



PRESS RELEASE

INFORMATION DIVISION
DEPARTMENT OF EXTERNAL AFFAIRS
OTTAWA - CANADA

FOR IMMEDIATE RELEASE
December 22, 1949

No. 86

Representatives of the Canadian and the United States Governments have engaged during the past week in consultations concerning civil aviation relations between the two countries. These consultations were called so that both Governments might review questions arising under the Air Transport Agreement signed between the two Governments last June, including the details of recent problems relating to operations under the Agreement over the route between New York and Montreal. The discussions have been thorough and satisfactory progress has been made.

The United States representatives indicated their concern over certain aspects of the proceedings before the Air Transport Board which appeared to them to be based on the fact that Colonial Airlines was taking steps in the courts of the United States to test the validity of the Air Transport Agreement. The Canadian representatives stated that whereas the Air Transport Board had decided to hold hearings on the position of Colonial Airlines as a licensee of the Board on the route between Montreal and New York, at no time had the Canadian Government ever questioned the constitutional right of Colonial Airlines to have determined by the United States courts the validity of the Air Transport Agreement under United States law; nor had there ever been any desire on the part of the Canadian Government to interfere with judicial or administrative proceedings in the United States.

The representatives of the Canadian Government expressed themselves as satisfied that the United States had entered into the 1949 Agreement in good faith with every intention of carrying out its provisions. The representatives of the United States Government were also satisfied with the course adopted by the Canadian Government in implementing the provisions of the 1949 Agreement.

Although the discussions between the representatives of the two Governments took place within a general area of agreement, certain questions have arisen regarding the interpretation of particular articles of the bilateral agreement. It has been decided to adjourn the talks until an early date to permit each Government to consider the other's position in greater detail.
