

To implement the above principles the former Air Transport Board, (now the Air Transport Committee of the Canadian Transport Commission) introduced during the year the following measures:—

- (1) Rule No. 29/67 provides for the carriage of two pro-rata charter groups on any pro-rata charter flight, provided that each group is composed of not less than 40 persons;
- (2) Rule No. 30/67 provides for the operation of domestic and international inclusive tours with chartered aircraft;
- (3) General Order No. 46/67 introduces a requirement for prior approval of large aircraft acquisitions;
- (4) General Order No. 47/67 permits the operation by regional air carriers of entity and pro-rata affinity group passenger charters between mainline points, subject to certain restrictions; and
- (5) a number of temporary measures were included to facilitate passenger movement to meet the increased demands of Canada's Centennial celebrations.

Thus, in the international field, the joint approach to the provision of world-wide service by the two major Canadian carriers is intended to strengthen their position in a very competitive field and provide a better over-all service to the travelling public. In the domestic field, a degree of competition remains to provide the public with the advantages that can result from a competitive atmosphere but avoids excesses of competition, which could be ruinous to the operators and unsatisfactory to the public.

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 Committee.
- (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 1966 an exceptional year in terms of both traffic and revenues. The airline carried 5,293,561 passengers on scheduled and charter services, an increase of 11 p.c. over 1965. The volume of business exceeded expectations, the airline sharing in a general increase