



# AIRMAIL BULLETIN

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Canada - U.S. Air Rights: The Canadian Press reported in part as follows this morning on proceedings before the Air Transport Board:

Ottawa, September 8 -- (CP) -- A warning was served on United States airlines today that Canada may cut off their use of Newfoundland on transatlantic flights unless she gets concessions negotiated under the recent Canada-U.S. air agreement.

The Air Transport Board, the regulatory body of Canadian aviation, also indicated U.S. lines seeking other traffic rights in Canada under the pact may not get them until Washington takes further action to settle the status of the agreement.

Implementation of the U.S. Government's part of the air agreement, negotiated last summer, now is tied up by a challenge to its validity before the U.S. courts. Meanwhile, five American air carriers have applications before the Air Transport Board for traffic rights at Newfoundland's Gander Airport and at Edmonton.

J. R. Baldwin, Chairman of the Board, told representatives of the lines at a conference today that:

1. The Board would find it "extremely difficult" to justify extending concessions to U.S. carriers when Canadians cannot now get their own concessions, and when the validity of the agreement has been formally challenged.

2. Under the circumstances, Canada may have to "review" the question of whether the further exercise of rights at Gander by U.S. planes -- even on a temporary basis -- can be justified. U.S. transatlantic planes now are using Gander under temporary permission due to expire September 30.

3. Use of the military air base at Stephenville, Nfld., as an alternate field for transatlantic planes is in the same category as the other two cases, so far as Canadian action is concerned. This war-constructed field would become an alternate base under the agreement. It is in an area under long-term lease to the U.S. Government.

Mr. Baldwin said he was hopeful that his Board would not have to take action regarding Gander or to delay the Edmonton applications.

He said he hoped "action in Washington in the near future will make it possible for us to go ahead."

But he also declared that, in fairness to Canada, the Air Transport Board should not proceed any faster than the U.S. in implementing the Canadian side of the agreement....

Modernize Destroyers: The first major phase of a modernization programme for destroyers of the Royal Canadian Navy is near completion and the next three months will see an entire change-over of operational destroyers in the Fleet, it was announced on September 9 by the Minister of National Defence, Mr. Claxton.

Three Tribal class destroyers -- H.M.C. Ships "Huron", "Cayuga" and "Micmac" -- and the Fleet class destroyer "Sioux", which have been undergoing rearmament in yards on the two coasts are to return to active commission. "Huron" and "Micmac" will be based at Halifax and "Cayuga" and "Sioux" at Esquimalt.

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