

ANNEX

1. In addition to the rights enjoyed under the International Air Services Transit Agreement to which both Contracting Parties are signatory His Majesty's Government in the United Kingdom grants to the designated airline or airlines of Canada, the right to pick up and put down international traffic destined for or coming from (a) Canada and (b) points in the territory of third countries, at the following places in British Colonial territory:—

Kindley Field, Bermuda

Palisadoes, Jamaica

Piarco, Trinidad

on a route from Canada via Bermuda or direct to British Colonial territory in the Caribbean area and to points beyond in South America.

2. His Majesty's Government in the United Kingdom also grants to the designated airline or airlines of Canada the rights to carry cabotage traffic between Bermuda on the one hand and any or all the above-mentioned British Colonies in the Caribbean area on the other but not between these latter Colonies themselves.

3. In addition to the rights enjoyed under the International Air Services Transit Agreement to which both Contracting Parties are signatories, the Government of Canada grants to an airline or airlines designated by His Majesty's Government in the United Kingdom the right to pick up and set down in Canada international traffic destined for or coming from United Kingdom territory on the following routes:—British Guiana and/or Trinidad and/or Jamaica via Bermuda to Montreal.

4. In so far as one of the Contracting Parties may not wish permanently or temporarily to operate in full or in part capacity to which it is entitled, that Contracting Party may arrange with the other Contracting Party under terms and conditions to be agreed between them for the designated airline or airlines of such other Contracting Party to operate additional capacity so as to maintain the full capacity agreed upon between them.

5. The capacity to be provided by the designated airline or airlines of Canada and the designated airline or airlines of the United Kingdom, as and when reciprocal services are in operation, on the route referred to in paragraph 1 above and the frequencies to be operated shall be agreed between the Contracting Parties initially and from time to time thereafter, as either Contracting Party may consider to be necessary or desirable. In the determination of capacity the following principles shall be observed:—

(a) the capacity provided shall be maintained in close relationship to the traffic offering;

(b) the services provided by a designated airline under this Agreement and its Annex shall retain as their primary objective provision of capacity adequate to the traffic demands between the country of which such airline is a national and the country of ultimate destination of the traffic.