

AIR MINISTRY AND GENERAL POST OFFICE

EMPIRE AIR MAIL SCHEME

(INDIAN AND MALAYAN INTRODUCTORY SERVICES)

Note by the Secretary of State for Air and the Postmaster General on the principal provisions proposed to be embodied in an Agreement with Imperial Airways, Limited, for the preliminary operation of the Empire Air Mail Scheme on the route between the United Kingdom and Malaya

Presented by the Secretary of State for Air to Parliament
by Command of His Majesty
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Particulars of the Empire Air Mail Scheme, together with the principal provisions of the Agreement with Imperial Airways, Limited, for the operation of the complete scheme, were set out in Cmd. 5414. Copies of the Agreement itself, which was signed on the 9th June, 1937, have been laid before Parliament in accordance with Section I (4) of the Air Navigation Act, 1936 It has been the general intention that the scheme should be introduced by stages and that the introductory stages leading up to the full scheme should be governed by separate agreements. The first stage has been in operation since the 20th June, 1937, under agreements with the Company made in accordance with proposals explained in Cmd. 5501 and Cmd. 5616 and duly laid before Parliament. Under these agreements flying boat services are being operated by Imperial Airways between the United Kingdom and East and South Africa, and all first class mail is being carried without surcharge along this route between the participating countries.

Arrangements have now been made for the introduction of a further stage along the air route to India and Malaya and for the operation of flying boat and supplementary air services on this route.

The following countries will come within the scope of the Empire Air Mail arrangements as thus extended:—

Aden.

Anglo-Egyptian Sudan.

Burma.

Canada.

Ceylon.

Egypt.

Eire.

Great Britain and Northern Ireland.

India (including Indian Post Offices on the Persian Gulf). Kenya (Colony and Protectorate).

Malaya:

(a) Federated Malay States—
Negri Sembilan.
Pahang.

Pahang. Perak.

Selangor.

(b) Unfederated Malay States—
Johore.
Kedah.
Kelantan.
Perlis.

Trengganu. Brunei. (c) Straits Settlements.

Mauritius.

Newfoundland.

North Borneo.

Northern Rhodesia.

Nyasaland Protectorate.

Palestine and Transjordan.

Sarawak.

Seychelles.

Southern Rhodesia.

Tanganyika Territory.

Territories of the South African High Commission-

(a) Basutoland.

(b) Bechuanaland Protectorate.

(c) Swaziland.

Uganda Protectorate.

Union of South Africa and South-West Africa.

Zanzibar Protectorate.

Henceforward all first class mail between these countries which passes over any part of the Empire air routes between the United Kingdom and South Africa, or between the United Kingdom and Singapore, will be carried without surcharge on all these routes.

Outward mail from the United Kingdom for any of the above-mentioned countries along these air routes will be carried at a flat postage rate of $1\frac{1}{2}$ d, per half ounce for letters and 1d. for postcards.

When the Empire Agreement of the 9th June, 1937, is in operation two landplane services to and from Calcutta and three flying boat services to and from Singapore will be provided each week. It is proposed, for the period prior to the commencement of the full Empire services, that the Indian and Malayan route should be served by a combination of two services weekly in each direction between the United Kingdom and Karachi and a further two services weekly in each direction between the United Kindom and Singapore. There will be supplementary landplane services between Egypt and Basra and between Karachi and Calcutta by way of Delhi.

The first flying boat service eastward along the Indian and Malayan route started from the United Kingdom on 23rd February, 1938, and the first westward flight from Singapore will begin on 2nd March, the services being in full operation by 6th March.

The following are the principal provisions of the agreement which it is proposed to conclude with Imperial Airways, Limited, providing for the operation of the Indian and Malayan services during the introductory period.

- (1) The Company will undertake to operate regular and efficient air services with Short Empire flying boats twice weekly in each direction between England and Singapore and four times weekly in each direction between England and Karachi (inclusive of the Singapore services). In addition they will undertake to operate supplementary services once a week in each direction between Alexandria and Basra with "Hannibal" landplanes and twice a week in each direction between Karachi and Calcutta by way of Delhi with "Atalanta" landplanes, augmented by an additional service between Karachi and Delhi to cater for peak mail loads.
- (2) The services between England and Karachi provided for by the Agreement of 9th March, 1929, and between Karachi and Singapore by the Agreement of 16th February, 1935, will be discontinued and the subsidy payable in respect thereof will cease.

(3) The proposed agreement will continue until the date approved for the commencement of the Empire Agreement of the 9th June, 1937.

(4) The Company will undertake to convey by the services in accordance with the provisions of the agreement,

(a) all first class mail (letters and postcards) originating in one and addressed to another of the participating countries mentioned above;

(b) all surcharged air mail to or from any other countries.

(5) As remuneration for the carriage of mails the Postmaster-General will make payment to the Company from the Post Office Vote at the rate of £519,000 per annum in respect of the full operation of the above services during the period of the agreement.

(6) The subsidy from Air Votes in respect of the full operation of the above services during the period of the agreement will be at the rate of £397,000 per annum, payable by monthly instalments in advance, subject to the following provisions:—

(a) The total sum of £916,000, being the aggregate of the annual postal and subsidy payments, has been based on estimates of revenue and expenditure agreed (subject to the adjustments below) between the Air Ministry and the Company. These estimates, so far as they concern expenditure, will be revised in the light of the results of the initial review of the finance of the main scheme provided for by Clause 16 (2) (a) of the Empire Agreement of 9th June, 1937, and the amount of the subsidy payment will be adjusted accordingly.

(b) The subsidy payment will be reduced by any saving made by the Company in connection with the insurance of the aircraft as compared with the amount

allowed for this purpose in the estimates.

(c) Should the revenue earned on the services during the period of the agreement from the carriage of passengers and freight fall below the revenue assumed in settling the rate of subsidy, the amount of the difference, within a maximum at the rate of £61,000 per annum, will be paid to the Company by way of additional subsidy. Any excess of revenue over the sum so assumed will form a deduction from the amount of the subsidy.

(d) Provision will be made for retrospective adjust-

ments to take account of the above provisions.

It is hoped that the Governments of the participating countries to which the benefits of the Empire Air Mail Scheme will now accrue will be prepared to make subsidy and postal contributions towards the services during the period of the proposed agreement at the rates which will obtain during the fifteen-year period of the complete scheme, and such contributions will be appropriated in aid of the respective Votes.

In so far as they are applicable and not inconsistent with the above arrangements the provisions of the Empire Agreement of 9th June, 1937, will be incorporated in the proposed agreement, which will be laid before Parliament as soon as possible after execution in accordance with Section I (4) of the Air Navigation Act, 1936. Such execution will not take place before a period of fourteen days from the date of presentation of this Note has elapsed. It is, however, proposed that advantage should be taken forthwith of the arrangements which have been made for the operation of the Indian and Malayan air services and for the carriage by air, without surcharge, of first class mail along that route. Flights made prior to the execution of the proposed agreement will be paid for at postal and subsidy rates assessed on the same basis as that which will obtain under the agreement, credit being taken for any payments made to the Company under the Agreements of 9th March, 1929, and 16th February, 1935, for services between England and Singapore in respect of the period subsequent to the introduction of the new services.