

national transportation system, our national economy and our defence organization. Canada has always been prominent in the world of flying and ranks as one of the major nations. Our record is good and our achievements are growing, yet they have not emerged without raising difficult problems, some of which have been resolved, others of which are still concerning us.

Our main problems here are the maintenance of a reasonable balance between the services provided by the Government-owned company Trans-Canada Air Lines, and by private operators, and the maintenance of a reasonable balance between individual private operators, a substantial number of whom seem to wish both complete freedom of action for themselves and economic protection against their competitors. The solution of these problems has not been easy, but at least they are completely within our control. Given time and common sense, I am sure we can continue to deal with them on an equitable basis.

Reputation for Far-Sighted Policy

In the international field we have a reputation for far-sighted policy of which we may be proud, even though it is only since the war that our airlines have entered into the international field on any substantial scale. Canada played a major part in the original discussions which led to the establishment of the International Civil Aviation Organization, which now has its headquarters in Montreal. It is the only one of the new major international organizations which is located in Canada.

We have, as well, been in the advance guard in efforts to achieve, through this organization, a multilateral air transport agreement on traffic rights and operation of services, which will reduce the present-day reliance upon bilateralism and bilateral agreements in civil aviation, with their attendant dangers and tendency towards discriminatory arrangements.

An Arduous Road

We have not yet achieved such a multilateral agreement, and any of you who have worked for governments in any international field know how long is the road and how arduous the progress from bilateralism to multilateralism. To my mind this represents one of the major problems yet to be settled in the international field. Canada will remain unrelenting in its efforts for solution.

Turning more specifically to our airlines, the Canadian Government has designated two chosen instruments for international operations, Trans-Canada Air Lines and Canadian Pacific Air Lines.

Trans-Canada Air Lines presently provides service to the United Kingdom which should, in due course, be extended to the continent of Europe. It also provides a service to Bermuda and to British possessions in the Caribbean area, the Bahamas, Jamaica and Trinidad. This route, too, should eventually be extended to South America. The existing services, however, are relatively new and should be given a chance to find a reasonable and sound economic basis before we contemplate any further large expansions. We do not intend to embark on expansion of our international air routes purely for the sake of prestige, at the expense of the tax payer.

Trans-Canada Air Lines also operates a number of trans-border routes to the United States - from Halifax to Boston, Toronto to New York, Toronto to Cleveland, Toronto to Chicago and Victoria to Seattle.

Canadian Pacific Air Lines is now operating a service from Vancouver to Australia with connection at Fiji for New Zealand. It also has been designated to operate a service from Vancouver through Alaska to Japan, China and Hong Kong. Recently Canada has negotiated new air agreements with the governments of the United States, the United Kingdom and Belgium. These will provide increased services and increased economic benefits for Trans-Canada