

between Vancouver and Victoria. Effective August 7, 1945, the fare of \$3 one way and \$5.40 for the round trip was established by T.C.A. for such local traffic. Air transport board Order No. 2 directed that these fares be increased to \$5 one way and \$10 round trip. The increase became effective January 1, 1946.

This action by the air transport board was taken as a result of a complaint made by Canadian Pacific Air Lines that the T.C.A. fares of \$3 one way and \$5.40 return were not just and reasonable.

The facts as found by the air transport board were as follows:

Prior to August 1945 C.P.A.L. and its predecessors had been, for a considerable period, the air carriers authorized to provide the local service between Victoria and Vancouver and they had in the past and still did carry the bulk of the traffic.

A most careful scrutiny by the board and its economic experts established beyond question that the rate of \$5 one way, which was the rate being charged by Canadian Pacific Air Lines, did little more than barely cover the actual cost of operation as a local service and that C.P.A.L. was conducting its said operation on a sound and economic basis.

On the other hand, T.C.A. was operating a trunk line service on a basis of only two trips daily each way, in regard to which the local service between Vancouver and Victoria was merely incidental. In effect, the number of seats available on T.C.A. for the local service was entirely dependent on the number reserved for through traffic. In the event that all seats were utilized by T.C.A. for through traffic, there would be none for local traffic. It was, therefore, obvious that the considerations which applied to T.C.A. rates were substantially different from those which governed the operations of C.P.A.L. Having regard to all the circumstances, it appeared to be clearly unsound to permit T.C.A. who could not carry all the traffic, or even any of it, if all its seats were occupied by through passengers, to operate on the basis of a rate which was substantially below the actual cost of operation of the purely local service in question. Had T.C.A. been able to handle all the traffic that offered, different considerations would have applied.

Section 5 (1) of the air transport board regulations respecting commercial air services provides that air carriers must furnish transportation upon reasonable request and must provide safe and adequate service, equipment and facilities. Quite obviously, to provide a

[Mr. McIlraith.]

service which complies with all these requirements, it is essential that the air carrier receive a reasonable rate of remuneration. It would have been unreasonable and unfair to require C.P.A.L. to reduce its rates, with the possible result that the service would have been discontinued. As the communities served were primarily dependent upon that company for the local air services in question, the board found that the complaint of C.P.A.L. was justified and under the authority contained in its regulations the board ordered the change in rate hereinbefore referred to.

CANADIAN TROOPS IN JAMAICA

Mr. RAYMOND (Beauharnois-Laprairie):

1. Are there members of the Canadian Army serving in Jamaica at present?
2. If so, how many?
3. What is their assignment?

Mr. LAPOINTE:

1. Yes.
2. One officer and one other rank.
3. They are the rear party of the Brockville Rifles and will leave Jamaica by air on 30th March.

CANADIAN LOANS TO OTHER COUNTRIES, FIRST WORLD WAR

Mr. RAYMOND (Beauharnois-Laprairie):

1. To what countries did Canada make loans during the first great war of 1914-1918, and what was the amount?
2. Have these loans been repaid?

Mr. MAYHEW:

1. In the period August 4, 1914 to November 11, 1918, Canada extended credits only to the United Kingdom. In that period the United Kingdom also extended credits to Canada. The amounts of these advances outstanding at each fiscal year-end from 1915 to 1919 were as follows:

	Advances by Canada to the United Kingdom	Advances by the United Kingdom to Canada
Mar. 31, 1915	\$ 5,280,659 07	\$ 61,473,684 22
Mar. 31, 1916	43,710,945 33	137,992,379 82
Mar. 31, 1917	169,558,345 82	289,583,702 52
Mar. 31, 1918	119,880,176 11	115,784,160 25
Mar. 31, 1919	443,795,649 67	321,745,362 84

2. Yes.

Note:—After the cessation of hostilities Canada extended credits to foreign countries as follows: