

no immediate results in Canada. Even throughout World War I there was little improvement in the official attitude toward flying, although Canadians by the thousands joined the Royal Flying Corps, the Royal Naval Air Service and, later, the Royal Air Force, where they covered themselves with glory. During 1914-18, nearly a thousand airmen were trained in Canada for service overseas and parts for some 2,900 training aircraft were built in Toronto. But these activities, although receiving some Canadian official support, were primarily under British direction and, at the end of hostilities, training was discontinued and manufacturing of aircraft parts ceased.

However, many of the thousands of aviators returning from overseas, who were determined to fly, bought war-surplus aircraft and started careers in civil flying with glowing enthusiasm but little success. Indeed it was not until about 1925 that the aeroplane had established a firm place in the Canadian economy in such fields as forest protection and aerial photographs. Many other countries were developing inter-city airmail services but Canada, possessing a surplus of railways, deliberately pursued a policy of encouraging the *natural* use of the aeroplane and neglecting the development of inter-urban services.

The policy had compensating features. The "bush" pilots, flying small aircraft equipped with skis or pontoons into the hinterland with little or no navigational assistance, did a mammoth job in contributing to the development of many great mining projects. So great were their accomplishments that, by 1929, they carried as much air freight as was carried by air in any country of the world and, in addition, delivered large volumes of mail to outlying communities. Even during the depression of the 1930s, bush or non-scheduled flying continued to expand, much of it accounted for by activity in gold mining, which had been encouraged by the increase in the price of gold from \$22 to \$35 an ounce. In 1930, 100 licensed carriers were doing business and by 1936 the number had increased to 130. Many of these were small operations but one—Canadian Airways Ltd. with headquarters in Winnipeg, which had amalgamated with several of the larger carriers in 1929-30—offered its services in every part of Canada. The Canadian National and Canadian Pacific Railways held equal shares in Canadian Airways and the expectation was that this company would operate the transcontinental airmail services when such a course of action should become feasible.

Inter-city airmail services in both Eastern Canada and the Prairie Provinces were started in 1930 but economies imposed by the great depression closed these services down in 1932. However, year by year during the depression, the Federal Government had been building and improving airports, installing aids to navigation, training and expanding meteorological services and improving radio and other communication systems until, by 1937, it was practicable to start an inter-city, day-and-night, all-weather service operating on schedule.

During the immediate prewar and early World War II years, several far-reaching changes took place in aviation on the domestic front. Having learned by experience the folly of permitting uncontrolled expansion in the field of rail transport, the Government was determined to sponsor only one major airline company to operate transcontinental and international services and, since the company so favoured would exercise a virtual monopoly in its particular field, the Government was also determined not to permit complete control to pass into private hands. Negotiations along these lines proved unsatisfactory to Canadian Airways Ltd. and to the Canadian Pacific Railway, and steps were taken to create a new company to operate the transcontinental services.

The Department of Transport Act, passed by Parliament in 1936, took the administration of civil aviation away from the Department of National Defence and placed it in the hands of the newly formed Department of Transport. The following year, the Trans-Canada Air Lines Act became law, making provision for the creation of an instrument to operate inter-urban airmail and passenger services to meet both domestic and international requirements. Trans-Canada Air Lines (TCA), as a Government-owned company, was organized with Canadian National Railways the sole shareholder and the new company became Canada's "chosen instrument" in the field of civil aviation.