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Message Text

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60
ORIGIN EB-11

INFO OCT-01 EUR-25 ISO-00 DOTE-00 L-03 CAB-09 CIAE-00

COME-00 DODE-00 INR-10 NSAE-00 RSC-01 FAA-00 SS-20

NSC-07 NSCE-00 SSO-00 INRE-00 TRSE-00 /087 R

DRAFTED BY EB/AVP:DBORTMAN:VLV
APPROVED BY EB/OA:JSMEADOWS
DOT - MR. BINDER
---------- 082069
O 082151Z MAY 74
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA IMMEDIATE

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E.O. 11652: N/A
TAGS:ETRN, CA
SUBJECT: CIVAIR - FARE PROBLEM

1. ASSISTANT SECRETARY BINDER (DOT) DISCUSSED WITH STONER (MOT) MAY 6 OUR CONCERN ABOUT THE DEADLOCK IN SECURING IATA AGREEMENT ON ADDITIONAL FIVE PERCENT FUEL SURCHARGE TO BE EFFECTIVE AT THE END OF THIS MONTH. INITIALLY, NATIONAL AIRLINES AND AIR CANADA WERE AGAINST THE INCREASE BUT BINDER WAS CONFIDENT THAT NATIONAL WOULD WITHDRAW ITS OBJECTIONS (WHICH IN FACT IT HAS NOW DONE). STONER ADMITTED THAT HE HAD NOT SEEN ANY FACTS TO DOCUMENT AIR CANADA'S "GUT" FEELING THAT THE INCREASE IN REVENUE RESULTING FROM THE FARE HIKE WOULD BE NEGATED BY A DECREASE IN TRAFFIC. BINDER THEN SUGGESTED TRYING TO BREAK THE DEADLOCK BY BRINGING THE CARRIERS TOGETHER (TWA, PAA AND AC) IN THE PRESENCE OF REPRESENTATIVES OF MOT AND DOT (ALSO POSSIBLY STATE AND CAB). STONER REACTED FAVORABLY IN PRINCIPLE BUT WISHED TO CONSULT HIS COLLEAGUES AND AIR CANADA.

2. BINDER HAS DISCUSSED THIS APPROACH WITH WISER, PRES. OF
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TWA, AND SEAWELL, CHAIRMAN OF PAA, AND BOTH APPROVED

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SENDING REPRESENTATIVES.

3. IN MEANTIME WE UNDERSTAND FROM EMBASSY THAT CANADIANS PREPARED TO HAVE MEETING BUT NOT BEFORE SATURDAY (ALTHOUGH AIR CANADA APPEARS TO BE HOLDING FIRM). EMBASSY SHOULD TRY TO OBTAIN CANADIAN AGREEMENT TO EARLIEST POSSIBLE DATE. IF CANADIANS SUGGEST WEEKEND WE WILL TRY TO MAKE IT BUT CANNOT BE SURE SINCE WE HAVE NOT YET CONSULTED CARRIERS AS TO THEIR AVAILABILITY. RUSH

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Draft Date: 08 MAY 1974
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
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