

Trans-Canada Air Lines Act

made to the Canadian Pacific Railway and to Canadian Airways Limited to come in on the new set-up of Trans-Canada Air Lines that was being organized at that time, but that they had refused to do so. I need not go further into the details of that speech because I am sure the minister remembers it as well as I do. My reason for asking whether there has been any change in that policy arises from the application by Canadian Pacific Air Lines, recently heard by the air transport board, for the right to fly a main-line air freight service across the country.

I understand that even if the air transport board looked favourably on that application the matter would still be subject to review by the government. I would think that would be the case in the light of the clear statement of policy made in 1943 and 1944. There are other aspects of the policy I need not go into at this time, but I wonder if the minister could tell us what the government's position is now with respect to main-line flying in Canada.

The Chairman: Before the minister replies, I would not want the discussion to take in too much territory. I presume the hon. member took advantage of the words "to increase the powers of the corporation" in the resolution to give him the opportunity to ask his question about possible changes in policy. However, this resolution seems to limit itself to the management and an increase in the board of directors.

Mr. Knowles: Perhaps we can agree, sir, that my right to do this is borderline; but if we agree on that, you might permit the minister to answer.

The Chairman: I do not mind agreeing to that provided we do not spend the rest of the afternoon discussing Trans-Canada Air Lines policy. If it is in order under the resolution it is for the minister to say, because I do not know exactly what the terms are.

Mr. Howe: I am in a difficult position as far as that question is concerned because I am no longer responsible for air line policies. As my hon. friend realizes, the air transport board is now in charge of administration of air policy and they report to my colleague the Minister of Transport.

I am still the minister to which the crown company, Trans-Canada Air Lines, reports; thus there is a separation of interests at the moment. As far as I know there is no change in government policy. Problems of air policy are promptly reviewed by the air transport board. For example, a service was required in the Okanagan valley and that

service is, in a sense, competitive with Trans-Canada Air Lines. On the other hand, it is not a service of the type which Trans-Canada Air Lines is equipped to give. The question was whether Canadian Pacific Air Lines should be allowed to provide that service even if they could carry passengers between Vancouver and Calgary.

I think my hon. friend will agree that is a question worthy of study, and it was for the air transport board to decide whether it was consistent with government policy. The question was examined, and it was decided that there was no deviation as far as that route was concerned.

The application for transcontinental freight service is for freight only between Toronto, The Pas, and Edmonton. Whether that is a matter of deviation from government policy is something the government will decide after it receives a report from the air transport board. I understand that the board is now considering the situation, and that no report has been made as yet to the government.

However, the statement of policy given by Mr. King, which has been read by the hon. member, as far as I am aware is still the policy of the government.

Mr. Hees: Mr. Chairman, I think it is a good idea to add these two directors to the board of Trans-Canada Air Lines, and I would make a very brief suggestion for their consideration and for the consideration of the other directors. When I was in the United States a little while ago I had occasion to make several air flights. I found that most United States air lines have instituted a coach flight which costs only about two-thirds the regular first-class rate.

I flew from Chicago to Los Angeles first class, and it cost me \$114. While I was out there I found out about this coach flight, and I flew back coach class, and that cost me only \$76, or two-thirds of the first-class fare. The airplanes used in the coach class flights are exactly the same as those used for first-class flights. Their time schedule is the same; the service on the airplane is almost identical; there is the same stewardess service, and the only difference is that meals are not served. That is not very difficult to overcome because it is easy to take a box lunch aboard, and those are just about as enjoyable as the meals usually served on aircraft.

The only other difference is that the seats were slightly narrower and, in fact, there were five rows of seats instead of four. I was on the aircraft for nearly nine hours, but I was just as comfortable in the coach-class seats as I have been in first-class seats. They