

Mr. BROOME: With regard to the Air Transport Board the T.C.A. is on exactly the same basis as any other carrier in Canada?

Mr. MCGREGOR: Yes, exactly the same with regard to class one, carriers which we are, and other scheduled airlines are. There are several carrier classifications.

Mr. BROOME: Does class one include the Maritime Central, the T.C.A. and C.P.A.?

Mr. MCGREGOR: Yes.

Mr. BROOME: And perhaps Trans-air?

Mr. MCGREGOR: Yes.

Mr. BROOME: Quebec Air?

Mr. MCGREGOR: Yes, and Nordair.

We are exactly on the same footing and have to apply to the Air Transport Board for permission to change rates or to serve any new points.

Mr. BROOME: I did not understand that. I thought you were not under their jurisdiction.

Mr. MCGREGOR: Yes, we are.

Mr. SMITH (*Calgary South*): It is hoped there will be a number of other names to the bilateral agreement in which T.C.A. will undoubtedly show interest, in asking the Air Transport Board for air rights.

I wonder if you can tell us what will be the basis of your position, and whether it is economical for you to bid on these? Density is the chief factor in this regard. I am going back to the situation where previously there was a high density between Spokane and Calgary. What do you say about that?

Mr. MCGREGOR: I think we disagree on what is "high density".

Mr. SMITH (*Calgary South*): What do you say is "high density"?

Mr. MCGREGOR: It is a relative term, of course; but a high density route I regard as, say Toronto/New York, or Montreal/New York, or Toronto/Montreal. These are routes on which there are several hundred passengers a day now.

Mr. SMITH (*Calgary South*): You are looking for feeder routes to tie in with your services, but there is no standard program; it is a number of factors?

Mr. MCGREGOR: Yes, there is a number of factors, but it is primarily economic. We know to a fraction of a cent what the costs are to operate per seat mile, and we have a pretty accurate report of the traffic volume, and the economics show up very distinctly my reasoning.

Mr. SMITH (*Calgary South*): I wonder if I could switch to Bermuda?

Mr. DRYSDALE: Good idea; I will go with you.

Mr. SMITH (*Calgary South*): You are running North Stars on the Bermuda route?

Mr. MCGREGOR: Yes, and Super Constellations.

Mr. SMITH (*Calgary South*): That has been most profitable?

Mr. MCGREGOR: Yes, it has been quite profitable, but it is very seasonal traffic and it is in competition with other services.

Mr. CATHERS: I see there is an insurance fund of \$6 million. How have you built that up? You carry your own insurance.

Mr. MCGREGOR: Yes.

The CHAIRMAN: We are on Service and Traffic Growth.

Mr. CATHERS: We are on the financial statement, are we not?

The CHAIRMAN: No, we are past that. We are on Service and Traffic Growth.