

The CHAIRMAN: Gentlemen, we have now reached the stage of our proceedings for questions of Mr. McGregor by members. I suggest that in order to proceed in an orderly manner we proceed through the report paragraph by paragraph commencing with the paragraph headed "financial".

Mr. FISHER: Mr. Chairman, I should like to ask a question for the purposes of getting information only. How long will the minister be with us this morning?

The Hon. G. J. McILRAITH (*Minister of Transport*): I hope to be here throughout all the sittings of this committee.

Mr. FISHER: Fine.

The CHAIRMAN: Shall we proceed with our consideration of the financial section of this report?

Mr. MUIR (*Lisgar*): Mr. Chairman, I should like to suggest, so that there will be continuity of questioning, that each member be allowed perhaps ten minutes to ask a series of questions? Otherwise we are going to have one or two members monopolizing all the time, doing all the talking, and we will not have continuity of questions whatsoever. If we do not proceed in an orderly manner the committee may as well not proceed at all.

The CHAIRMAN: I am in the hands of the committee, but I think your suggestion is good. Whether the time allotted to each member should be limited to ten minutes or 12 minutes, I do not know, but I think we should allow reasonable latitude to members to ask questions. I would hope that these would not be duplicate questions in respect of a specific subject.

Mr. NUGENT: Mr. Chairman, for the purposes of clarification, when you refer to a paragraph by paragraph consideration, you are referring to the sections such as the first one headed "financial"?

The CHAIRMAN: Yes.

Mr. PRITTIE: Mr. Chairman, I have two questions to ask in respect of the financial section.

First of all there is a notation in respect of losses suffered on short runs. I wonder whether these losses are to railways and secondly is the whole passenger growth inhibited by a competitive fare disadvantage? I wonder if we could have an estimate of the loss to Canadian Pacific Airlines in 1962-63? I am sure this reference to competition is made in respect of C.P.A.

Mr. MCGREGOR: Mr. Chairman, the loss of passengers on short haul runs was due I think entirely to the fact that the revised tariff dated April 1, 1962 increased the cost per passenger mile of travel on short routes, while leaving the longer haul routes either at their previous level, or, in one or two cases, at a reduced level. Naturally there has been a price penalty placed on short haul operations as compared with long haul operations. This has had an apparent effect on traffic growth.

In answer to your second question, I should like to say that it is not easy to make an estimate of the revenue effect or loss as you described it, due entirely to the fare differential. We do know the total amount of revenue earned by C.P.A. on its transcontinental operations but it is not easy to make an accurate estimate. I could make a guess as to how much of the revenue devolved to C.P.A. entirely because of the fare differential.

Another thing that complicates an estimate of this kind is the fact that a fare differential favours C.P.A. on economy travel, T.C.A. on first class travel. Our first class fares on duplicate legs are lower than C.P.A., but the reverse is true in respect of economy travel.

Mr. PRITTIE: I should like to have an estimate made in this regard.

Mr. MCGREGOR: It would be very little more than a guesstimate on my part.