

4. Trans Canada Air Lines will continue to be the instrument of the government in maintaining ~~all~~ trans-continental air transport services and in operating services across international boundary lines and outside Canada. The government will encourage the company to obtain modern aircraft which will keep present services up to modern standards and will expand these services to the fullest extent that postwar conditions permit. The development of supplementary routes will continue to be left to private enterprise, unless considerations of public interest indicate that certain of these routes should be designated by the government as routes to be operated by T.C.A. The operations of T.C.A. will continue to be limited to important services of a mainline character, where the volume of passenger and mail traffic would justify it.

International Aviation

5. Canada has a geographical position that will enable it to play an important part in the development of international air transport routes. During the war, the development of international civil air routes must be deferred in favour of military aviation. Canada today is the fourth greatest military air power among the United Nations, and in the postwar period Canada can make an equally great contribution to civilian air transport.

6. The future of international air transport will be determined in large measure by negotiations between the governments of the United Nations. The policy of the government at the moment in dealing with all questions which affect international air transport is to make temporary arrangements, leaving the issues open so that Canada may be able to support, in international negotiations when they take place, whatever policy appears best at that time. The government, however, intends to press vigorously for a place in international air transportation consistent with Canada's geographical position and progress in aviation. All concessions and privileges that have been granted by Canada to other countries as part of the war effort will terminate at the end of the war or almost immediately thereafter.

7. T.C.A. has by its charter the right to operate international air transport services and has already been designated as the instrument of the Canadian government in air transport service across the North Atlantic, and in Canadian services to the United States. The fact that international negotiations of great importance must shortly take place confirms the wisdom of government policy under which its freedom of action in international negotiations is not limited by the existence of private interests in international air transport services.