

traffic, and a much larger proportion of the total cargo traffic, between Canada and the Netherlands than CPAL. One reason for this is the extensive distribution and feeder route network which KLM has throughout Europe.

The Secretary of State for External Affairs pointed out that the request by the Netherlands Government for access to Toronto for KLM was considered in the light of current Canadian practice, whereby no foreign trans-Atlantic airline operating from Continental Europe has been granted the right to operate to Toronto. The Netherlands Government has been assured that whenever the Canadian Government is in a position to negotiate access to Toronto for any other European trans-Atlantic airline, it will at the same time be prepared to discuss access by KLM. In considering the question of access to Toronto, the Canadian Government must, of course, seek concessions in return which will enable Canadian airlines to expand their operations overseas, so that they will be able to improve the services offered to the Canadian travelling public.

Referring to the friendly and close relations between Canada and the Netherlands, the Secretary of State for External Affairs expressed regret that the Netherlands Government had considered it necessary to initiate procedures with a view to termination of the Air Agreement. He added that if the Netherlands Government wished to have negotiations towards the conclusion of a new Agreement, Canada would be prepared to participate in such negotiations in the spirit of co-operation that has always existed between our two countries. It would, however, be necessary to ensure that any Agreement reached as a result of such negotiations would reflect satisfactorily the interests of Canada as well as of the Netherlands.