

Mr. HAMILTON (*York West*): But there is no check made on it as to whether the people travelling on free transportation passes come within the groups of people who have been described today?

Mr. TURVILLE: There is an internal check which results from the approval of senior officials of the airline.

Mr. HAMILTON (*York West*): Do you make a spot check of them the same as you do the other items?

Mr. TURVILLE: No. We rely on the integrity of statements of the administration that these people are either employees of the company or entitled to passes through their affiliation with the airline.

Mr. HAMILTON (*York West*): I was just going into the method that you used. There is no spot check of that transportation?

Mr. TURVILLE: No.

Mr. BELL: I think that possibly this question was answered, but the sterling currency rate is current as far as the T.C.A. is concerned whereas for the C.N.R. we took the former rate and that is because the holdings of the C.N.R. were calculated—

Mr. TURVILLE: Yes. I think I gave some explanation of that yesterday. The C.N.R. rate is being maintained perhaps not as far back as Confederation but almost and it is represented to a large extent by securities which are repayable in sterling. In the case of the Trans-Canada Air Lines that does not enter into the picture and the conversion rates which are in use by Trans-Canada Air Lines are those mutually agreed with the International Air Transport Association and cannot be changed unless there is more than a 10 per cent fluctuation.

Mr. HAMILTON (*Notre Dame de Grâce*): Do you test the inventories of the T.C.A. against physical inventory?

Mr. TURVILLE: If you will read the appropriate paragraph in our report you will find that this year there was not a physical inventory taken but we did compare the book records with the panel records and so on and make tests during the year.

Mr. HAMILTON (*Notre Dame de Grâce*): You did test it at certain points?

Mr. TURVILLE: Yes.

Mr. CARRICK: I suppose in testing the passes you would have in mind that it did not involve any money going in or any money coming out?

Mr. TURVILLE: Exactly. I do not think that it would be very useful for us to test them unless there was some record of dollars and cents.

Mr. CARRICK: It would hardly be within the scope of your duties.

Mr. TURVILLE: It would be trying to test something that was not there.

Mr. CARRICK: Something that was not your business.

Mr. HAMILTON (*York West*): What was that?

Mr. CARRICK: I am suggesting that it would not be any business of the auditors to spot check that because it does not involve money going in or out of the company.

Mr. HAMILTON (*York West*): It might involve money which should go in?

The CHAIRMAN: Shall the item carry?

Carried.

I believe there only remains one more meeting and that is for the purpose of preparing our report to the House. That meeting will be in camera. I am wondering as to when this meeting should be held to discuss the report. There