

# EXTERNAL AFFAIRS IN PARLIAMENT

## Canada-United States Air Agreement

On December 2, the Minister of Transport, Mr. Chevrier, outlined the situation which gave rise to the issue of a "show-cause" order to Colonial Air Lines by the Air Transport Board. In reply to questions asked by Mr. Howard C. Green (Progressive Conservative, Vancouver-Quadra) and Mr. W. Ross Thatcher (C.C.F., Moose Jaw), Mr. Chevrier spoke, in part, as follows:

. . . The bilateral air agreement entered into between Canada and the United States in June of 1949 is a continuation of the original air agreement, with some changes. Among the new features three United States Air carriers were granted traffic rights at Gander on the north Atlantic route and have been exercising those traffic rights under temporary permit pending action on their applications for regular foreign carrier licenses from the Air Transport Board. The applications of two of these carriers, Transworld Air Lines and American Overseas Air Lines, were approved by the board on December 1, and yesterday licenses were signed accordingly. The application of the third carrier, Pan-American, has been approved in principle, and the licence will be signed on receipt of certain minor amendments which that carrier has indicated it is sending forward.

The United States Government was also granted traffic rights at Edmonton on two routes, the first a trans-border route from Montana, and the second a through route from the United States to the Orient. Applications have been received from Western Air Lines and from Northwest Air Lines respectively for licences for these routes. It is expected that these applications will be dealt with in the relatively near future.

On the Canadian side, in connection with the new routes granted to the Canadian Government, the United States Government has issued a permit to Canadian Pacific Air Lines for the exercise of traffic rights in Hawaii on its route to Australia. The Trans-Canada Air Lines application for traffic rights in Florida on its Caribbean route is now being heard by the United States authorities, and will, it is expected, be dealt with within the next few weeks.

On the third new route granted to Canada between Montreal and New York, Colonial Air Lines has opposed an application to the United States authorities for a permit and has succeeded in action in the United States courts which prevents the United States authorities from proceeding with a permit for Trans-Canada Air Lines.

That is what brought about the issue of the show-cause order which was given yesterday by the Air Transport Board, and for which the hearing will be held on December 12 . . . I should like to point out that this order of the board is one between the Air Transport Board and Colonial Air Lines, related to the permit issued by the Board. The actions or policy of the United States Government are not involved, and the Canadian authorities are fully satisfied that the United States authorities have proceeded in good faith in relation to the bilateral agreement between the two countries. It does not involve any question of intergovernmental relations in the field of civil aviation between Canada and the United States, which have always been on a close friendly and co-operative basis.