

Section 2.—Current Air Services

Two major airlines, Air Canada and Canadian Pacific Airlines Limited, form the nucleus of Canada's freight and passenger air service. Current operations of these airlines are discussed briefly below, followed by short outlines of the services provided by independent airlines and a list of Commonwealth and foreign air carriers licensed to operate services into Canada.

Broadly, air transport services in Canada may be grouped into two 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 that 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 that 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 that 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 that 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.

Air Canada.—Continued development in all phases of Air Canada's operations made 1965 an exceptional year in terms of both traffic and revenues. The airline carried 4,753,395 passengers on scheduled and charter services, an increase of 13 p.c. over 1964. The volume of business exceeded expectations, the airline sharing in a general increase throughout the industry, with virtually all major air carriers reporting notable traffic growth. Total scheduled seat miles offered were 5,458,000,000, up 18 p.c., and revenue passenger-miles flown exceeded 3,542,000,000, an increase of 21 p.c. The passenger load factor rose from 63 p.c. in 1964 to 65 p.c. in 1965.

North American passenger-miles flown, which represented almost three quarters of Air Canada's scheduled passenger traffic, increased 17 p.c. as the airline introduced additional services on most major domestic routes; 2,591,000,000 domestic passenger miles were flown in 1965 compared with 2,213,000,000 in 1964. There was a 33-p.c. increase in scheduled transatlantic passenger traffic, following a 23-p.c. increase in 1964 which resulted from new low fares introduced in April of that year. These same low fares, coupled with greater flight frequencies and additional non-stop services, accounted in large measure for the substantial advancement in 1965. On the routes to Florida, Bermuda, the Bahamas and the Caribbean, passenger-miles flown exceeded 307,000,000, up 36 p.c. over 1964.

For the fourth successive year there was a marked expansion in commodity traffic in 1965, air freight increasing 36 p.c. to 56,000,000 ton-miles and surpassing mail as a source of revenue. Air express rose 27 p.c. to 5,500,000 ton-miles. This exceptional growth was the result of added jet freighter capabilities as well as the rapidly growing awareness by the business community of the advantages of air transport in marketing plans.

At the end of 1965, Air Canada was operating over 42,343 unduplicated route miles, linking Canada, the United States, the British Isles, Continental Europe and the Caribbean.