profitable for the Canadian carrier to enter into a alliance with a French carrier to transfer Moscow-bound passengers to the French carrier in Paris. Even though the Canadian carrier is not physically serving Moscow, it can sell Canada-Moscow tickets under its own ticket code, if it has the French alliance and if it can legally serve the Paris-Moscow route according to Canada's French and Russian bilaterals. If Moscow is not specified as a beyond point in the French agreement, and Paris is not specified as an intermediate point in the Russian agreement, the Canadian carrier cannot legally sell Canada-Moscow tickets under its own code.

Given the increasing reliance of carriers on international alliances, the limited fifth freedom rights in Canadian bilateral agreements could severely restrict the ability of Canadian carriers to profit from these agreements in the future. It is evident that the Canada-Netherlands model, with unlimited fifth freedom rights for a designated Canadian carrier, best allows Canadian carriers to capitalize on alliance opportunities.

VII. Conclusions

The purpose of this paper was to examine recent Canadian bilateral agreements to determine how well they promote the interest of the traveling public in terms of providing for competitive price-setting and increased international services. These goals were written into Canada's new international air transport policy and form the basis of Canada's recently signed open skies agreement with the United States. Four aspects of Canadian agreements were examined: designation; capacity and commercial clauses; tariffs; and, route rights. Key findings from the study were as follows (see Table 2):

- Seven of the 15 agreements that entered into force between 1987 and 1993 allowed for dual or multiple designation (47 percent) compared to only 5 of 13 (39 percent) signed between 1978 and 1986, reflecting a movement towards allowing more carriers to compete on Canadian international routes. However, the competitive benefits from multiple designation

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