Plant and equipment	16,500
Rents on hangars and buildings superfluous to post-war needs	20,000
Interest on capital advances	95,449
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	£239,558
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It has, by prudent reserves, provided to date £389,447 towards the amortization of aircraft and other flight equipment. In this connection, depreciation, and more especially the obsolescence factor, is of considerably greater proportion and significance than in other transport undertakings, and this provision, though large by comparison with such undertakings, necessarily conforms with airline practice throughout the world.