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CANADA-UNITED KINGDOM AIR AGREEMENT

The Right Honourable Joe Clark, Secretary of State for External Affairs, and the Honourable John C. Crosbie, Minister of Transport, today announced the successful conclusion of a new scheduled air services agreement between Canada and the United Kingdom.

Both Ministers expressed their satisfaction that, after months of intensive negotiations, a new much modernized air agreement has been reached that is fair and equitable for both sides.

Mr. Clark noted that "the agreement provides the airlines with opportunities for growth and establishes a durable framework for the future. The air services agreement represents an important dimension of our bilateral relationship and strengthens the ties between the two countries". Mr. Crosbie said "the new accord will provide airlines from both countries with much greater scope to be innovative and entrepreneurial in offering their services to the travelling public".

Under the terms of the agreement, each country can designate its airlines to operate from any points in one country to any cities in the other. This type of "open skies" market entry represents a first for Canada in the international sphere. It is expected to lead to the establishment of new direct services such as that planned by Nationair between Hamilton and London.

In addition Canada gains the right for its carriers to carry traffic beyond London up to 10 times weekly to any points in Western Europe (excluding Scandinavia, Italy, Greece, and Berlin) whereas previously Canada had rights beyond London to only 4 points (Dusseldorf, Brussels, Zurich, and Vienna). Canada also obtains new rights to a point in Algeria or Egypt.

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