WORLD NEWS

Canadair

president
resigns
MONTREAL

Frederick Kearns, the presi-
dent and chief executive
officer of Canadair, has been
given permission to take early
retirement by the board of
directors. He has held the post
since 1965, and has been with
thp company since 1949.
Criticism of Canadair's
management has been evident
in recent weeks, and the
manufacturer has some
financial difficulties. Cana-
dair has asked the Canadian
Government for a further
$240 million to see it through
to next spring, on top of the
$200 million in Government
aid it received last year. Si ace
the Government bought
Canadair from General
Dynamics in 1974, it has
provided about $1,350 million
in guaranteed loans.
More than 75 CL600 Chal-
lengers and two CL601s have
been delivered. Latest figures
on orders have not been re-
leased but the company says it
has "... been examining the
whole orderbook (and has)
identified a number of soft
order positions". Canadair is
talking to these customers to
establish if and when they will
take aircraft. Order figures
should be revealed to the
Government this month.

People Express licence awarded
LONDON

People Express Airlines was
awarded a permit to operate
low-fare scheduled services on
the New York Newark-
London Gatwick route by the
UK Department of Trade
only hours before the first
flight was scheduled to
takeoff.
The DoT had been reluc-
tant to award the licence
quickly because it was con-
cerned that, if other carriers
dropped their fares to match
PE's £99/$149 economy tar-
iff, the US Department of Jus-
tice might decide to take ac-
tion against them under the
US anti-trust laws. It'is al-
ready taking action against
British Airways and BCal for
alleged collusion in fixing
fares to drive Laker Airways
out of business.
A US delegation visited
London last week to discuss
the two countries' respective
positions on fare-fixing under
the UK-US Bermuda 2 bilat-
eral agreement. The break-

through on the People Ex-
press decision came because
of what the UK DoT called
"encouraging progress" in the
discussions.

Although the DoT would
not reveal what had been
agreed, it is clear that some
assurance must have been
given by the US Department
of Justice that it is not likely
to take ant-trust action
against carriers if they are
seen to drop their fares almost
simultaneously.

The UK Trade Department
was at pains to point out after
the talks that, despite the
People Express breakthrough,
no decisive agreement had
been reached on the wider is-
sue of whether or not fare-
fixing allowed by Bermuda 2
is actionable under the US
anti-trust legislation.
But, says the DoT, both
sides are at least willing to
reconsider their positions
and talk again—the talks
did not result in irrevo-
cable stalemate, as had been
feared.

Flight in France
Almost the entire staff of
Flight International is in Paris
at some time during this
week's Air Show, but we
would like to take this
opportunity of reminding our
friends in the French
aerospace industry that it is
not just at Show time that we
serve their needs. Flight Inter-
national has resident editorial

and advertising staff in the
French capital.
Our Paris correspondent is
Gilbert Sedborn who may be
contacted on 825 5261.
Our French advertisement
sales operation is headed by
Pierre Mussard who now
operates from the new Flight
International office at 18/20,
Place de la Madeleine, Paris
75008; Tel 265 5014. Telex
Number 215334F BISPRSF.

The British Aerospace 125-800 took to the air for the first time at 12-45 p. m. on Thursday, May 26, with divisional chief test pilot Mike Goodfellow at the controls. The flight was made from the company's Chester facility, and it lasted 3hr 8min with the aircraft reaching 45,000ft

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FLIGHT
INTERNATIONAL

NEXT WEEK

Tornado is now oper-
ational with 9 Squadron,
RAF. What do the crew
think of it? What are its
teething troubles? What is
it like to fly on a low-level
strike? Mike Gaines reports

Flight's staff takes a closer
look at some of the bigger
stories from Paris.

Tigershark's multimode
radar, the General Rlectric
APG-67, embodies the lat-
est in digital proces-
sing and microelectronics.;
Graham Warwick reports.

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