

ANNEX

1. An airline designated by the Government of Australia may operate a return service originating in Australia and terminating in Canada on the route specified below and may take on and put down at Vancouver passengers, mail and cargo for and from Australia.
2. The route to be operated by the designated airline of the Government of Australia shall be:—

Sydney to Vancouver via Fiji, Canton Island, Honolulu, San Francisco or other intermediate stopping places as may be mutually agreed—in both directions.
3. An airline designated by the Government of Canada may operate a return service originating in Canada and terminating in Australia on the route specified below and may take on and put down at Sydney passengers, mail and cargo for and from Canada.
4. The route to be operated by the designated airline of the Government of Canada shall be:—

Vancouver to Sydney via such intermediate stopping places as may be mutually agreed—in both directions.
5. In the event the designated airlines of Australia and Canada enter into a pooling arrangement in accordance with Article XII, Section 3 of the Interim Agreement on International Civil Aviation, either contracting party may permit the designated airline of the other contracting party to exercise on the specified route any of the rights exercised by its own designated airline.
6. (a) The capacity to be operated from time to time by the designated airlines of Australia and of Canada for the conveyance of the traffic referred to in the foregoing paragraphs shall be maintained in close relationship with the traffic offering between Australia and Canada—in both directions. The capacity to be provided shall be discussed from time to time between the competent air authorities of the contracting parties.

(b) This capacity shall be divided between the airlines designated by Australia and by Canada in proportions corresponding to the proportions in which traffic to be carried between Australia and Canada in both directions is embarked in Australia and Canada respectively. Unless otherwise agreed this capacity shall be shared equally between the airlines of the two contracting parties.
7. The frequencies of the services to be operated by the designated airlines of the contracting parties and the load factor to be adopted for determining the frequencies shall from time to time be agreed between the airlines of the contracting parties, subject to the approval of the competent air authorities of the contracting parties.
8. In order to meet seasonal fluctuations or unexpected demands of a temporary character the designated airlines may, notwithstanding the provisions of paragraph 6 of this Annex agree between them to such temporary increases of capacity for either airline or both airlines as are necessary to meet the traffic demand. Any such increase shall be reported forthwith to the competent air authorities who may confirm or modify them.
9. In so far as one of the contracting parties may not wish, permanently or temporarily, to operate, in full or in part, the capacity to which it is entitled under the preceding paragraphs, that contracting party may arrange with the other contracting party under terms and conditions to be agreed between them for the designated airline of such other contracting party to operate additional capacity so as to maintain the full capacity agreed upon between them in