

*Mr. Anderson*

GOVERNMENT



OF CANADA

## PRESS RELEASE

INFORMATION DIVISION  
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~~DEPARTMENT OF EXTERNAL AFFAIRS~~

OTTAWA - CANADA

The Department of External Affairs announced today that the civil aviation discussions between representatives of the Governments of the United States and Canada which have been concluded were carried on in the traditional atmosphere of mutual confidence and cordiality which always exists between the two Governments. The consultations covered a wide field of questions relevant to the Bilateral Air Transport Agreement of June 4, 1949, between the United States and Canada, including the operations of Colonial Airlines between Canada and the United States and the contemplated operations of a Canadian carrier between the United States and Canada, as provided for under the terms of the Agreement.

Under the terms of the Bilateral Air Transport Agreement of June 4, 1949, which was entered into by the two Governments with the object of insuring mutuality of benefit, a Canadian carrier is to be authorized to operate on the Montreal-New York route, which, under the terms of the Inter-governmental Agreement is to be flown by both United States and Canadian air lines.

As it is inequitable, having regard to the terms of the Air Transport Agreement of June 4, 1949, that a Canadian carrier should be denied the right to operate on the Montreal-New York route while Colonial Airlines continues to do so pending a final adjudication in the courts of the United States of the validity of the Air Transport Agreement, the representatives of the United States have agreed that the United States will not designate a United States carrier to operate the direct New York-Toronto route, nor will the United States expect the Air Transport Board to licence a United States carrier on the trans-border route from Great Falls to Edmonton, until such time as the United States authorities are in a position to grant authority to a Canadian carrier to operate between Montreal and New York. These routes represent two of the new rights granted to the United States under the 1949 Air Transport Agreement.

In the meantime, successful efforts have been made to expedite the proceedings in the courts of the United States. On January 5, 1950, there was filed with the Supreme Court of the United States a motion urging that the decision of the lower court in favour of the United States Government become effective at once unless prompt action was taken by Colonial Airlines to prosecute an appeal to the Supreme Court of the United States. Agreement was reached by the interested parties to the appeal, which was approved by the Chief Justice of the United States Supreme Court, that the appeal will be pressed, and that on the assumption that the Supreme Court of the United States decides to entertain the appeal of Colonial Airlines from the decision against it in the lower court, the case is to be argued on February 17, 1950. The United States representatives gave assurance that if the decision of the Supreme Court is favourable the Civil Aeronautics Board would submit to the President with the greatest expedition their decision concerning the application of TCA to operate between Montreal and New York.