

Mr. MCGREGOR: I think perhaps there is still a certain resistance to the idea of air travel, that requires quite a little effort to overcome, and I think for that reason that air transportation reacts more to an advertising and sales program than, perhaps, other forms of transportation.

Mr. MURPHY (*Westmorland*): I understand that there is a discount given on passenger fares to salesmen.

Mr. MCGREGOR: To accredited commercial travellers.

Mr. MURPHY (*Westmorland*): It has been brought to my attention that clergymen receive a similar discount from the railways, and I would like to you to tell us whether consideration has been given, or would be given, to a similar discount for clergymen. I have in mind particularly clergymen of the Jewish faith, Rabbis, who must of necessity get from one point to another very quickly in the execution of their duties. Can consideration be given to a discount to clergymen? I think it would be excellent to have them on planes.

Mr. MCGREGOR: That request has been made from time to time and consideration has been given to it. A negative decision was taken on the grounds that there was almost no end to the effect of "letting down the gates" with respect to reduced transportation fares for professions and classes of people. It would extend to people engaged in charitable work, and even the medicos might consider themselves to have a special claim. I admit there is a strong case for this, but that, so far has been the decision.

Mr. FOLLWELL: Does T.C.A. operate any charter flights, Mr. McGregor?

Mr. MCGREGOR: Yes, many, Mr. Follwell.

Mr. FOLLWELL: I wonder if you could tell us the approximate revenue you get from charter flights.

Mr. MCGREGOR: (I think) that is given in the report. As a matter of fact, our charter revenue in 1954 was \$250,307.

Mr. FOLLWELL: Does T.C.A. have any special arrangement with any other airlines with regard to interchange of travel?

Mr. MCGREGOR: Yes.

Mr. FOLLWELL: Do you confine your dealings to certain airlines?

Mr. MCGREGOR: No, we have inter-line agreements with virtually every other airline with respect to which the two services meet at a point.

Mr. FOLLWELL: You do not have any pool system like you do on the railroad?

Mr. MCGREGOR: No.

Mr. FULTON: May I take advantage of this opportunity to go back to the earlier section to ask Mr. McGregor why, in the financial review of operations—if you turn to the details of expenditure I notice that there is an item of \$1½ million—

The CHAIRMAN: What page are you on?

Mr. FULTON: Page 5. If you turn to page 26 for the breakdown of operating expenses, I notice there is about \$1-½ less charged for depreciation this year than last year, and I was wondering why, why when you are bringing into service this great new fleet of Constellations. I would have thought that the depreciation would have been greater.

Mr. MCGREGOR: There were two factors which worked during the year to influence that, Mr. Fulton. All the North Star fleet became fully depreciated and the depreciation charges with respect to the North Stars came to an end. We began to get the Constellations in the late spring, and we received them steadily during the year. The increase in the depreciation resulting from the introduction of the Super Constellations did not offset the reduction in depreciation brought about by the fully depreciated condition of the North Star fleet.