

This careful balancing of benefits among Canadian carriers was brought into the 1967 Transcontinental policy in which the government apportioned growth by limiting the amount of competition from new services. A further adjunct to this was added in 1969 when the domestic regional carriers were given defined geographical areas in which to confine their development.

The period between 1966 and 1973 certainly represents the most highly controlled period in aviation history in Canada. It maintained Air Canada as the predominant carrier in Canada and defined the areas in which Canadian carriers could operate internationally, required government sanction of aircraft acquisitions and financing for regional carriers and Air Canada, and imposed licence conditions that maintained differential services when carriers were allowed to compete for the same market.

2. *The 1973 International Air Policy*

Current international air policy is based on a policy statement issued in November 1973, and amended by a statement issued in October 1987. The 1973 statement set out international air policy objectives in general and enunciated a series of guidelines particular to the conduct of international services. The policy stressed three specific objectives for all services:

- to ensure safe, efficient and convenient air services to meet the needs of Canadians
- to contribute to the economic and social well-being of Canada