

International Air Agreements.—The position of Canada in the field of aviation as well as its geographical location makes co-operation with other nations of the world engaged in international civil aviation imperative. Canada therefore took a major part in the original discussions that led to the establishment of the International Civil Aviation Organization (ICAO) which has headquarters at Montreal, Que. A special article on The International Civil Aviation Organization and Canada's Participation Therein appears in the 1952-53 Year Book, pp. 820-827. At present Canada has air agreements with 21 other countries.

Section 1.—Air Services

Air transport services may be grouped into two broad classes—Scheduled Services and Non-scheduled Services. Services in the first group are operated by air carriers that offer public transportation of persons, mails and/or goods by aircraft, serving designated points in accordance with a service schedule and at a toll per unit. The second group includes the following:—

- (1) Regular Specific Point Air Services—operated by air carriers who offer public transportation of persons, mails and/or goods by aircraft serving designated points on a route pattern and with some degree of regularity, at a toll per unit.
- (2) Irregular Specific Point Air Services—operated by air carriers who offer public transportation of persons, mails and/or goods by aircraft from a designated base, serving a defined area or a specific point or points, at a toll per unit.
- (3) Charter Air Services—operated by air carriers who offer public transportation of persons and/or goods by aircraft from a designated base, at a toll per mile or per hour for the charter of the entire aircraft, or at such other tolls as may be permitted by the Air Transport Board.
- (4) Contract Air Services—operated by air carriers who do not offer public transportation but who transport persons and/or goods solely in accordance with one or more specific contracts.
- (5) Flying Clubs—operated by air carriers incorporated as non-profit organizations for the purpose of furnishing flying training and recreational flying to club members.
- (6) Specialty Services—operated by air carriers for purposes not provided for by any other class, such as flying training, recreational flying, aerial photography and survey, aerial pest control, aerial advertising, aerial patrol and inspection, etc.

Current operations of the two major airlines forming the nucleus of Canada's freight and passenger air service are outlined below.

Air Canada.—In 1963, its 26th year of operation, Air Canada (formerly Trans-Canada Air Lines) carried a record 3,883,590 passengers on scheduled flights and 82,957 on charter flights, a total of 3,966,547. This total was 3 p.c. above that for the previous year. The major growth was in Atlantic charter traffic which increased eightfold and represented one third of Air Canada's total Atlantic passenger travel. The high volume of transcontinental traffic recorded little change from 1962 but traffic on scheduled services to Bermuda and the Caribbean increased 31 p.c. Revenue passenger-miles totalled 2,887,239,000. Ton-miles of revenue commodity traffic, including air express, totalled 35,781,000 and ton-miles of air mail, 13,859,000. Income from operations amounted to \$37,574,000, almost \$7,000,000 more than the 1962 income.

At the end of the year, Air Canada was operating over 37,267 route miles, linking Canada, the United States, the British Isles, Continental Europe and the Caribbean. Its fleet consisted of 75 aircraft—13 DC-8's, 22 turbo-prop Vickers Vikings and 40 turbo-prop Vickers Viscounts. Intensive evaluation of aircraft types to replace and complement the propeller-turbine aircraft now in service was completed by the end of 1963 and an initial order placed for six short-to-medium-range twin jet DC-9 aircraft, to be introduced into service in two years time. Continued improvement was made to ground services. Because of the major program of airport terminal building construction by the Department of Transport, Air Canada's airport passenger handling facilities have benefited tremendously at many points. The new electronic reservations system, known as ReserVec, went into full operation in 1963, enabling passengers to obtain almost instantaneous confirmation of