

their right to control all charters operating into and out of their countries regardless of the origin of the traffic. In a few isolated cases Canada has had to accept the imposition of more restrictive rules of capacity constraints because of the other country's refusal to allow Canadian rules to apply. Most notable among these have been France and Venezuela. Canada's charter rules are generally considered moderate, with the U.K. and the U.S. having less restrictive regulations than Canada.

#### A. The Chicago Formula for Bilateral Air Services Agreements

Canada's bilaterals have generally been patterned on the 1944 Chicago Convention formulation which sets out a standard text suggested for use by contracting parties. This consists of a general text, which sets out the basis of the agreement, and various schedules, annexes and appendices which clarify, modify, augment or limit the operations of services allowed under the agreement.

The content of the standard form of bilateral agreement can be considered in four categories:

- Grant of commercial rights
- Rules of commercial activity
- Technical matters
- Legal and administration