

Hon. Mr. HANSON: And there is no decision that governs the point I have raised?

Mr. SYMINGTON: No.

Mr. JACKMAN: Is the statute based on some international agreement, that our rates be parallel to the American?

Hon. Mr. HOWE: No, no.

Mr. SYMINGTON: When we started operating this line nobody knew anything about the operation of air lines in Canada, except that we did know that we were just a small country with a small originating population; and as this was a government operation they protected themselves by saying that our rates were to be comparable to similar lines in the United States.

Hon. Mr. HOWE: The Act reads this way:—

For the transportation of passengers and goods by the corporation at tariff charges on a competitive basis with other similar transportation services in North America.

Hon. Mr. HANSON: If they reduced their rates you would be entitled to reduce yours and vice versa?

Hon. Mr. HOWE: We would have to.

Hon. Mr. HANSON: Is there a table here which shows a breakdown of these operating expenses?

Mr. SYMINGTON: I can give you a breakdown of anything you can possibly ask for.

Mr. JACKMAN: Before we leave this matter of rates, from the standpoint of public services is it better to try to make the mail rates as low as possible to the post office or should one deal fairly with the passengers who are also making the service cheaper? What are the pros and cons that the manager of an airline should consider?

Mr. SYMINGTON: It is inherent in the Act. I think that there might come a time when the mail rates might get too low, but it has not reached there yet. The criticism has been the other way. And if Canadian Air Lines is able to put in lower rates than the air lines that run through the much more productive country to the south, why it would be a very commendable enterprise, and I do not think we need to worry about it at the moment. I should say that we have not reached that stage, but if we give comparative rates with what the competitive people to the south do as to the matter of passengers we are doing pretty well.

Mr. NICHOLSON: If the volume of mail continues to increase will the situation which was described for November, when there was a loss of many thousand dollars as a result of carrying so much mail—if the volume of mail increases what will be the result?

Mr. SYMINGTON: The answer, of course, is that in that time we hope to be able to get more equipment in which case we will meet and carry everything that is ordered.

Mr. NICHOLSON: I understand from these figures that had you been able to leave some of the mail behind and carry passengers to your full capacity you would have had \$40,000 additional revenue for the month?

Mr. SYMINGTON: Yes, \$50,000. It was December I referred to, and, of course, the Christmas mail was very heavy during that week. Instead of carrying fourteen passengers on a plane for many of the trips in fact we put on a stop order and we only took four people because we were carrying so much mail, and mail has precedence, and properly so.