

amounts to in essence is about \$20 from Montreal to Vancouver on the economy class fare. The fare is \$20 lower by C.P.A. than by T.C.A.

Mr. FISHER: Do you feel there is an anomaly here that should be removed?

Mr. McILRAITH: The anomaly will have to be removed.

Mr. BALCER: Mr. Chairman, I do not want to interject, but I was faced with this problem. C.P.A. contends that the present fare structure of their company on the transcontinental route is a fair one which meets their requirements. Their argument, as far as they are concerned, is that their fares are realistic and sound. Their argument is that they are not just taking advantage of T.C.A.

Mr. FISHER: Perhaps I could ask the minister whether he has received an analysis of this fare business from both T.C.A. and C.P.A.?

Mr. McILRAITH: I did not get an analysis from the companies. There is a whole mass of information in this regard, some in the possession of the minister and some in possession of the air transport board. The problem has been placed before the president of C.P.A. by myself, and I must say in all fairness to him that he is still ill.

Mr. MCGREGOR: Yes, he is at home and not allowed to carry out business.

Mr. McILRAITH: I read nothing into the fact that he has not come back to discuss the problem. He has unfortunately been in ill-health which prevented him from coming back, but I think he normally would have been back to discuss the situation.

Mr. FISHER: Can you give us any indication when we are likely to have a decision in this regard?

Mr. McILRAITH: I cannot tell you because this is linked with many other questions which have to do with large matters requiring decisions with respect to a broad air policy.

Mr. DEACHMAN: I should like to ask a supplementary question.

Mr. FISHER: I have more questions following the minister's last answer. You have referred to a broad air policy, and you indicated in your speech in the House of Commons that you expected to have something done in this regard fairly soon. By that I take it you mean a total approach to your commercial air situation, and that you will do something within the next few months in respect of such a policy decision?

Mr. McILRAITH: Yes, that is correct. I am quite definitely working on this problem. I might say that at one point I hoped to have had this policy before now, but I cannot at this stage be precise on when a decision in respect to broad air policy is to be made.

Mr. FISHER: Can you give us any hint whether there will be legislation required?

Mr. McILRAITH: I do not know, but it is not a question of legislation that is delaying an answer in any way.

Mr. MCGREGOR: Mr. Chairman, if I could interject at this point, I should like to amplify the answer to a question that was asked by Mr. Fisher about the amount of information supplied in respect of the matter of fare structure. I should like to explain that fares are not arrived at by some arbitrary method. We have prepared now twice what we call cost curves showing the operating costs per seat mile by route length. That is, the vertical ordinate of the curve is the cost and the horizontal is the length, or distance. This curve is extremely steep on the short end, but curves down and flattens out. The fare established for the route length is drawn from that curve. This curve and its structure has been explained in detail to the air transport board. That board has found no fault with the technique of construction which is involved.