

Mr. McPHILLIPS: We have not got to that yet.

The CHAIRMAN: We can revert to it later, if you like.

Mr. MCGREGOR: It is on the balance sheet.

The CHAIRMAN: Mr. Smith is sticking very closely to the item on Service and Traffic Growth, and so is Mr. Broome.

Mr. CHEVRIER: We are on traffic?

The CHAIRMAN: Yes, Mr. Chevrier.

Mr. CHEVRIER: On traffic, may I ask the president whether he could tell the committee what T.C.A. have in mind for the future, and if anything at all in 1959, other than on its domestic services? For instance, the Caribbean and European services?

Mr. MCGREGOR: We have been steadily increasing the frequency on these routes in 1959, and the operating plan calls for the continuation of that. The same is true of the Atlantic route, where we go to 16 flights a week, at the height of the season. Generally speaking, by sales and advertising effort, and larger frequencies, as the demand develops, we expect all these routes will continue to grow.

Mr. CHEVRIER: What about extending the routes?

Mr. MCGREGOR: To other points?

Mr. CHEVRIER: Yes.

Mr. MCGREGOR: The 1959 program is now pretty well implemented. On May 2, we started service to Vienna. Earlier Antigua was added as a point on our route to Barbados and Trinidad. There are under discussion at the present time, two or three routes which may lead to bilateral agreement amendments.

Mr. CHEVRIER: Have you any expectation of getting into Rome?

Mr. MCGREGOR: We would hope to.

Mr. CHEVRIER: I suppose you know that the C.P.A. are trying to get in there first?

Mr. MCGREGOR: Yes, that is why I said we "hope" rather than we "will".

Mr. CARTER: I would like to ask Mr. McGregor what is the difference between the economy class overseas and the tourist class. Which is the cheaper, and are they both compensatory?

Mr. MCGREGOR: "Yes", to the second question. Economy was the cheaper, but tourist has now disappeared so far as T.C.A. is concerned.

Mr. DRYSDALE: Would you define compensatory?

Mr. CARTER: How does it compare with the first class?

Mr. MCGREGOR: In terms of service or cost?

Mr. CARTER: Well, is there less seating space?

Mr. MCGREGOR: Very much less seating space. In the economy class you are five abreast in the Super Constellation, and the distance between the seats is very much less in the cabin. The cabin service, such as meals, and alcohol—alcohol has been non-existent so far as the economy class is concerned, until recently. White a meal was a box lunch; now it is a cold plate.

Mr. CARTER: I want to ask about your cargo service. You said:

Unfortunately, only a small proportion of the capacity was utilized within Canada, due principally to the comparative scarcity of west to east commodity traffic.

What can you do about that?

Mr. MCGREGOR: We have done all that lies within our power. We have established a rate differential between west to east and east to west. We have