

2. The aircraft of the airline designated by one Contracting Party engaged in the operation of the agreed services may omit calling at any point on the specified route provided that the service begins at a point in the territory of the Contracting Party designating the airline, and provided also that the omission of any point of call in the territory of the other Contracting Party shall be subject to the approval of the Aeronautical Authorities of that other Contracting Party.

3. The aircraft of the designated airline of each Contracting Party, while flying in the territory of the other Contracting Party shall comply with the regulations governing the airway, air route, air corridor and the boundaries of the airspace available, prescribed by the other Contracting Party.

4. Each Contracting Party shall notify the other Contracting Party at least sixty days in advance of the inauguration of its agreed services on the specified route.

5. Special flights between the territories of both Contracting Parties as well as flights on other than agreed services over the territory of each Contracting Party shall take place only after permission is obtained through diplomatic channels.

ARTICLE 3

1. The Government of the People's Republic of China designates "Department of International Affairs of the General Administration of Civil Aviation of China" as its airline to operate its agreed services on the route specified for China in the Annex to this Agreement. The Government of Canada shall have the right to designate, by diplomatic note; an airline to operate its agreed services on the route specified for Canada in the Annex to this Agreement.

2. Each Contracting Party shall have the right to withdraw, by diplomatic note to the other Contracting Party, the designation of an airline to operate an agreed service and to substitute therefor the designation of another airline.

3. The Aeronautical Authorities of one Contracting Party, upon receipt of a notice of designation by the other Contracting Party, shall, as soon as practicable, grant to the airline designated by the other Contracting Party the appropriate authorization to operate the agreed services.

4. Upon receipt of such authorization the airline may begin at any time to operate the agreed services, subject to the provision set out in Article 2, paragraph 4, and provided that a tariff established in accordance with the provisions of Article 8 of this Agreement is in force in respect of that service.

5. The substantial ownership and effective control of the airline designated by each Contracting Party shall remain vested in such Contracting Party or its nationals.