

Mr. MCGREGOR: The fact is that C.P.A. does not put out a financial statement. Their financial statement is included in a paragraph in the annual report of the C.P.R.

Mr. NUGENT: But that financial statement included in the report of the C.P.R. I gather from your answer is not sufficiently detailed to enable you to give us any indication whether they are making a profit on their trans-Canada hauls or not?

Mr. MCGREGOR: It is not detailed at all. This is a report in respect of the overall operation of C.P.A.

Mr. NUGENT: You mentioned that you were carrying four times as many passenger as C.P.A. Is there a difference in percentage of your aircraft load? Does C.P.A. operate on a higher load factor?

Mr. MCGREGOR: On the average I think that is right.

Mr. NUGENT: Certainly, this would have some effect? If your aircraft is travelling with a greater load you can operate at a lower cost; is that correct?

Mr. MCGREGOR: That is correct.

Mr. NUGENT: This fact may in itself explain why C.P.A. is content with the present fare structure?

Mr. MCGREGOR: That is correct.

Mr. NUGENT: In respect of fares, you mentioned that the air transport board has some jurisdiction. Is it not a fact that the air transport board has less jurisdiction over T.C.A. than it does over a normal commercial airline such as C.P.A. and P.W.A.?

Mr. MCGREGOR: No.

Mr. NUGENT: Is T.C.A. subject to exactly the same regulations throughout?

Mr. MCGREGOR: Exactly the same regulations, yes.

Mr. NUGENT: Are you subject to exactly the same overseas regulations in respect of your overseas operations?

Mr. MCGREGOR: Those regulations are not within the jurisdiction of the air transport board so far as fares are concerned, except as it may disapprove I.A.T.A. rates.

Mr. NUGENT: I am asking you whether you are subject to the same regulations throughout.

Mr. MCGREGOR: We are subject to the same regulations throughout, yes.

Mr. MONTEITH: Mr. Chairman, I have one or two questions. I am a member of this committee although I am sitting over here.

The CHAIRMAN: We will have to make better arrangements in the future.

Mr. MONTEITH: Mr. Chairman, in respect of these cost curves to which Mr. McGregor referred, I am assuming that C.P.A. may well have presented similar cost curves to the air transport board which might not be comparable and show a lesser cost.

Mr. MCGREGOR: I do not think I am in a position to comment. The air transport board, I should say, is, and quite rightly so, very careful about keeping the details of the business of one air line out of the hands of another.

Mr. LLOYD: Mr. McGregor, you said that the air transport board is very careful about keeping the details of one air line away from another, or at least I felt that was the import of your observation. In view of the fact that T.C.A. is a public agency and comes under detailed and critical examination by a committee, do you feel that this is a disadvantage to you in respect of this alleged competitive position?

Mr. MCGREGOR: Yes, I do.