

Mr. McGREGOR: Yes, higher overseas.

Mr. HAMILTON (York West): It is a higher rate per mile per passenger on overseas. Does that apply over the southern system, say, to Tampa?

Mr. McGREGOR: Not Tampa. That is not regarded as an overseas service. It is really a transborder service but to the Caribbean the higher rate per mile is applied.

Mr. HAMILTON (York West): In connection with this load factor I am interested in it because we were discussing whether free transportation could be provided without loss to the company. Now, in your graph on freight you indicate that the early drastic reduction in rate which was applied by you a year ago you think was the major factor in the large increase in the use of the airlines for freight purposes. Have you given any consideration to the same type of proposition for passenger service, that is, we are working on a 72 per cent load factor which gives us a fair amount of space available? Would the corresponding decrease in the cost to the traveller produce a great enough increase in load factor to bring transportation costs down and make more people travel?

Mr. McGREGOR: To begin at the beginning of your question if we reduce the fares we would certainly accumulate some business but if you translate that into terms of load factor it cannot get very much higher. These are monthly load factors within the system and include the flight to Yarmouth, Kapuskasing and to Yorkton which may be operating at very low load factors. It does mean that over many days of the week on the popularly timed flights there are waiting lists and the industry is convinced that a load factor higher than 75 per cent means a great deal of customer dissatisfaction.

Mr. HAMILTON (York West): The solution then would appear to be we would have to invest in more capital equipment to do the job.

Mr. McGREGOR: Exactly.

Mr. HAMILTON (York West): Has that been considered at all in relation to rates?

Mr. McGREGOR: Yes.

Mr. HAMILTON (York West): Can we foresee any prospect of lowering rates with the utilization of these new planes we are getting?

Mr. McGREGOR: The industry is a little unique, or the air line I should say, where everything has been going up air line fares have remained constant since 1947 and there have been some reductions such as the introduction of tourist fares and others with the result that the rates are slightly lower than they were in 1953. If the rise in costs which has been a factor over the last 8 or 9 years flattens out I think with increased volume, more efficient aircraft and so on, we could be reasonably hopeful that fares could be reduced. That is the aim of the air lines if it is possible.

The CHAIRMAN: Shall the item "Routes" carry?

Carried.

"Personnel"

Mr. CHURCHILL: On personnel would Mr. McGregor tell us how many are on the ground for those who actually do the flying in operating planes in the air of this total of \$7,991?

Mr. McGREGOR: There are 463 pilots 17 Navigators and 356 Cabin Attendants against a total of 8,000.

Mr. CHURCHILL: What category are employed in the air. Are they pilots and co-pilots?