

from Ottawa should have a limited number of trips each session, say, one or two. I think they should be granted some consideration in this matter.

Mr. CASE: Like the hon. member who has just spoken, I have thought for some time that some provision should be made for members outside the provinces of Ontario and Quebec. I do not think we should be selfish about this thing. They have a greater problem than we. I know it is good for me to get back to my constituency, and I know how much they must appreciate it. Is there anything in section 11(a) which could be construed as eliminating competition?

Mr. HOWE: No.

Mr. CASE: The minister says "no," but the bill reads as though it would be entirely in the hands of this board to determine what rates should be fixed.

Mr. HOWE: That is true, yes. The board can determine rates, but the rates it determines will apply to all.

Section agreed to.

On section 7—Exception.

Mr. HAZEN: Would the minister explain why this section has been inserted in the bill? Section 12 (3) of the original act provides:

The board shall not issue any such licence unless it is satisfied that the proposed commercial air service is and will be required by the present and future public convenience and necessity.

So that the public convenience and necessity are the governing factors. This section gives the board power to issue licences when public convenience and necessity are not the governing factors. Why is this section put in; or, to put it the other way around, why is the section I have just quoted from the original act left in? Why not just give the board power to issue licences as and when it sees fit?

Mr. HOWE: In the case of charter services, for instance, it is difficult to prove convenience and necessity. Another reason is that a service based on a certain city may get pleasure riders, people who like to go riding in aeroplanes just for the sake of the ride, and in such cases it is difficult to prove convenience and necessity. The purpose of this section is to give the board some leeway in the event that convenience and necessity cannot be proved for a service which *prima facie* should be able to exist and make a living for the operator.

Mr. COCKERAM: Can the minister tell us something of how they propose to establish rates for these operations? Are these commissioners qualified to do that? How will they go about establishing equitable rates?

Mr. HOWE: The rates are established largely by experience. The board has its department of economics which studies the cost of operating the service; and it will be the duty of the board to see that the prospective profits are not abnormally large, while on the other hand it will not be the purpose of the board to drive down the rate so that the line cannot pay its operating expenses.

Section agreed to.

On section 8—Operating certificate necessary.

Mr. FLEMING: I do not want at this point to reopen the whole question which was debated last year when the amending act was under consideration in the house. At that time, as the committee will recall, strong exception was taken to the limiting powers which were left with the minister. In view of the fact that the amendments now proposed do not contemplate any relaxation of the minister's ultimate control over the field of commercial aeronautics, I should like to ask what use has been made up to the present of the right of appeal to the minister and, in the second place, of the minister's right to pass judgment on decisions of the air transport board.

Mr. HOWE: There has been no appeal to the minister since the act came into force.

Mr. FLEMING: The other question was, has the minister in any way varied or revoked any order or decision of the air transport board; or is it just a case of its not having had to do anything yet?

Mr. HOWE: No.

Mr. FLEMING: There have been no such occasions?

Mr. HOWE: No.

Mr. FLEMING: What is to be the minister's policy with reference to the exercise of the powers conferred upon him under the 1944 act? In the first place it will be recalled that the powers reserved to the minister under that legislation are not specifically conferred upon the Minister of Munitions and Supply or the Minister of Reconstruction, but are conferred on the Minister of Transport; but the power is reserved to the governor in coun-