## No. 789

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# AUSTRALIA
# and
# CEYLON

**Agreement for the establishment of air services (with annex and exchange of notes). Signed at Canberra, on 12 January 1950**

*Official text: English.*
*Registered by the International Civil Aviation Organization on 1 May 1950.*

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# AUSTRALIE
# et
# CEYLAN

**Accord relatif à l'établissement de services aériens (avec annexe et échange de notes). Signé à Canberra, le 12 janvier 1950**

*Texte officiel anglais.*
*Enregistré par l'Organisation de l'aviation civile internationale le 1er mai 1950.*

# No. 789. AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA AND THE GOVERNMENT OF CEYLON FOR THE ESTABLISHMENT OF AIR SERVICES. SIGNED AT CANBERRA, ON 12 JANUARY 1950

The Government of the Commonwealth of Australia and the Government of Ceylon, hereinafter described as the "Contracting Parties", desiring to conclude an agreement for the purpose of promoting air services agree as follows:

*Article I*

Each Contracting Party grants to the other Contracting Party the right to operate the air services specified in the Annex to this Agreement (hereinafter referred to as the "specified air services") on the route specified in the Annex to this Agreement (hereinafter referred to as the "specified air route").

*Article II*

(A) Each of the specified air services may be inaugurated immediately or at a later date at the option of the Contracting Party to whom the rights under this Agreement are granted, on condition that:

(i) the Contracting Party to whom the rights have been granted shall have designated an airline for the specified air route.

(ii) the Contracting Party which grants the rights shall have given the appropriate operating permission to the airline pursuant to paragraph (B) of this Article which it shall do with the least possible delay.

(B) The designated airline may be required to satisfy the aeronautical authorities of the Contracting Party granting the rights that it is qualified to fulfil the conditions prescribed by or under the laws and regulations normally applied by those authorities to the operation of international air services.

[1] Came into force on 12 January 1950, in accordance with article XVII.

*Article III*

(A) Each of the designated airlines shall have the right to use all airports, airways and other facilities provided by the Contracting Parties for the use by international air services on the specified air routes.

(B) In the application of its customs, immigration, quarantine and similar regulations, each Contracting Party shall grant to the designated airline of the other Contracting Party treatment equal to that accorded to its own airlines engaged in international air transport.

(C) In the administration of regulations referred to in paragraph (B) of this Article, both Contracting Parties will use their best endeavours to follow closely such standards and recommended practices relating to facilitation of international air transport as are adopted by the Council of the International Civil Aviation Organisation. Moreover, the aeronautical authorities of the Contracting Parties shall, on request, consult regarding the administration of these regulations if, in the opinion of one of the Contracting Parties, such regulations impose an onerous burden on its designated airline in the operation of the air services pursuant to this Agreement.

(D) Aircraft of the designated airline of one Contracting Party operating the specified air services on a flight to, from or across the territory of the other Contracting Party shall be admitted temporarily free from customs duties, subject otherwise to the customs regulations of such other Contracting Party. Supplies of fuel, lubricating oils, spare parts, regular equipment and aircraft stores on board an aircraft of the designated airline of one Contracting Party on arrival in the territory of the other Contracting Party and not unloaded in that territory shall be exempt from customs duties, inspection fees and similar charges, even though such supplies be used by such aircraft on flights in that territory.

(E) Supplies of fuel, lubricating oils, spare parts, regular equipment, and aircraft stores introduced into or taken on board aircraft of one Contracting Party in the territory of the second Contracting Party by or on behalf of the designated airline of the first Contracting Party and remaining

on board on departure from the last airport of call in the territory of the second Contracting Party shall be exempt from customs duties, inspection fees and similar charges imposed in the territory of the second Contracting Party.

*Article IV*

The designated airline of a Contracting Party may, subject to the provisions of Articles I and V, carry across, set down and pick up at the points in the territory of the other Contracting Party mentioned in the specified air route international traffic in passengers, cargo and mail.

*Article V*

(A) The capacity to be operated between the territories of the two Contracting Parties for the carriage of traffic originating in the territory of each Contracting Party and destined for the territory of the other Contracting Party shall bear close relationship, at a reasonable load factor, to such traffic and shall be shared half to the designated airline of each Contracting Party.

(B) The designated airline of each Contracting Party may provide capacity for the carriage of fifth freedom traffic between the territory of the other Contracting Party and that of third countries, to the extent that the designated airline or airlines of such other Contracting Party together with the airlines of such third country are not able to handle such traffic. It is recognised that, as between the Contracting Parties, that Contracting Party to which such traffic is third and fourth freedom traffic has the primary right to the carriage of such traffic and shall be free to provide capacity for that purpose.

(C) The capacities to be provided by the designated airline of each Contracting Party for the traffic referred to in paragraph (A) and for fifth freedom traffic referred to in paragraph (B) of this Article shall be agreed, from time to time, between the aeronautical authorities of the Contracting Parties, who shall also agree at the same time on the load factor to be used in determining the said capacities.

(D) In order to meet seasonal fluctuations or unexpected demands of a temporary character the designated airlines may agree between them such

temporary increases in the agreed capacities as are necessary to meet the traffic need. Any such increase shall be reported forthwith to the aeronautical authorities of the Contracting Parties.

(E) Insofar as a designated airline of one Contracting Party is temporarily unable to operate its full share of the capacities agreed pursuant to paragraph (C) of this Article, that airline may arrange with the designated airline of the other Contracting Party, under terms and conditions to be agreed between them and approved by the aeronautical authorities of the respective Contracting Parties, to operate its share of the capacity in full or in part. It shall be a condition of any such agreement that, if the designated airline of the first Contracting Party should, at any time, decide to commence to operate, or to increase the capacity of its services within the total capacity to which it is entitled, the designated airline of the other Contracting Party shall withdraw correspondingly some or all of the additional capacity which it may have been operating.

(F) Each of the designated airlines of the Contracting Parties shall be entitled also to provide capacity for the carriage of traffic that originates in one third country and is destined for another third country (which traffic is fifth freedom traffic to both Contracting Parties) in accordance with the general principles that the capacity provided for such traffic shall be related to:

(i) the air transport needs of the area after taking account of local and regional services operated by airlines of the other Contracting Party;

(ii) and the economics of through airline operation insofar as the interests of such local and regional services are not adversely affected.

(C) The aeronautical authorities of each Contracting Party shall keep the aeronautical authorities of the other Contracting Party promptly informed of the capacities provided by its designated airline pursuant to this Article and, if so requested, shall consult with the aeronautical authorities of the other Contracting Party, to examine whether the capacities provided are in accordance with the general principles set out in this Article.

(H) Any dispute under this Article shall be dealt with in accordance with Article XII.

*Article VI*

The designated airline of either Contracting Party may, for the purpose of economy of operation, make a change of gauge in the territory of the other Contracting Party, subject to the following conditions:

(i) that the aircraft used on the section more distant from the starting point of the service shall be smaller in capacity than those used on the nearer section,

(ii) that such smaller aircraft shall be scheduled to provide a connecting service with the aircraft of larger capacity, and

(iii) that such smaller aircraft shall be operated for the primary purpose of carrying passengers who have travelled, or are to travel, in the larger aircraft. The capacity of such smaller aircraft shall be determined with reference to the traffic that is to be transferred from, or to, the larger aircraft for onwards conveyance to its destination and with reference to the provisions of Article V of this Agreement.

*Article VII*

(A) The aeronautical authorities of each Contracting Party shall supply to the aeronautical authorities of the other Contracting Party at their request,

(i) such traffic statistics as may be appropriate for the purpose of reviewing the frequency and capacity of the specified air services; and

(ii) such periodic statements as may be reasonably required, relating to the traffic carried by its designated airline on the specified air service, including information concerning the origin and destination of such traffic.

(B) Each Contracting Party shall cause its designated airline to supply to the aeronautical authorities of the other Contracting Party, as long in advance as practicable, copies of time-tables, and tariff schedules and particulars concerning the type of aircraft to be operated on the specified air service.

*Article VIII*

(A) The tariffs to be charged for the carriage of passengers and cargo on any of the specified air services shall be fixed at reasonable levels, due

regard being paid to all relevant factors, including economical operation, reasonable profit, differences of characteristics of service (including standards of speed and accommodation) and the tariffs charged by other airlines on the route or section thereof concerned.

(B) The tariffs in respect of each route and each section thereof shall be agreed, from time to time, between the designated airlines concerned in consultation with other airlines operating on the same route or section thereof and shall have regard to any relevant rates adopted by the International Air Transport Association. The tariffs so agreed shall be subject to the approval of the aeronautical authorities of both Contracting Parties, except that the approval of the aeronautical authorities of a Contracting Party shall not be necessary in respect of tariffs for a route or section in which no designated airline of that Contracting Party is concerned. In the event of disagreement between the designated airlines concerned or in case the aeronautical authorities do not approve the tariffs as required under this paragraph, the Contracting Parties shall endeavour to reach agreement between themselves failing which the dispute shall be dealt with in accordance with Article XII. Pending determination of the tariffs in accordance with this Article, the tariffs already in force shall prevail.

*Article IX*

Each Contracting Party reserves the right to itself to withhold or revoke the certificate or permit of an airline designated by the other Contracting Party if it is not satisfied that substantial ownership and effective control of such airline are vested in the other Contracting Party or its nationals. Each Contracting Party reserves the right to itself to withhold or revoke, or impose such a propriate conditions as it may deem necessary with respect to any certificate or permit, in case of failure by the designated airline of the other Contracting Party to comply with the laws and regulations of the first Contracting Party or in case, in the judgment of the first Contracting Party, there is failure to fulfil the conditions under which the rights are granted pursuant to this Agreement. Such action shall be taken only after issue of notice to the other Contracting Party stating the basis of the proposed action and shall afford opportunity to the other Contracting Party to consult in regard thereto. Any revocation or imposition of conditions shall become effective on the date specified in the notice (which shall not be less than two calendar months after the date on which the notice would, in the ordinary

course of transmission, be received by the Contracting Party to whom it is addressed) unless the notice is withdrawn before such date. In the event of action by one Contracting Party under this Article, the rights of the other Contracting Party under Article XII shall not be prejudiced.

*Article X*

To the extent to which they are applicable to the air services established under the present Agreement, the provisions of the Convention shall remain in force in their present form between the Contracting Parties for the duration of the Agreement, as if they were an integral part of the Agreement, unless both Contracting Parties ratify any amendment to the Convention which shall have duly come into force, in which case, the Convention as amended shall remain in force for the duration of the present Agreement.

*Article XI*

(A) In a spirit of close collaboration, the aeronautical authorities of the two Contracting Parties will consult on request with a view to ensuring the observance of the principles and the implementation of the provisions contained in this Agreement.

(B) Either Contracting Party may, at any time, request consultation with the other with a view to initiating any amendments of this Agreement which may be desirable. Such consultation shall begin within a period of sixty days from the date of the request. Any modification of this Agreement, agreed as a result of such consultation, shall come into effect when it has been confirmed by an exchange of diplomatic notes.

(C) Changes made by either Contracting Party in the intermediate stopping places on a specified air route authorised to its designated airline except those which

(i) change the places served by a designated airline in the territory of the other Contracting Party, or,

(ii) result in the route ceasing to be reasonably direct,

shall not be considered as modifications of this Agreement and either Contracting Party may therefore make such changes, provided that notice of any such changes shall be given without delay to the aeronautical authorities of the other Contracting Party. If the aeronautical authorities of such second

Contracting Party find that the principles set forth in Article V of this Agreement are thereby infringed and such infringement affects the interests of any of their airlines because of the carriage by a designated airline of the first Contracting Party of traffic between the territory of the second Contracting Party and the new point in the territory of a third country the aeronautical authorities of the second Contracting Party may request consultation in accordance with the provision of Paragraph (A) of this Article.

*Article XII*

(A) If any dispute arises between the Contracting Parties relating to the interpretation or application of the present Agreement or of its Annex, the Contracting Parties shall in the first place endeavour to settle it by negotiation between themselves.

(B) If the Contracting Parties fail to reach a settlement by negotiation,

(i) they may agree to refer the dispute for decision to an arbitral tribunal or some other person or body appointed by agreement between them; or

(ii) if they do not so agree or if, having agreed to refer the dispute to an arbitral tribunal they cannot reach agreement as to its composition, either Contracting Party may submit the dispute for decision to any tribunal competent to decide it established within the International Civil Aviation Organisation, or if there be no such tribunal, to the International Court of Justice.

(C) The Contracting Parties undertake to comply with any decision given, including any interim recommendation made, under paragraph (B) of this Article.

(D) If and so long as either Contracting Party or a designated airline of either Contracting Party fails to comply with the requirements of paragraph (C) of this Article, the other Contracting Party may limit, withhold or revoke any rights which it has granted by virtue of the present Agreement and its Annex.

*Article XIII*

In the event of the conclusion of a multilateral air transport agreement to which both Contracting Parties adhere, this Agreement shall be reviewed to determine whether or not it can remain in force consistent with such multilateral agreement.

*Article XIV*

This Agreement shall be registered with the International Civil Aviation Organisation set up by the Convention.

*Article XV*

It shall be open to either Contracting Party at any time to give notice to the other of its desire to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organisation. If such notice is given, this Agreement shall terminate twelve calendar months after the date of receipt of the notice by the other Contracting Party unless the notice to terminate is withdrawn by agreement before the expiry of this period. In the absence of acknowledgement by the other Contracting Party specifying an earlier date of receipt, notice shall be deemed to have been received fourteen days after the receipt of the notice by the International Civil Aviation Organisation.

*Article XVI*

For the purpose of this Agreement and its Annex unless the context otherwise requires:

(A) The term "territory" shall have the meaning assigned to it by Article 2 of the Convention on International Civil Aviation signed at Chicago on December 7, 1944,[1] in this Agreement referred to as "the Convention".

(B) The term "aeronautical authorities" shall mean in the case of Australia, the Director-General of Civil Aviation, Australia, and in the case of Ceylon, the Director of Civil Aviation, Ceylon, and in both cases any person or body authorised by the respective Contracting Parties to perform the functions exercised by the above-mentioned authorities.

(C) The term "designated airline" shall mean the air transport enterprise which the aeronautical authorities of one of the Contracting Parties have notified to the aeronautical authorities of the other Contracting Party as the airline designated by the first Contracting Party in accordance with Article II of this Agreement for the route specified in such notification.

[1] United Nations, *Treaty Series*, Volume 15, page 295; Volume 26, page 420; Volume 32, page 402; Volume 33, page 352; Volume 44, page 346 and Volume 51, page 336.

(D) The definitions contained in paragraphs *(a)*, *(b)*, *(c)* and *(d)* of Article 96 of the Convention shall apply.

*Article XVII*

This Agreement shall come into force on the twelfth day of January, one thousand nine hundred and fifty.

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement.

DONE this twelfth day of January, one thousand nine hundred and fifty, in duplicate at Canberra in the English Language.

For the Government of Ceylon
(*Signed*) J. A. MARTENSZ

For the Government of the Commonwealth of Australia
(*Signed*) T. W. WHITE

ANNEX

1. An airline designated by the Government of Ceylon shall be entitled to operate air services in both directions on the following route: —

Ceylon via points in Malayan Peninsula and United States of Indonesia to Darwin and Sydney.

2. An airline designated by the Government of the Commonwealth of Australia shall be entitled to operate air services in both directions on the following route: —

Australia via points in United States of Indonesia, Malayan Peninsula, to Ceylon and optionally beyond via Bombay, Karachi, Basra, Cairo and Rome to the United Kingdom and/or other terminal points in Western Europe.

3. Points on any of the specified air routes may, at the option of the designated airline, be omitted on any or all flights.

## EXCHANGE OF NOTES

### I

VICTORIA BARRACKS
ST. KILDA ROAD
MELBOURNE, S. C. 1

12th January 1950

Sir,

I have the honour to refer to the Agreement between the Government of the Commonwealth of Australia and the Government of Ceylon relating to air services, which was signed on behalf of both Governments today, and to record hereunder the understanding of the Government of the Commonwealth of Australia concerning the following matters:

(*a*) Notwithstanding the provisions of Article V of the Agreement, the capacity permitted to the designated airline of Ceylon for traffic to be picked up or set down in Australia shall be provided by one trip in each direction by D.C.4 aircraft in each four weeks during a trial period, until such time as the Contracting Parties agree that this capacity is to be reviewed in accordance with Article V of the Agreement. This shall be deemed to represent a capacity in each direction of 14,000 lbs., including accommodation for forty-one passengers, each four weeks.

(*b*) Notwithstanding the provisions of Article V of the Agreement, the capacity permitted to the designated airline of Australia for traffic to be picked up or set down in Ceylon during the said trial period shall be provided by one trip in each direction in each four weeks provided that such capacity in each direction shall not exceed 14,000 lbs., including accommodation for forty-one passengers, each four weeks.

(*c*) Of the traffic actually set down or picked up in Australia by the designated airline of Ceylon during each twelve weeks of the said trial period, not more than a total of 16-2/3rds per cent shall be traffic that originates in or is destined for countries other than Ceylon, whether such countries are situated between or beyond Australia and Ceylon. Of the traffic actually set down or picked up in Ceylon by the designated airline of Australia during each twelve weeks of the said trial period, not more than a total of 16-2/3rds per cent shall be traffic that originates in or is destined for countries other than Australia, whether such countries are situated between or beyond Australia and Ceylon.

(*d*) Notwithstanding the provisions of Article VIII of the Agreement, the tariffs set out in Attachement hereto are approved by the Contracting Parties to apply until such time as the Contracting Parties agree that such tariffs shall be reviewed in accordance with Article VIII of the Agreement.

I am to request your confirmation of the understanding recorded herein and to suggest that this Note and the reply thereto should constitute an Agreement between our two Governments.

I have the honour to be, with the highest consideration, Sir,

Your obedient servant,

(*Signed*) T. W. WHITE
Minister of State for
Air and Civil Aviation

His Excellency Mr. J. A. Martensz,
High Commissioner for Ceylon in Australia,
Canberra, A.C.T.

ATTACHMENT TO EXCHANGE OF NOTES BETWEEN THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA AND THE GOVERNMENT OF CEYLON

| *Sector* | | *Single Fare* | *Air Cargo — Rates per kilo (under 45 kilos)* | |
|---|---|---|---|---|
| | | | *Eastbound* | *Westbound* |
| Sydney | — Batavia | 98. 0. 0 | 12. 2 | 12. 2 |
| | — Singapore | 108. 0. 0 | 13. 2 | 13. 2 |
| | — Colombo | 152. 0. 0 | 16. 4 | 16. 4 |
| | — Bombay | 170. 0. 0 | 17. 5 | 17. 5 |
| | — Karachi | 177. 0. 0 | 18. 9 | 18. 9 |
| | — Basra | 198. 0. 0 | 22. 0 | 19. 8 |
| | — Cairo | 220. 0. 0 | 24. 6 | 20. 0 |
| | — Rome | 244. 0. 0 | 26. 0 | 20. 8 |
| | — London | 260. 0. 0 | 30. 0 | 21. 7 |
| Darwin | — Batavia | 49. 0. 0 | 6. 9 | 6. 9 |
| | — Singapore | 60. 0. 0 | 8. 4 | 8. 4 |
| | — Colombo | 107. 0. 0 | 12. 8 | 12. 8 |
| | — Bombay | 126. 0. 0 | 14. 8 | 14. 8 |
| | — Karachi | 133. 0. 0 | 15. 9 | 15. 9 |
| | — Basra | 156. 0. 0 | 17. 3 | 16.11 |
| | — Cairo | 179. 0. 0 | 19. 5 | 17. 3 |
| | — Rome | 203. 0. 0 | 22. 6 | 18. 0 |
| | — London | 220. 0. 0 | 24. 6 | 19. 7 |

| *Sector* | | *Single Fare* | *Air Cargo — Rates per kilo (under 45 kilos)* Eastbound | *Westbound* |
|---|---|---|---|---|
| Batavia | — Singapore | 18. 0. 0 | 2. 4 | 2. 4 |
| | — Colombo | 63. 0. 0 | 8.11 | 8.11 |
| | — Bombay | 81. 0. 0 | 11. 5 | 11. 5 |
| | — Karachi | 89. 0. 0 | 12. 9 | 12. 9 |
| | — Basra | 113. 0. 0 | 15. 4 | 13. 4 |
| | — Cairo | 139. 0. 0 | 16. 7 | 13. 8 |
| | — Rome | 163. 0. 0 | 18. 3 | 14. 7 |
| | — London | 180. 0. 0 | 19. 9 | 15.10 |
| Singapore | — Colombo | 50. 0. 0 | 6. 9 | 6. 9 |
| | — Bombay | 70. 0. 0 | 9.10 | 9.10 |
| | — Karachi | 78. 0. 0 | 11. 1 | 11. 1 |
| | — Basra | 105. 0. 0 | 13.11 | 12. 7 |
| | — Cairo | 133. 0. 0 | 15.10 | 13. 1 |
| | — Rome | 157. 0. 0 | 17. 2 | 13. 9 |
| | — London | 174. 0. 0 | 19. 1 | 15. 3 |
| Colombo | — Bombay | 20. 0. 0 | 3. 3 | 3. 3 |
| | — Karachi | 30. 0. 0 | 5. 3 | 5. 3 |
| | — Basra | 65. 0. 0 | 10. 2 | 10. 0 |
| | — Cairo | 96. 0. 0 | 12. 5 | 11. 3 |
| | — Rome | 126. 0. 0 | 15. 4 | 12. 0 |
| | — London | 147. 0. 0 | 16. 2 | 12.11 |
| Bombay | — Karachi | 11. 5. 0 | 2. 3 | 2. 3 |
| | — Basra | 47. 0. 0 | 7. 5 | 7. 5 |
| | — Cairo | 78. 0. 0 | 9. 6 | 9. 2 |
| | — Rome | 108. 0. 0 | 12. 8 | 10. 2 |
| | — London | 129. 0. 0 | 14. 9 | 11.10 |
| Karachi | — Basra | 37. 0. 0 | 5. 2 | 5. 2 |
| | — Cairo | 68. 0. 0 | 8. 8 | 8. 4 |
| | — Rome | 98. 0. 0 | 11.11 | 9.11 |
| | — London | 120. 0. 0 | 13. 7 | 11. 8 |
| Basra | — Cairo | 34. 0. 0 | 4. 5 | 4. 5 |
| | — Rome | 68. 0. 0 | 8. 1 | 8. 1 |
| | — London | 90. 0. 0 | 10. 3 | 10. 3 |
| Cairo | — Rome | 42.14. 0 | 4.11 | 4.11 |
| | — London | 67. 0. 0 | 7. 8 | 7. 8 |
| Rome | — London | 28.10. 0 | 4. 0 | 4. 0 |

NOTE: Commissions and rebates shall be allowed only in accordance with the provisions of the relative resolutions of I.A.T.A.

*All amounts English Sterling*

II

OFFICE OF THE HIGH COMMISSIONER
FOR CEYLON
CANBERRA, A.C.T.

12th January, 1950

Sir,

I have the honour to refer to your Note of today's date, reading as follows:

[*See note I and attachment*]

2. I am pleased to confirm the understandings as stated above and to acknowledge that your Note and this reply shall constitute an Agreement between our two Governments.

I have the honour to be, with the highest consideration, Sir,

Your obedient servant,

(*Signed*) J. A. MARTENSZ
High Commissioner for Ceylon

The Hon'ble T. W. White, D.F.C., V.D.
Minister for Air & Civil Aviation
Canberra, A.C.T.

III

VICTORIA BARRACKS
ST. KILDA ROAD
MELBOURNE, S.C.1.

12th January, 1950

Sir,

I have the honour to refer to the Agreement between the Government of the Commonwealth of Australia and the Government of Ceylon relating to air services, which was signed on behalf of both Governments today, and to record hereunder the understanding of the Australian Government concerning the agreement reached on the question of traffic sharing.

The Government of the Commonwealth of Australia will, pursuant to the Agreement, designate Qantas Empire Airways Limited to operate air services between Australia and Ceylon and beyond to the United Kingdom, and further Qantas Empire Airways Limited has entered into a parallel partnership arrangement, not inconsistent with Chapter XVI of the Convention, with

British Overseas Airways Corporation, with the consent and approval of the Governments of the Commonwealth of Australia and of the United Kingdom, under which arrangement the capacities and the revenues earned on the services of these two airlines between Australia and the United Kingdom are shared between such two airlines in agreed proportions. It has, therefore, been agreed between the representatives of the Australian and Ceylon Governments that nothing in the Agreement shall prevent Qantas Empire Airways Limited and British Overseas Airways Corporation (including their respective successors or assigns) from pooling and sharing the capacities which each of them individually is entitled or may become entitled to operate; provided that the aeronautical authorities of the Commonwealth of Australia shall be held accountable for the total capacity which Qantas Empire Airways Limited is entitled to operate under Article V of the Agreement even if part of such capacity is operated by British Overseas Airways Corporation pursuant to the parallel partnership arrangement.

I am to request your confirmation of the arrangement recorded herein and to suggest that this Note and the reply thereto should constitute an Agreement between our two Governments.

I have the honour to be, with the highest consideration, Sir,

Your obedient servant,

(*Signed*) T. W. WHITE
Minister of State for
Air and Civil Aviation

His Excellency Mr. J. A. Martensz
High Commissioner for Ceylon in Australia
Canberra, A.C.T.

IV

OFFICE OF THE HIGH COMMISSIONER
FOR CEYLON
CANBERRA, A.C.T.

12th January, 1950

Sir,

I have the honour to refer to your Note of today's date on the subject of the Agreement between the Government of Ceylon and the Government of the Commonwealth of Australia relating to air services signed on behalf

of both our Governments today, and to state, with regard to the agreement reached on the question of traffic sharing, that the understanding of the Government of Ceylon is as follows:

[*See note III*]

I have the honour to be, with the highest consideration, Sir,

Your obedient servant,

(*Signed*) J. A. MARTENSZ
High Commissioner for Ceylon

The Hon'ble T. W. White, D.F.C., V.D.,
Minister for Air & Civil Aviation,
Canberra, A.C.T.

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