

- Canada should permit up to 49 percent foreign ownership of its airlines but control should remain with Canadians.

*Canadian Airlines International Ltd.*

- A prime objective of Canadian Aviation Policy must be to promote the economic viability of at least two international/domestic Canadian carriers.
- Given the small size of Canada's international aviation markets, a policy that allows or encourages two or more Canadian carriers plus potentially two or more foreign carriers to compete directly over the same routes, would undermine the achievement of the above prime objective and should, therefore, be rejected.
- One of the essential responses to the globalization of the aviation industry is the building of commercial alliance relationships with foreign carriers. Air policy should be designed to be supportive of the alliance building process. Allowing Canadian carriers to compete in the same international markets would undercut the effectiveness of the alliance building process.
- If Canada decides it must seek multiple designation rights in new bilateral agreements, such rights should only be sought in markets of a size large enough to enable two Canadian carriers to maintain sustainable competition against foreign competition. Markets such as the United Kingdom and the United States are large enough to sustain multiple designation.