

5. Instructions in the above sense have accordingly been sent to—

- (a) His Majesty's Representative at Panama, in connection with the treaty which it is proposed to negotiate with the Government of Panama (see my despatch, Dominions No. 233, of the 5th May):
- (b) His Majesty's Representative at Santo Domingo, in connection with the proposed treaty with Dominica (see my despatch, Dominions No. 111, of the 3rd March):
- (c) His Majesty's Representative at Port Au-Prince, in connection with the proposed treaty with Hayti (see Lord Lovat's despatch, Dominions No. 498, of the 9th September, 1927):
- (d) His Majesty's Representative at Guatemala, in connection with the treaty with Guatemala (see my despatch, Dominions No. 259, of the 17th May) and the proposed treaty with Salvador (see Lord Lovat's despatch, Dominions No. 477, of the 26th August, 1927).

I have, &c.,

L. S. AMERY.

Governor-General His Excellency General Sir C. Fergusson, Bart.,
LL.D., G.C.M.G., K.C.B., D.S.O., M.V.O., &c.

No. 19.

New Zealand, Dominions No. 366.

SIR,—

Downing Street, 27th July, 1928.

With reference to my despatch, Dominions No. 540, of the 26th November, 1926, I have the honour to transmit, for the information of His Majesty's Government in New Zealand, the accompanying copies of Parliamentary Paper (Cmd. 3143), regarding subsidies to Civil Air Transport Services.

I have, &c.,

L. S. AMERY.

Governor-General His Excellency General Sir C. Fergusson, Bart.,
LL.D., G.C.M.G., K.C.B., D.S.O., M.V.O., &c.

Enclosure.

AIR MINISTRY.—SUBSIDIES TO CIVIL AIR TRANSPORT SERVICES.

NOTE by the Secretary of State for Air on the principal provisions agreed to be embodied in a contract with Imperial Airways, Limited, for a weekly service between England and India, combined with daily services on certain routes in Europe, in substitution of the agreement of 15th May, 1924 (Cmd. 2010 of 1923) as amended by the agreement of 18th December, 1925 (Cmd. 2574 of 1926) and of the agreement of 28th October, 1926 (Cmd. 2758 of 1926).

Presented by the Secretary of State for Air to Parliament by Command of His Majesty.—July, 1928.

SUBSIDIZED CIVIL AIR TRANSPORT SERVICES.

The new agreement with Imperial Airways, Limited, will come into force on 1st April, 1929, in substitution of all existing agreements, and will extend for a period of ten years from that date.

The services to be provided will cover not only the present daily services on certain European routes to a minimum extent of 425,000,000 horse-power miles per annum, but also a weekly service each way between England and India, to commence on or about 1st April, 1929. It is hoped that eventually this latter service will be operated twice weekly.

The through service to India will terminate at Karachi; but the Government of India have under consideration proposals for civil air transport services operating from Karachi eastwards which will connect with it. The maximum subsidies in respect of the services to be provided under the new agreement will be on the following decreasing scale:—

	£
For each of the first two years	335,000
For each of the next four years	310,000
For the seventh year	220,000
For the eighth year	170,000
For the ninth year	120,000
For the tenth (final) year	70,000

The maximum amount for each year will be allocated in definite proportions to (1) the European services, (2) the England-Egypt section, and (3) the Egypt-India section.