SCHEDULE 1

An airline or airlines designated by the Government of the United States shall be entitled to operate air services on each of the air routes specified via intermediate points, in both directions, and to make landings in Canada at the points specified in this paragraph:

Seattle -Whitehorse Seattle -Vancouver -Whitehorse Fairbanks Great Falls —Lethbridge Great Falls —Edmonton Fargo —Winnipeg Washington -Montreal Washington -Ottawa New York -Toronto New York -Montreal New York -Ottawa Either New York or Boston -Quebec Boston -Montreal Boston -Moneton

United States —Edmonton-Alaska and beyond
United States —Gander-Europe (including Azores)
and beyond

In addition to the points enumerated above, an airline or airlines of the United States will be authorized to stop in Windsor on any domestic service for which they are now or in the future may be authorized by the United States Government to serve Detroit.

In consideration of the special circumstances existing on the routes from New York and Washington to Montreal and Ottawa the Government of Canada agrees that the designated airline or airlines of the United States may serve both Canadian points on the same flights, provided that the carrier or carriers shall exercise no cabotage rights in Canada. Similarly in consideration of the special circumstances existing on the routes from Great Falls to Lethbridge and Edmonton the Government of Canada agrees that the designated airline or airlines of the United States may serve both Canadian points on the same flights, provided that the carrier or carriers shall exercise no cabotage rights in Canada.