

Chicago for ownership and operation of international air lines by a company jointly owned by various nations were not disputed by Canada as an objective but were not found possible of general acceptance. Canadian representatives took the line that what should rather be sought was a set of principles to govern international aviation, with some means of ensuring that these principles would be enforced.

The chief problem in present international flying concerns the exchange between nations of traffic rights. To carry traffic into another country, a nation requires by custom a special bilateral agreement with that country. In consequence, the setting up of any major international air route involves from about half a dozen to a dozen separate bilateral agreements. The Canadian view is that this multiple system, which often results in discriminatory arrangements and is an impediment to the development of aviation, should be replaced by a system in which traffic rights will be exchanged freely on a multilateral basis. At the same time, the Canadian Government takes the stand that since obvious inequality exists in regard to the economic position of nations and in their consequent ability to operate major international air lines some general protection is required if lesser nations are to give up the protection presently afforded through bilateral bargaining.

This protection, in the Canadian view, should ensure that each nation would have a chance to operate an air line if it wishes, would not receive unfair treatment at the hands of other nations, and could not be driven out of business through unfair operations by the air lines of other nations. At the same time, the most efficient operator should get the best chance to operate and expand as a reward for efficiency.

Since the Chicago meeting, the Canadian Government has constantly sought an agreement which would cover these requirements. At Chicago, the discussion first centred upon the plan of having an international body which would have power to allocate international routes and regulate their operation. Subsequently the discussion turned to the idea of a clear set of principles to govern international aviation which each nation would agree to accept and follow, with an international body to enforce them and to settle grievances. Later discussions in Montreal at PICAQ and its successor, ICAO, produced various modifications of these ideas. The most recent attempt at Geneva in November of 1947 took the approach that routes should still be exchanged bilaterally but that there should be principles to govern both the fair exchange and the operation of routes.