

link, in which respect it could be regarded as a useful instrument for any world security organization which might eventually be established.

Following the international conference in Chicago, Commonwealth representatives met again in Montreal with representation at Ministerial level from Canada, the U.K., Australia and New Zealand. In these discussions further details with regard to the functions and procedure of a Commonwealth Air Transport Council were agreed for recommendation to the Commonwealth governments. These details are included in Appendix 1 to this report.

See: CWC Doc 910  
A-15-1 (W)

(B) - Pacific Service

Further details were also considered with regard to the operation of trans-Pacific services and the conclusions reached are attached to this report as Appendix 2. Briefly summarized they are, that if Australia and New Zealand can make satisfactory arrangements with the U.S. by which commercial outlet can be obtained in the U.S. for a trans-Pacific service between Canada and Australasia and by which Australia and New Zealand would be permitted to allocate to Canada certain of the traffic rights obtained by them from the U.S., then parallel non-competitive operations would be set up on the route by TCA on the one hand and by a joint Australia-New Zealand-U.K. company on the other hand. Failing this, Australia, New Zealand and the U.K. would seek to operate a joint service from Australia to San Francisco and Canada would operate from Vancouver to Honolulu, connecting there with the Australia-New Zealand-U.K. service.

(C) - Bilateral Agreements

During the second series of conversations in Montreal the U.K. representatives presented a series of standard clauses for incorporation in bilateral air agreements and suggested that all Commonwealth governments agree to incorporate these standard clauses in any aviation arrangements made with any country. The suggested standard clauses went much further than the standard clauses agreed upon during the Chicago conference and provided for traffic regulation along the lines advocated by the U.K. government in Chicago, - lines which had not proved acceptable to the U.S.

The Canadian representatives took strong exception to this U.K. proposal on the grounds that it would result in the establishment of a Commonwealth bloc which would prejudice relations with other countries, and also on the grounds that the proposed clauses would not be applicable to the various agreements which Canada would be making.