WASHINGTON, D. C.
August 1st, 1939.

No. 848

My Lord,

91/98

With reference to correspondence ending with your despatch No. 717 (A 4765/21/45) of the 11th July regarding the Trans Pacific Air Route I have the honour to transmit herewith copies of a message sent by the President to Congress on the 21st July transmitting a supplemental estimate of \$900,000 "to provide for payment under contract for carrying foreign airmail, commencing in August 1939 over a route between San Francisco, California, and Australasia." Your Lordship will note from the letter of the Director of the Bureau of the Budget to the President that full freedom of action is, by Congressional direction, reserved for the United States Government as regards any foreign application for landing rights in United States territory in connection with the operation of an international air service.

2. According to a press report from San

Francisco dated July 25th, Pan-American Airways officials
there stated that an air-mail service from San Francisco
to Australia would be inaugurated on August 15th. The
date may not be correct: but the press of the 1st
August announces that Pan-American Airways have filed

an/

The Right Honourable

The Viscount Halifax, K. G., etc., etc.

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an application with the Civil Aeronauties Authority for approval of a service from San Francisco to Auckland, via Honolulu, Canton Island, and Houmea, and are ready to begin the service as soon as approval is given.

J. I am mending copies of this despatch direct to the Prime Minister of Australia and to the High Commissioner for the United Kingdom in New Zealand and at Ottawa.

I have the honour to be,

With the highest respect,

My Lord,

Your Lordship's most obedient,

humble servant,

(For the Ambassador)

(SGD) V. A. L. MALLEY