

destinations, and to land in other countries for refuelling and reservicing without having to request the specific permission of each government concerned. However, in order to prevent misuse of this freedom, it would appear necessary to grant some international authority the power to supervise the manner in which it is carried out."

The Minister thought that such an international air transport authority should also have power to regulate international air services in order to prevent dangers of unnecessary and uneconomic duplication, prepare uniform traffic rules, safety and navigational aids. Powers of regulation could be obtained through control of rates and schedules, and licensing. Cross border services, such as those between Canada and the United States, should be considered in a special category and dealt with specially by the two countries concerned.

"The Canadian Government is of the opinion that some form of organization along the lines suggested would go far toward meeting the needs of the world for the establishment of effective international co-operation, in the provision of efficient and economical air services, and at the same time provide for the fair and equitable participation of Canada in these air services."

Summarizing the Canadian Government policy, Honourable Mr. Howe said the Government was determined that Canada, "by its participation in the framing of the general settlement of air transport will make as great a contribution as possible to the successful solution of this problem. Our representatives in the international discussions, therefore, will be authorized to support or initiate such proposals as, in the Government's opinion, will be likely to result in the establishment of an international air transport authority, with effective powers, supported by all governments concerned, which will further international co-operation and goodwill, ensure that international air routes and services are divided fairly and equitably among all member nations, meet the needs of the peoples of the world for efficient and economical air transport, and contribute to the establishment and maintenance of a permanent system of general security."

PART II.—RAILWAYS

The treatment of rail transportation is divided into three sections dealing, respectively, with steam railways, electric railways and express companies.

Section 1.—Steam Railways*

The steam railway is still the most important transportation agency from the standpoint of investment and of traffic handled. The statistical field is more completely covered for this form of transportation than for any other, since there are fairly complete figures dealing with steam railway mileage, equipment, finances and traffic.

Historical.—A brief historical sketch of the development of steam railways in Canada is given at pp. 635-638 of the 1940 Year Book. Further details are given at pp. 616-623 of the 1922-23 Year Book, at pp. 601-603 of the 1926 Year Book and at pp. 694-698 of the 1934-35 Year Book.

Subsection 1.—Mileage and Equipment of Steam Railways

Although construction was begun in 1835 on the first railway in Canada—the short link of 16 miles between Laprairie and St. Johns, Que.—there were only 66 miles of railway in operation by 1850. The first great period of construction was in the 1850's when the Grand Trunk and Great Western railways, as well as numerous smaller lines, were built. The building of the Intercolonial and the Canadian Pacific Railways contributed to another period of rapid expansion in the 1870's and 1880's. In the last great period of railway building from 1900 to 1917 the Grand Trunk Pacific, National Transcontinental and Canadian Northern were constructed.

*Revised and checked by G. S. Wrong, B.Sc., Chief of the Transportation and Public Utilities Branch of the Dominion Bureau of Statistics. This Branch publishes an "Annual Report on Railway Statistics", as well as numerous other reports, a list of which is given in Chapter XXX of this volume. Certain of the financial statistics of steam railways are compiled with the co-operation of officers of the Department of Transport.