

documentation, conditions of travel, carrier liability and timetables.¹ In other parts of the world, air commerce was largely developed by the efforts of individual carriers. For example, the U.S. carrier, Pan American, developed air transportation in the Americas and eventually overseas, largely on its own efforts. The carrier negotiated directly with foreign governments.

The *Warsaw Convention of 1929* attempted to produce a uniform legal system for international carriage by air, accepting the growing complexity and interdependence this mode of transport was to inspire. Not only were governments becoming engaged in the development of regulations for operational standards, but they were becoming more interested in the economic standards under which international air transportation would be allowed. One of the legacies of this convention is the limitation on carrier liability which is found on all airline tickets.

This *ad hoc* regime lasted until World War II. As the war was drawing to a close, the *Chicago Convention* of 1944 was held with the hope of establishing a multilateral approach to govern both air rights as well as economic regulation. However, the impasse between the U.S. (which advocated liberal economic conditions for the industry) and the U.K. (which advocated tightly regulated conditions) resulted in the need for bilateral negotiations between nations on the most important questions: routes, designation of carriers, conditions of service, and fares.

The *Chicago Convention on International Aviation* established the legal foundation on which modern international aviation, and in particular the economic regulation of air

¹ See Taneja (1980).