

weather areas, find the weather unsatisfactory, and have the fuel capacity to come back. That situation is improved by the North Star aircraft on that particular route. The North Star can go beyond Sydney, go into Newfoundland and either land or not, and come back and resume its regular schedule. Furthermore, it can take off at Torbay under conditions which would be impossible for the DC-3, and therefore provide a more regular Sydney service. So I think you will find that the North Star services through Sydney to Torbay will go a long way to correct that situation you mention.

The CHAIRMAN: Atlantic services. Financial review. Any questions?

Mr. MACDONNELL: What is the increase of revenue here as compared with the North Atlantic services?

Mr. MCGREGOR: This is greater.

Mr. MACDONNELL: Your percentage of vacancy is about the same?

Mr. FULTON: Your load factor has decreased slightly?

Mr. MCGREGOR: Yes.

Right Hon. Mr. HOWE: The difficulty is, as you know, we have to take care of a minimum summer service. We know there is little traffic, yet we have to run down to the Caribbean once a week.

Mr. FULTON: I appreciate that, but I thought your load factor had decreased slightly, yet your over-all operating picture shows considerable improvement, financially speaking. What caused the decrease in the load factor, are you very much concerned about it, and will it be adjusted?

Mr. MCGREGOR: The load factor is a function of the frequency. Normally it has been our practice to cut the trans-Atlantic frequency down to five flights a week in the winter, but that was not done in the winter of 1951, it was maintained on a daily flight basis. That has a tendency to decrease the load factor slightly, but costs do not go up in proportion. Only direct operating costs are saved when there is a reduction in frequency.

The CHAIRMAN: And your net result shows it was a wise move?

Mr. MCGREGOR: Yes, the decision was influenced, too, by the immigrant traffic.

Mr. FULTON: A lot of your eastbound flights would have been empty?

Mr. MCGREGOR: That is right, to a degree.

Mr. FULTON: I think you actually increased your flight frequency somewhat over the previous year; you must have had a fair number of comparatively empty flights, and yet your financial result has improved. I was wondering—

Mr. MCGREGOR: In increasing the frequency the costs do not go up proportionately.

Mr. FULTON: I see. That is the answer.

The CHAIRMAN: Any further questions on financial review?

Expansion of service.

Mr. CHURCHILL: I think we should not overlook that concluding paragraph at the bottom of page 9; speaking of the record of reliable flight performance matched by no other air line. I think that is most commendable and I think the confidence the people are showing in TCA is dependent upon that. Is the same true with regard to the North Atlantic services? Have you a comparable figure?

Mr. MCGREGOR: Yes, as a matter of fact that statement does refer to the Atlantic service.

Mr. CHURCHILL: I mean to the North American service.

Mr. MCGREGOR: Yes, the flight performance is covered in what I read before. I believe 96.1 per cent of all flights were completed.