

**President Asks  
Funds to Complete  
World Airline**

*An International News Service.*  
Establishment of the last link in round-the-world air mail service was proposed yesterday by President Roosevelt in submitting a budget estimate to Congress calling for \$900,000 to pay the cost of establishing a foreign airmail route from San Francisco to Australasia via Honolulu.

See Record, July 24, p. 13721.

H. Doc. No. 446 being obtained. not attached

See para 3 of our rep. to F.O. et /94/ where it is stated that — the S.D. have not overlooked our threat that terminal facilities in N.Z. and Australia might be refused. I wonder if this move is the result and intended to make it harder for us to stick to — or carry out — that threat than if the service was still not operating.

H.M.F.'s view of the position (as shown by para 7 of tel. No. 79 of June 27 to N2 & Australia — flagged) is that if Canada agrees to share etc, we will apply for facilities etc for Transocean Airways; and that if the U.S.G. refuse, we hope N.Z. will terminate facilities for PAA and that Australia, we hope, will also refuse any PAA application.

In the circumstances and subject to what the House Document discloses, I feel we sh<sup>d</sup>. telegraph this item to F.O., replying to Australia & N.Z.

ACM  
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