

new types of services. (3) Greater co-operation between the mainline and regional carriers will be developed in a variety of fields, ranging from technical and servicing arrangements to joint-fare arrangements. (4) A limited policy of temporary subsidies for regional routes will be introduced, to be based on a "use it or lose it" formula. (5) Firmer control will be exercised over the financial structure of regional carriers in connection with new licensing arrangements. (6) Regional carriers will be assisted in acquiring aircraft through a scheme for consultation between government and the carriers and among the individual carriers.

In a statement made on August 15, 1969, the Minister of Transport defined more precisely the regions in which each of the five regional carriers would be permitted to supplement, or authorized to replace, mainline operations as circumstances warranted. The CTC's Air Transport Committee issued a number of decisions authorizing new services by regional air carriers in accordance with the regional air policy, which the Committee is continuing to apply.

The relative roles of Air Canada and CP Air in the domestic sphere were defined in the transcontinental policy of 1967. These were based on a formula that would maintain Air Canada's pre-eminence on transcontinental services, on the assumption that the carrier might from time to time be called on to perform special services which would not necessarily be in its commercial best interests.

The development of air policy continues, with a new focus on the particular question of third level carriers, whose scope of operation is increasing rapidly.

With respect to the international operations of the two major airlines, the policy statement of November 1973 outlined a number of principles which stressed that the economic viability of proposed routes was to remain a major consideration so that international services would generally not be established solely for national prestige. The government reaffirmed that it would refrain from granting or seeking temporary authorizations for international scheduled services, and authorized a series of bilateral negotiations with a number of foreign countries. Co-operation between the two major carriers was also encouraged. The policy assigned specific areas and countries to Air Canada and CP Air which they would serve once bilateral agreements had been satisfactorily concluded. This division was aimed at assisting the airlines in long-range planning for both passenger and cargo services.

Canada's position in the field of aviation as well as its geographical location makes imperative its co-operation with other nations engaged in international civil aviation. Canada therefore took a major part in the original discussions that led to the establishment of the International Civil Aviation Organization which has its headquarters in Montreal. By the end of 1973, Canada had bilateral agreements with 26 other countries. During the year new air agreements were signed with the Federal Republic of Germany and with the People's Republic of China.

Air traffic control. The primary functions of air traffic control in the Ministry of Transport are to prevent collisions between aircraft operating within controlled airspace and between aircraft and obstructions on the manoeuvring area of controlled airports, and to expedite and maintain a safe, orderly flow of air traffic. These functions are carried out by air traffic controllers in airport control towers, terminal control units and area control centres.

Airport control service is provided to aircraft operating on the manoeuvring area or in the close vicinity (five to 10 nautical-mile radius) of civil airports where the volume and complexity of air traffic indicate its need in the interest of flight safety. Service is also provided to other traffic, such as vehicles and maintenance equipment, on the manoeuvring area of an airport. Radio is the prime means of communication, although light signals may be used where radio is not available. Airport control towers are in operation at: Gander International, St. John's, and Wabush (Labrador), Nfld.; Halifax International and Sydney, NS; Fredericton, Moncton and Saint John, NB; Baie Comeau, Montreal International, Quebec, Saint-Honoré, Saint-Hubert, Saint-Jean, Sept Îles, and Victoria Stolport, Que.; Buttonville, Hamilton, London, North Bay, Oshawa, Ottawa International, Ottawa Stolport, Sault Ste Marie, St. Catharines, Sudbury, Thunder Bay, Toronto International, Toronto Island, Waterloo-Wellington, and Windsor, Ont.; Brandon, St. Andrew's, Thompson and Winnipeg International, Man.; Regina and Saskatoon, Sask.; Calgary International, Edmonton International, Edmonton Industrial, Grande Prairie, Lethbridge and Springbank, Alta.; Abbotsford, Fort St. John, Kamloops, Kelowna, Langley, Penticton, Pitt Meadows, Port Hardy, Prince George, Vancouver International and Victoria International, BC; Whitehorse, YT; Yellowknife and Inuvik, NWT. Two transportable towers have been purchased for use where required in the North.