

THE SCHEDULE—continued.

accordance with the requirements of the Postmaster-General, a share of the air mail carried on the routes over which both the Commission and the Company operate air services substantially equal to the Commission's share of that mail.

(2.) The rates payable to the Company for the carriage of that mail shall be the same as the rates paid to the Commission.

(3.) Nothing in this clause affects the obligation of the Company to comply with and observe all the terms and conditions of any contract with the Commonwealth in respect of the carriage of that mail.

Government
Business.

6. The Commonwealth agrees to take all steps necessary to ensure that during the continuance of this agreement business transacted on Commonwealth Government warrant in respect of the carriage whether of passengers or of freight is freely available to both the Commission and the Company and that the holder of a Government warrant has a free option as to the service he will use.

Rationalization
of Services.

7.—(1.) The Commission and the Company will take immediate steps to review and will keep under review at all times during the continuance of this agreement, air routes, time-tables, fares and freights and other related matters in respect of routes on which both the Commission and the Company are operating services at the date of the commencement of this agreement, so as to avoid unnecessary overlapping of services and wasteful competition, to provide the most effective and economical services with due regard to the interests of the public and to bring earnings into a proper relation to overall costs.

(2.) If the Commission and the Company are unable to agree on any matter arising under sub-clause (1.) of this clause, a representative of the Commission and a representative of the Company will confer together upon that matter under the Chairman and, if the Commission and the Company are unable to agree, the Chairman shall himself decide the matter in dispute between the Commission and the Company.

(3.) The Commission and the Company will, upon being required so to do by the Chairman, furnish or produce to him all information, documents, books, papers and accounts which he considers necessary to enable him to make a decision on any matter arising under this clause.

(4.) The Commission and the Company will each abide by and accept any decision which is made by the Chairman on any matter arising under this clause on which they are unable to agree, and will give effect to the decision and not take any steps which are inconsistent with the decision.

(5.) Nothing in this clause requires or permits the Commission or the Company to act in any manner inconsistent with the *Air Navigation Act 1920-1950* or with the regulations in force under that Act.

Hire or
purchase of
aircraft.

8.—(1.) The Commission and the Company will each—

- (a) prior to purchasing or hiring an aircraft from the Commonwealth or any authority of the Commonwealth or any corporation in which the Commonwealth has an interest which is available for purchase or hire, apply to the Chairman for a certificate of approval;
- (b) not purchase or hire any such aircraft without a certificate of approval of the Chairman;
- (c) if either of them purchases such an aircraft without a certificate of approval of the Chairman, sell to the other forthwith on demand, at a price in all respects the same as the price paid in respect of the purchase, the aircraft so purchased.

(2.) Nothing in this clause shall prevent either the Commission or the Company hiring an aircraft temporarily to meet emergency requirements.

Certificates of
approval.

9.—(1.) The Chairman shall grant certificates of approval under clause 8 upon application so that available aircraft shall be equally divided between the Commission and the Company.

(2.) In the event of an odd number of aircraft being available, the Chairman shall determine whether the Commission or the Company may purchase the odd aircraft.

(3.) In arriving at his determination under the last preceding sub-clause, the Chairman shall have regard to the comparative aircraft strength of the Commission and the Company at the time, and shall determine the matter so that relative strength is most nearly maintained.