Canada's position in air transportation is what would be expected of one of the world's wealthiest nations which is also possessed of one of the world's largest land masses. The two great airline systems shuttle across the settled southern belt making over 50 round trips daily during the peak season, in a matter of five to seven hours, between Vancouver and Montreal. Six large regional operators serve all those settled or partially settled parts of Canada outside of the territories served by Air Canada and CPA and these operations, combined with extensive charter, executive and private flying, place Canada in the world's second position in the use of aircraft.

Air Canada, which holds ninth place as an international carrier, serves most of the United States, the Caribbean area and Northern Europe including the British Isles, using sub-sonic jets, with a frequency varying between 25 return flights weekly to Britain to thrice weekly to Zurich and Vienna. CPA operates across the North Pacific from Vancouver to Tokyo and Hong Kong, and across the central Pacific to Australia and New Zealand by way of Honolulu. Mexico City, Lima, Peru, Santiago, Chile, and Buenos Aires, Argentina, are served on a weekly basis. In effect, Canada, as one of the world's great trading nations, has established the most rapid transportation connections available with the Western Hemisphere, Western Europe and the Eastern Orient.

In international flying alone, Canada stands in fifth place in the world. For all types of flying, domestic and international, Canada's position is third and, as has been mentioned, in domestic flying alone, Canada is in second position.

Section 1.—Civil Aviation Administration and Policy

Administration.—Civil aviation in Canada is under the jurisdiction of the Federal Government and is administered under the authority of the Aeronautics Act, 1919 and amendments thereto. The Aeronautics Act is in three parts. Broadly speaking, Part I deals with the technical side of civil aviation comprising matters of registration of aircraft, licensing of airmen, the establishment and maintenance of airports and facilities for air navigation, air traffic control, accident investigation and the safe operation of aircraft. This Part of the Act is administered by the Director of Civil Aviation under the supervision of the Assistant Deputy Minister, Air Services, Department of Transport. Part II of the Act deals with the social and economic aspects of commercial air services and assigns to the Air Transport Board certain regulatory functions of commercial air services (see p. 787). Part III deals with matters of government internal administration in connection with the Act.

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.

Federal Civil Aviation Policy.—The intent of Federal Government concern in civil aviation is to provide an efficient and stable service for the Canadian public and the best possible economic framework for the major and regional carriers. In formulating its aviation policy in 1964, three principles were accepted by the Government as basic. The first related to the international field and stated that air services provided by Canadian airlines should serve the Canadian interest as a whole; that these services should not be competitive or conflicting but should represent a single integrated plan which could be achieved by amalgamation, by partnership or by a clear division of fields of operations. The two major airlines agreed that the most effective way to carry out this policy would be by a clear division of their fields of operations so that outside Canada neither airline