



Recommendation 391 (1964)¹

Certain financial and economic aspects of air transport operations

Parliamentary Assembly

The Assembly,

1. Acknowledging the benefits which civil aviation has brought to the world in bringing all peoples into closer contact with one another ;
2. Believing that the advances of science and technology in the field of civil aviation, as elsewhere, should be used to benefit humanity and the public at large and that, where possible, the cost of air travel should be reduced so as to extend it to a wider section of the population ;
3. Aware of the contribution made by such Organisations as the International Air Transport Association (IATA) and the International Civil Aviation Organisation (ICAO) to the development of world air transport ;
4. Grateful for the work done by the European Civil Aviation Conference (ECAC) and the European Airlines Research Bureau (EARB) in helping to further the rational development of European civil aviation ;
5. Noting that the introduction of the subsonic jet played a major role, though the situation was aggravated by other factors, in causing many airline operators to incur large financial losses ;
6. Fearing that a similar situation could repeat itself in whole or in part as a result of the introduction of the supersonic jet, and anxious to prevent this from happening ;
7. Considering the burden on the European taxpayer of making good the repeatedly occurring losses of a majority of European airlines, and desiring to encourage a more rational, coherent, and efficient development of European civil aviation ;
8. Recalling the five freedoms of the air,
9. Recommends to the Committee of Ministers :
 - 9.1. That, as it is in the common interest of all member Governments to avoid, so far as possible, the difficulties that have arisen in the past, steps should be taken by member Governments to ensure that their respective flag carriers (in which in general they are either majority shareholders, or otherwise dispose of powers of direction) :
 - a. arrive at a better utilisation within Western Europe of their existing capacity by actively pursuing such arrangements as pooling, interchange of traffic rights, interchange of routes, interchange of seats, and interchange of aircraft, these measures being accompanied by a co-ordinated, orderly, and gradual liberalisation of air traffic rights in such a way that co-operation would go hand in hand with the realisation of all five freedoms ;
 - b. arrive at closer and more comprehensive forms of co-operation by a more rational division of labour in such fields as technical and maintenance agreements, handling agreements, and sharing of sales offices ;

1. Assembly debate on 23rd April 1964 (4th and 5th Sitzings) (see [Doc. 1734](#), report of the Economic Committee). Text adopted by the Assembly on 23rd April 1964 (5th Sitting).



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- c. assuming the introduction of supersonic intercontinental civil air transport services within the coming decade, make plans to pool such services on a communal European basis ; and
 - d. study the practicability of differential fares (e.g. distinguishing between subsonic and supersonic flight) and also of introducing more cheap European night flights ;
- 9.2. That a careful examination should be made of the possibilities of the ECAC's setting up a Joint Committee with the participation of the national airlines of member countries of ECAC to permit of problems of common interest being examined jointly ;
- 9.3. That the airlines of member countries should be invited to examine the advantages of urging in suitable cases the fixing of fares by IATA for a longer period than one year at a time.