

Mr. FISHER: Mr. Chairman, I should like to ask a supplementary question in respect of the fare differential. I should like to know whether the officials of T.C.A. have approached the air transport board about this discrepancy which exists in the fare structure, asking the air transport board whether it would consider issuing a tariff, or requesting both air lines to issue a tariff schedule?

Mr. MCGREGOR: Yes. We not only did that, we also made a proposal which we thought was fair. We offered to refile our tariff on the basis of reaching a halfway point between the present C.P.A. and T.C.A. economy fares and that would reach a halfway point between their first class fares and our first class fares.

In other words, we offered to be one side of an agreement which would equalize the fares at the midpoint of each.

Mr. FISHER: Did the air transport board bring you and the head of C.P.A. together on this question?

Mr. MCGREGOR: The air transport board invited us to communicate with one another, which we have done virtually ever since.

Mr. FISHER: What has been the result?

Mr. MCGREGOR: There has been absolutely no result.

Mr. FISHER: Have you taken this matter up with either of the recent ministers of transport?

Mr. MCGREGOR: This has been drawn to their attention. They have been made aware of the existence of this situation, yes.

Mr. FISHER: There has been no response at all in a positive way?

Mr. MCGREGOR: There has been no positive action taken. Both ministers of transport have expressed concern in respect of the situation.

Mr. FISHER: Have you raised the question with the air transport board whether it is the responsibility of the air transport board to require matching rates, or do you believe it is its responsibility?

Mr. MCGREGOR: Mr. Fisher, we are not sure it is the responsibility of the air transport board. Our understanding of the function of the air transport board is that it has the right to disapprove tariffs filed by companies but not the right to establish tariffs.

But quite frankly we would like to retain the ability to file what we believe are proper tariffs and have the air transport board either disapprove or not, as the case may be. I do not believe it is exactly the function of the air transport board to take arbitrary action in settling differences of opinions of this kind. On the other hand, I think it is almost unique in civil aviation, with identical transportation and identical type of aircraft, or virtually so, to have companies operating on two different fares on paralleling routes.

Mr. FISHER: What is the nub of the difference between C.P.A. and T.C.A. that cannot be cleared up by discussion?

Mr. MCGREGOR: Basically they like to have a fare advantage, for which I cannot blame them.

Mr. FISHER: May I ask whether the minister is seized with this situation and has been considering it?

Mr. McILRAITH: Yes.

Mr. FISHER: Can you give us any indication whether you feel you have the authority to make any suggestions or interpretations to the air transport board?

Mr. McILRAITH: There is some doubt as to the precise legal position, but certainly the point is of very real concern to the minister and it is one that I would think could not be permitted to continue indefinitely. What the difference