

Mr. MCGREGOR: Unfortunately we covered that point before you came in and I explained why the reconfirmation procedure existed which in turn is related to the fact that we have no protection to our revenue arising from the failure of passengers to show up for departure of the aircraft. The whole object of the reconfirmation procedure which is just as much a nuisance to the airlines as to the passengers is to make sure that seats that are not being picked up as originally planned, are available for people who want to travel.

Mr. CHURCHILL: You have not been able to effect any change in regard to that?

Mr. MCGREGOR: The only change which has been made in the last few years is one for the worse in which the reconfirmation interval moved from three hours to six hours and I hope we will be able to go back to three hours again. We went to six hours in order to fit in with arrangements set up in the United States about a year and a half ago.

Mr. HAMILTON (*York West*): Along that line has there been any thought given to using the same system that the railways use in their sleeping car accommodation. In that case if you do not telephone in and give your ticket number and cancel you are left with your ticket. Could not some type of arrangement be made of that kind so that there is a responsibility and otherwise your ticket is considered to have been used?

Mr. MCGREGOR: Of course you are in a much better position to state the facts on this than I am, but we are informed that we cannot legally retain any part of the ticket unless, as mentioned earlier, we divided the ticket price into two pieces, one for transportation and one for reservation service. We could then, if the passenger fails to use the space retain the reservation money and refund him the transportation portion.

As I also explained earlier when this was being discussed there is an unlimited set of complications associated with "no-show" penalties because it can be claimed by the passenger that he did 'phone and the girl answered and he said: "I won't be on flight three. If you have no record that is not my fault and I should have a refund". It is a major problem and has been given a great deal of thought and, of course, unlike the railways we have the one ticket that covers the flight and the reservation of space too.

Mr. HAMILTON (*York West*): I cannot keep up with the chartered accountants but going back to the free transportation and one answer you have given me of your methods of calculation of 50,000 free passenger miles or 500,000 air miles of travel. If I multiply that by six cents per air mile my figure comes out to about \$1,500,000 free traffic. Is that reasonable?

Mr. MCGREGOR: Well, with the reservation that they probably would not have travelled otherwise.

Mr. HAMILTON (*York West*): In other words, if this traffic were pair for, and getting back to the question of having no cost to carry them because they are in the part of the aircraft that is not being used, then if they were paid for you would show no cost against it and an operating profit of about \$2 million instead of \$500,000. Would that be right.

Mr. MCGREGOR: I think that is rather a broad assumption.

Mr. HAMILTON (*York West*): It may be irrelevant as far as you are concerned, but I am saying is that approximately right?

Mr. MCGREGOR: It could be possible.

Mr. HAMILTON (*York West*): One other question dealing with tourist service and I think more probably it is on equipment because it is on page 9. In relation to the airlines in the States over the last three or four years—this question has nothing to do with the reliability or form of aircraft at all because