

Mr. LLOYD: You do see this as a disadvantage?

Mr. MCGREGOR: Yes.

Mr. LLOYD: Therefore, there is something to be said in your opinion for a better method of rate setting for at least domestic services in Canada?

Mr. MCGREGOR: Personally I think the method of rate making adopted by T.C.A. is excellent, but I should like to know as much about C.P.A.'s operations as I know about T.C.A.'s operations.

Mr. LLOYD: Do you suggest that you cannot do the kind of comprehensive administrative job you are required to do to protect the competitive position with the insufficient information you have received? Do you feel you need more information in order to perform a better job?

Mr. MCGREGOR: No, I do not think one needs more information about a competitor, according to my understanding of the competitive situation. I think that anywhere there is competition it is most unusual for both competitors to have complete information on the economic details of the competitor. I do not think we would be entitled to that information any more than I think C.P.A. should be entitled to information in respect of T.C.A.

Mr. BALZER: Mr. McGregor, do you think the fact that C.P.A. is restricted to only one flight a day while you are not restricted as far as the number of flights you may make are concerned, has a certain bearing on the fact that C.P.A. is sort of forced to charge a lower rate to meet this unfavourable position?

Mr. MCGREGOR: Mr. Balcer, I think it is a very natural attitude for them to take, and I would not suggest that if positions were reversed T.C.A.'s attitude would be any different. C.P.A. is seeking, as has been suggested, to get the highest load factor possible; whether the fact they operate only one flight a day is an advantage over-all or a disadvantage, I am not sure. I would be inclined to think it is an advantage. C.P.A. suggests, let us have a fare differential as long as we can get away with it, and, therefore, we will have a high load factor.

Mr. BALZER: That is one of the arguments they use.

Mr. NUGENT: Do you suggest that is an advantage, Mr. McGregor? Surely they would operate more flights per day if they were allowed to. C.P.A. is restricted in that regard not by its choice; is that right?

Mr. MCGREGOR: I think that is probably right.

Mr. HAHN: Do air carriers in the United States operating over the same routes have the same fare structure, or do they have a different fare structure?

Mr. MCGREGOR: I know of no cases where there are different fare structures for identical services in United States.

Mr. HAHN: Are these fares under the control of an authority in the United States?

Mr. MCGREGOR: Yes, they are under the control of the civil aeronautics board.

Mr. PUGH: I am wondering why you used the word "disadvantage". You said in your opinion you thought it would be a disadvantage to have more than one flight.

Mr. MCGREGOR: I think if C.P.A.'s capacity was increased, and it could only be doubled presumably, they would have to operate on quite low load factors; whereas with one flight per day, with a fare advantage, it is not difficult for them to have a good load factor, and they do have a good load factor particularly in the summer months.

Mr. PUGH: Do you run four flights each way per day?