

2. The expansion of air transport services during the period of the War has been confined to war requirements. Canada has concentrated on the development of the British Commonwealth Air Training Plan and on combat flying and, as a result, by agreement with our Allies, military air transport in the northwest has largely been undertaken by the United States army and on the northeast ferry routes by the ferry commands. When war necessities permit and suitable equipment can be obtained, the Government will encourage the further development within Canada of air transport services, to supplement and form part of an up-to-date transportation system for Canada by land, water and air. Transport by air requires close supervision on the part of the Government. The Board of Transport Commissioners will be responsible for regulating traffic matters and for allocating new routes apart from the lines brought under the Trans-Canada Air Lines Act. The Civil Aviation Branch of the Department of Transport will be responsible for the administration of traffic and safety regulations and for the physical development of airways. The Government intends to plan a number of routes suitable for post-war air services and offering traffic possibilities that will warrant a service. These routes will make use of aerodromes that have been developed for war purposes. The Government will also continue to develop airports and other facilities for weather reporting and communications, which will contribute to the expansion of Canadian air transport.

3. While the employment in a peace-time air transport service of all the air and ground personnel of the R.C.A.F. and all the men and women now employed in the aircraft industry in Canada will be impossible, a considerable number will be absorbed into the peace-time aviation industry. To this end, the Government has undertaken the design of distinctive Canadian types of transport aircraft suitable for post-war industry, in the hope that, when the war ends, a part at least of the equipment for Canadian air transport will be furnished by Canadian factories.

4. Trans-Canada Air Lines will continue to be the instrument of the Government in maintaining all trans-continental air transport services and in operating services across international boundary lines and outside Canada. The Government will encourage the company to obtain modern aircraft which will keep present services up to modern standards and will expand these services to the fullest extent that post-war conditions permit. The development of supplementary routes will continue to be left to private enterprise, unless considerations of public interest indicate that certain of these routes should be designated by the Government as routes to be operated by T.C.A. The operations of T.C.A. will continue to be limited to important services of a mainline character, where the volume of passenger and mail traffic would justify it.

With respect to international aviation:—

5. Canada has a geographical position that will enable it to play an important part in the development of international air transport routes. During the War, the development of international civil air routes must be deferred in favour of military aviation. Canada, to-day, is the fourth greatest military air power among the United Nations, and in the post-war period Canada can make an equally great contribution to civilian air transport.

6. The future of international air transport will be determined in large measure by negotiations between the Governments of the United Nations. The policy of the Government, at the moment, in dealing with all questions which affect international air transport, is to make temporary arrangements, leaving the issues open so that Canada may be able to support in international negotiations when they take place, whatever policy appears best at that time. The Government, however, intends to press vigorously for a place in international air transportation consistent with Canada's geographical position and progress in aviation. All concessions and privileges that have been granted by Canada to other countries as part of the war effort will terminate at the end of the War or almost immediately thereafter.

7. T.C.A. has by its charter the right to operate international air transport services and has already been designated as the instrument of the Canadian Government in air transport service across the North Atlantic, and in Canadian services to the United States. The fact that international negotiations of great importance must shortly take place confirms the wisdom of Government policy under which its freedom of action in international negotiations is not limited by the existence of private interests in international air transport services.

8. The Government has established an inter-departmental committee on international civil aviation to advise it on all matters of international air transport which affect Canada, and particularly on the attitude which Canada should adopt towards post-war developments. This committee has already been at work for a considerable time.

9. The problems of international air transport are, of course, immense and cannot be solved by one country. The Government is determined, however, that its influence on the course of events will be in the direction of international co-operation and colla-