

- to ensure airline industry development in Canada without undue burden to the taxpayer

and two other objectives related to international services:

- that Canada get its "fair share" of the international market
- that the policy would create a framework in which the two Canadian carriers could engage in long-term planning and the government could take a methodical approach to bilateral negotiations.

On the one hand, and as a change from previous international policy, this policy specifically allowed an increase in the number of Canadian gateways, i.e. the number of cities with non-stop international air services. On the other hand, it continued some very specific policies from the 1966-1973 period. It maintained the position of Air Canada as the pre-eminent carrier, both domestically and internationally, sought to establish cooperation between Air Canada and Canadian Pacific Airlines, and required each carrier to continue serving only its defined world areas.

The 1973 policy set out eight principles to govern international aviation initiatives:

1. That the economic viability of carriers would continue to be the major consideration in establishing international air services, and that direct subsidization of such services would be avoided;
2. That the government would refrain from granting or seeking temporary authorizations for the inauguration of international air services;