

that question because I was interested to see the company's submission to the Gordon commission when considerable importance was arraigned to this factor. Is it one of the problems which face a Canadian airline in keeping down its costs and entering into a competitive position?

Mr. MCGREGOR: Taxation against airline operation in 1955 was \$1,600,000, Mr. Hamilton. I think that is probably higher than would be borne by a scheduled operation in the United States. A good deal of that is associated with the sales tax which is applied to equipment which is used domestically in the case of T.C.A. and C.P.A. It does not apply to aircraft designated to overseas operation.

Our landing expenses are generally higher than elsewhere and I think perhaps reasonably because the operation of airfields under Canadian conditions is generally more expensive; and again the flight frequency is not as high as it would be in many of the major cities in the United States. But, as I say, \$1,600,000 is a substantial amount of money particularly in regard to the net revenue.

Mr. HAMILTON (*Notre-Dame-de-Grâce*): I would like to arrive at some actual basis for comparison. You mention, for example, landing fees and say they may be related to the cost of the operation of airfields. I notice that in your statement to the Gordon Commission you pointed out that United Air Lines would pay \$4.65 for landing an aircraft of a weight comparable to the North Star, but that you have in Canada to pay \$19.90 for landing a North Star. Would that, taken together with your earlier remarks, lead me to believe that it is more than four times as expensive to operate an airfield in Canada as it is in the United States?

Mr. MCGREGOR: No, I don't think so, Mr. Hamilton. Nor is that example quoted in the brief placed before the Gordon Commission entirely representative of the relationship. It is difficult to compare the two sets of circumstances because the landing fees charged by type of aircraft vary widely between one airfield and another in the United States. Idlewild in New York, for instance imposes higher fees than are charged on comparable Canadian routes. At many other points the fee paid by an airline is a function of the frequency of their operation into any one field.

I can give you some representative figures of various types of aircraft and the fees charged that may illustrate that point. For instance, landing a DC-3 at Canadian points across the system operated by the Department of Transport costs \$3.30. In Boston the charge is \$4.10; in Cleveland it varies between \$5 and \$2.71 depending on the frequency of landings; in Chicago it varies between \$7.37 and \$2.89. So members of the committee will see that it is difficult to draw a general comparison. If we take the case of the Viscount the Canadian rate is \$12; the highest American rate—excluding Idlewild—is just over \$8 and goes down as low as \$4 in the case of a high frequency operation. But the fee at Idlewild is \$16.50. In the case of North Stars, which may be compared directly with the DC-4's in the matter of weight and which are not far off the weight of the DC-6's, the Canadian rate is \$19.60 and the highest American rate—again excluding Idlewild—is \$10, with the exception of San Francisco. The Canadian rate for Super-Constellations is \$33.25 and the highest American rate—again excluding Idlewild—is \$21 at San Francisco.

Mr. HAMILTON (*Notre-Dame-de-Grâce*): So you would be quite prepared to stand by your submission to the Gordon commission in which you said that landing fees payable by Canadian airlines were among the highest in the world and, specifically, higher than in the United States?

Mr. MCGREGOR: Yes, taking everything by and large I think it would perhaps be fair to say that something like double is the average.