

6. Trans-continental and main line services -

The policy announced by the Prime Minister in the House of Commons on April 2ns, 1947, to the effect that "Trans-Canada Airlines will continue to operate all Canadian systems and such other services of a main-line character as may from time to time be designated by the government" and that "competition between air services over the same route will not be permitted....." was confirmed.

7. Position of Canadian Pacific Airlines -

The representations of C.P.A. for the right to extend and integrate their present services were carefully considered, specifically the request for permission to operate a line from Saskatoon to Edmonton.

8. The Minister of Munitions and Supply requested a decision as to whether private airline companies should be given permission to operate "local" and "feeder" services, distinguishing such operations from main-line services presently carried on exclusively by T.C.A. There would be dangers and difficulties in having the publicly-owned system undertake services in these two fields.

9. The Minister of National Defence for Air suggested the possibility of providing encouragement and financial assistance to returning R.C.A.F. personnel who would be willing to undertake the establishment of lateral services under government auspices; such a scheme would avoid the dangers of monopoly, permit of close government supervision and preserve an appropriate field for some measure of enterprise and initiative. He also mentioned the important factor of airfields now beginning to be abandoned by the Commonwealth Air Training Plan.

10. The Minister of Agriculture was strongly opposed to permitting any East-West connections for Canadian Pacific Airlines. To do so would inevitably result in a second trans-continental line which would be fed by the lateral services now controlled by C.P.A.; the result would be competition for T.C.A. with greatly superior sources of subsidiary traffic - from the northern areas of Canada in which the greatest development could be expected. Local services would have to be provided by T.C.A.

11. The Postmaster General agreed with Mr. Gardiner. He feared that the result of permitting an integration of C.P.A. operations would inevitably mean a second series of Post Office subsidies for trans-continental and local mail.

12. The Prime Minister emphasized the future importance of northern air routes, particularly that from Edmonton to Alaska. The difficulty of having the government operate "bush" lines was appreciated;

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