

1. Major Canadian Scheduled Carriers

Air Canada

- Factors in the business and commercial environment throughout this decade will cause a rationalization of commercial air services on a global basis resulting in the creation of megacarriers, bankruptcies, fierce competition and more involvement of government in commercial and competition (anti-trust) issues.
- The establishment of one international carrier for Canada may become a necessity in the next two or three years.
- Canada's bilateral air service agreements should be recognized basically as trade agreements, and balance of economic benefit should be the main criterion.
- Renegotiation of the Canada-U.S. bilateral must provide for economic balance and equality of opportunity. Canada must ensure that an effective phasing-in process with the necessary safeguards and review mechanisms are an integral part of the new agreement.
- Canada's policy on Division of the World between AC and CAI should be cancelled, and the criterion for designation should be one of allowing the "fit, willing and able" criteria coupled with market forces to determine operations.