

mergers, alliances and marketing arrangements with partners across the Atlantic, and in the Asian and Pacific regions. Using existing traffic rights, Community carriers such as SAS have entered into arrangements with Texas/Continental airlines in the USA and Thai International, dovetailing their services so as to gain access to 514 new destinations. By mutually reinforcing each other's strengths, it becomes equally, if not more profitable for airlines to transfer passengers than to carry them. SAS has also entered into equity arrangements with British Midland, Swissair, Lan Chile and Finnair. Commercial arrangements have been concluded by KLM with Sabena, World Airlines and North West in USA, by BA with United in the USA and with Singapore airlines; Al Italia and US Air.²⁰ Canadian carriers have also not been backward. The Globe and Mail of 8 September announced Canadian Airlines International pooling and marketing agreements with Air New Zealand, and that similar deals are in prospect with Air France, Al Italia, in addition to those already in place with Lufthansa and Japan Air Lines. Air Canada too has an extensive network of cooperative commercial arrangements. Such arrangements between third country and Community carriers may well diminish for third country carriers the importance of cabotage or fifth-freedom services in the Community. With an enlarged domestic base Community carriers could become attractive partners to third country carriers in other continents. Indeed, the trend towards globalization may overtake regionalization or integration of markets as planned by the Community's air transport policy. Globalization, if pursued and extended to its logical conclusion, could lead to revisiting the principle