

The CHAIRMAN: Perhaps the officials are here to answer that question? I am not sure.

Mr. REID: Unless they are here it is going to be difficult for Mr. McLure to get the information he desires.

Mr. MUTCH: They have all been dismissed.

The CHAIRMAN: How long would it take?

Mr. McLURE: Leave it over to the next meeting.

Mr. HAZEN: When will the next meeting be? We may not have another meeting for some time.

The CHAIRMAN: The Canadian National officials are not here. I do not know which one would answer your question.

Mr. McLURE: There might be one of them here who could answer it at the next meeting.

Mr. HAZEN: If Mr. McLure does not speak now he may have to hold his peace for some time.

Mr. McCULLOCH: I think that has been gone over.

The CHAIRMAN: I know that the committee wants to be courteous to Mr. McLure, and I want to, too. Now, we will take up bill 21. I think it was suggested that the minister say a few words about bill 21 before it was discussed by the committee. Does that meet with the approval of the committee?

(Agreed)

Mr. MAYBANK: Have you got plenty of copies of the bill there?

The CHAIRMAN: Just a minute, and we will get a few more copies.

Hon. Mr. HOWE: The purpose of this bill was discussed fully in the House of Commons on the resolution and again on second reading. The purpose is to put Trans-Canada Air Lines in a position to undertake largely added responsibilities, through the operation of lines outside Canada. The bill increases the capital of the organization and also changes the basis for the mail contract.

The original bill provided that the mail contract would be automatic. It provided that the line would charge for passengers a roughly competitive rate with that of United States lines and that express and other charges would be similar to those of United States lines, but that the mail rate would be reduced, any increase in earnings, that is, that any earnings of the line would be charged 50 per cent to reducing the mail rate and 50 per cent to the credit of the company.

It was an automatic feature. Once a contract was made the mail rate was adjusted automatically at the end of every year. That is found to be somewhat unworkable. The time has come when the demands of the passenger service exceed those of the mail service so far as the number of planes is concerned, and the result is that we are putting on three and four services, and perhaps should have five, six or seven services, whereas the requirements of the mail are satisfied by two or perhaps three services a day. The post office objected to carrying out the terms of the old Act in the matter of additional services. The result is that it seems at this time desirable to work out a different form of contract as far as the carriage of mail is concerned. This Act eliminates the automatic feature of fixing mail rates and leaves these negotiations between the air line and the post office department. It also leaves the governor in council free to add additional services on the recommendation of the minister responsible for the Trans-Canada Air Lines operations.

Mr. JACKMAN: What basis is that on? Is that on so much per pound of mail, per ton mile; what is the basis of that?

Hon. Mr. HOWE: We started with a rate of 60c per mile flown.

Mr. JACKMAN: Is that per ton mile?