

ade in the solution of these matters.

Among our problems at that time were certain difficulties which we were experiencing in the implementation of the bilateral air agreement which was signed on June 4, 1949. Chief amongst these difficulties was the inability of the United States authorities to issue a licence to Trans-Canada Air Lines to operate the Montreal-New York route, one of the new routes granted to Canada in this bilateral agreement. The United States authorities were enjoined from granting this licence because of legal proceedings taken in United States courts by Colonial Air Lines challenging the legality of this air agreement. In the meantime the Canadian aeronautic licensing authorities charged Colonial Air Lines with failure to live up to obligations assumed in its own Canadian licence which was granted by virtue of the bilateral agreement.

Subsequently, as hon. members know, discussions were held in Ottawa, and it was agreed that some of the new rights which Canada had granted the United States under the agreement would be held in abeyance pending the outcome of these legal proceedings in the courts of the United States. These difficulties have now been removed. On February 5 Colonial Air Lines suspended its legal proceedings, and the United States authorities are now completing procedural steps which will enable them to license Trans-Canada Air Lines to operate between Montreal and New York; and all the new rights granted to Canada under the 1949 agreement are expected to come into full effect within the next few weeks.

I also described last November the difficulty which had been experienced at the border by some Canadians wishing to visit the United States. Since then officials of my department, together with the director of immigration, met with their opposite numbers in the United States to discuss these border difficulties which were causing some concern throughout Canada. At this discussion, which was held I think on December 15 last, the full range of problems involved was examined in great detail and conclusions were reached which will substantially lessen the number of unfortunate incidents in the future.

As I told the house a few days ago, we have signed a new treaty with the United States government covering the diversion of water at Niagara Falls. When I tabled that treaty I said, and I should like to emphasize it now, that we are not any the less interested in the St. Lawrence waterway development because we have the Niagara problem, as we think, satisfactorily solved. The President of the United States, in his annual message on the state of the union on January 3 last, recommended that approval be given at the present session of congress to the St. Lawrence agreement. It is still our strong hope that congress may soon be able to give its consideration to this important project.

When I addressed the house in November last I think I stated that negotiations were in progress with the United States government regarding the rights and privileges enjoyed by United States forces in Newfoundland. Those discussions are continuing satisfactorily, but, as a great many difficult and complicated questions are involved, they have not yet reached conclusion.

If I may now leave the United States I should like to say a few words about the situation in Europe.

In the free and democratic countries of Europe there has been a continuing revival of confidence and of stability since I last made a report to the house on this matter. I think this is due in very large measure to the reassurance which the North