

Mr. SYMINGTON: That may be. That depends what the future brings. I have some views on that; those views perhaps may be wrong; everybody is inclined to take it for granted that business will decline and with it the volume of air mail, that people generally will not use air mail to the extent that they are now using it, that they will not be using it as much as they are to-day, and naturally rates will have to go up. My own judgment is that it will be the reverse; I think that air travel will be very much greater; that remains to be seen.

Hon. Mr. HOWE: The view of the government was that we would set this company up so that it would never earn much profit, it would always be on a safe basis; if they get a bad year they will have a corresponding better year, and in that way sort of reach an automatic adjustment. But we took the view that it should be a safe operation; that is, the company should always be allowed to earn its expenses. The post office subsidized it for the first three years—it had expected to have to subsidize it for five years; but the war, of course, has brought that period to a close sooner than we had expected and we asked the company to make that adjustment because last year was a war year and revenues were hard to find. We thought that the company being able to help out should help out. That is why we made an abrupt adjustment last year rather than an automatic adjustment which would have been considerably less.

Mr. GRAY: While I can see what the minister and the government did, in my own view it does seem to me that we should at least express our opinion in connection with setting up a reserve for Trans-Canada. They have painted this picture; they have built up a creditable organization; they are doing an excellent work; and my thought is that in the future, and the not too distant future, once we have built up these lines under Trans-Canada Air Lines we are going to have a competing organization that is going to be set up. As you know, they have already acquired lines all over the country, and unless we prepare for it we are going to be faced with the same type of situation that we have been faced with in connection with the railways. That is my own personal view; and I think the government and the management of the Trans-Canada Air Lines should seriously consider a revision of their policy in order to set up a reserve; otherwise, we are going to be faced with a very serious situation as I see it in the next few years.

The CHAIRMAN: Is there any further discussion; if not, we will proceed.

Mr. MAYBANK: How is that competing line getting along? Have you any knowledge about that? Are you watching it?

Mr. SYMINGTON: Well, of course, we are watching it very closely. Theoretically there should be no competition; and I hope the government and parliament will continue that policy. The policy on Trans-Canada as laid down was that Trans-Canada running a certain high class and extensive service in a sparsely populated country should operate all main line services or services up to the standard of main line, because, the government had to spend a great deal of money in making landing fields, radio communications, meteorological stations, and so on. It is government money which makes it possible. It is post office money that makes it possible. This is essentially a government operation; and, furthermore, all international services being an arrangement between governments should be operated by the government concerned. To private enterprise was left what may in the long run prove to be the most profitable field; namely, branch line service not up to the standard of main line service, plus freight carrying into the northern country—that should be left to private enterprise; and that was the policy as stated in parliament and to the management of Trans-Canada. To my mind, unless you want to repeat the railway situation, that policy should be continued; but, that is a matter for you gentlemen, of course. Up to the moment that policy has been continued; but you see signs