

the charges vary widely with different circumstances in the United States. The cost of air field operations due to weather conditions particularly in the spring and autumn months in Canada are very much more of a factor in the operating budget than would apply over most of the United States routes, although it is true that Northwest operates over a northern route too.

Mr. HAMILTON (*York West*): As far as maintenance itself is concerned I assume that both yourselves and, for example, a company such as Northwest are bound by a fairly rigid set-up of government transport rules?

Mr. MCGREGOR: Yes but I think that in the case of T.C.A. at least, its own operating regulations for maintenance are even stiffer than are required by government authorities in other countries.

Mr. HAMILTON (*York West*): But in the ordinary course of events there is a fairly stiff minimum standard by which any company would be ruled?

Mr. MCGREGOR: Yes.

Mr. HAMILTON (*York West*): I think you said something a little earlier to the effect that Northwest would have its fleet written off, and that this might assist them in their net operating picture. Their aircraft would be as modern as those held by T.C.A., would they not?

Mr. MCGREGOR: No. So far as I know the most recent purchase of aircraft by Northwest consisted of Boeing Stratocruisers about six years ago.

Mr. HAMILTON (*York West*): How would they compare with the fleet you had, let us say, last year?

Mr. MCGREGOR: They are very much older.

Mr. HAMILTON (*York West*): Older than your last year's fleet?

Mr. MCGREGOR: As I say, we had 14 Viscounts—they are the most modern aircraft in use—and seven Super-Constellations which are among the most modern long range aircraft in use.

Mr. HAMILTON (*York West*): That is still not the majority of your fleet.

Mr. MCGREGOR: Dollar-wise it is.

Mr. HAMILTON (*York West*): But you have a larger number of older aircraft than you have modern craft?

Mr. MCGREGOR: Yes, but the capital investment per old aircraft is very much less than on the new ones.

Mr. HAMILTON (*York West*): Yes, but the Northwest fleet—and I am dealing with the type of aircraft you just mentioned—would be more modern than the old type of aircraft which you have?

Mr. MCGREGOR: About the same as the North Stars. I believe they have DC-3's and DC-4's and Stratocruisers which are contemporary with the North Star.

Mr. HAMILTON (*York West*): With regard to the number of passengers carried could you give us any general statistics of load factor.

Mr. MCGREGOR: The load factor is quoted later on—on the next page, I believe.

Mr. HAMILTON (*York West*): That applies to your commodity load factor as well?

Mr. MCGREGOR: They are both given separately.

Mr. HAMILTON (*Notre-Dame-de-Grâce*): A few moments ago, Mr. Chairman, we were discussing comparative costs of operation in general as between Canada and the United States. I was wondering whether Mr. McGregor would like to comment on the question of Canadian taxation and its effect on the operation of his airline in the light of the situation in the United States. I ask