

Mr. CHURCHILL: Just one question on the routes. I notice the report mentions the extension of Trans Canada Air Lines until it is now the ninth passenger air line in passenger miles flown. Two questions therefore for my information. Has it gone up in the scale? Was it lower down and has now crept up to ninth, and secondly, what are those leading air lines of the world which would bear comparison with the T.C.A.

Mr. MCGREGOR: To answer the first part we have risen in rank but not internationally. For some years we have held that rank on an international basis. That is referring to international traffic only, which is examined by IATA, but with reference to total passenger miles on the system that is an increase in rank of about five places in three years.

To answer the other part of your question the companies who are ahead of us are American airlines who continually advertise as being the greatest passenger carriers in the world, Trans-World Airlines, Eastern Airlines, Pan American, all of which are major airlines in the states; Air France, B.O.A.C. and Northwest Airlines, also in the states.

Mr. BELL: Could I ask Mr. McGregor if the Caribbean route is highly competitive?

Mr. MCGREGOR: No, it is not competitive, not between Canadian points.

Mr. BELL: Is that route a fairly profitable operation, more or less?

Mr. MCGREGOR: No, because the traffic is so extremely seasonal.

Mr. HAMILTON (*York West*): I suppose you feel you have got to keep branching out all the time and take some chances in building up the traffic on those routes?

Mr. MCGREGOR: We do not feel any particular urgency to branch out for branching out's sake, but it is desirable if a route shows potentialities that it be operated under not too good financial conditions for a while until it gets on its feet and that has been basically the history of the major routes.

Mr. HAMILTON (*York West*): It requires some time to establish the thing?

Mr. MCGREGOR: Yes.

Mr. KNIGHT: What is the percentage occupancy—I don't know if that is the correct term, but you know what I mean—on that West Indies flight?

Mr. MCGREGOR: It varies due to the seasonal character of the traffic, but we call it load factor and the over-all on the year in the Bermuda and Caribbean service is 58·5 per cent.

Mr. KNIGHT: How does it compare with the whole system?

Mr. MCGREGOR: Very much lower. The system figure is 72·3.

Mr. HAMILTON (*York West*): Is there any break-even point established for the company on that load factor?

Mr. MCGREGOR: Yes.

Mr. MCGREGOR: Yes, it varies by services to some degree and there is a special condition with respect to the Caribbean and southern services because again the Atlantic operation is seasonal to some degree and if we are equipped to handle the load during the higher traffic period it means that both equipment and personnel are to some degree surplus to the requirements of the Atlantic service in the wintertime. Thank heaven the traffic load to the Caribbean service increases out of phase with the Atlantic service. That is, during the winter months it increases. So that while we charge to the Caribbean service the full cost of the overhead, the aircraft and personnel, the fact is if we were not using them on those services they would probably not be efficiently used on domestic or Atlantic service.

Mr. HAMILTON (*York West*): Is there any difference in per mile rate between your overseas operations and domestic operations?