

8. The government has established an inter-departmental committee on International Civil Aviation to advise it on all matters of international air transport which affect Canada, and particularly on the attitude which Canada should adopt towards postwar developments. This committee has already been at work for a considerable time.

9. The problems of international air transport are, of course, immense and cannot be solved by one country. We are determined, however, that our influence on the course of events will be in the direction of international co-operation and collaboration. The Canadian government is in complete agreement with the United Kingdom government that "some form of international collaboration will be essential if the air is to be developed in the interests of mankind as a whole, trade served, international understanding fostered and some measure of international security gained."

10. The policy of the Canadian government on air transport may be summed up as follows:

- (a) The government sees no good reason for changing its policy that Trans Canada Air Lines is the sole Canadian agency which may operate international air services.
- (b) Within Canada, Trans Canada Air Lines will continue to operate ~~all~~ trans-continental systems, and such other services of a mainline character as may from time to time be designated by the government. Competition between air services over the same route will not be permitted whether between a publicly-owned service and a privately-owned service or between two privately-owned services. There will remain a large field for the development of air transport in which private Canadian companies may participate, and, while preventing duplication of services, the government will continue to encourage private companies to develop services as traffic possibilities may indicate.
- (c) In order to prepare for forthcoming international negotiations on air transport, the government is studying carefully the problems which will have to be dealt with in the negotiations.
- (d) The Canadian government strongly favours a policy of international collaboration and co-operation in air transport and is prepared to support in international negotiations whatever international air transport policy can be demonstrated as being best calculated to serve not only the immediate national interests of Canada but also our over-riding interest in the establishment of an international order which will prevent the outbreak of another world war.

March 30th, 1943.