

Mr. KNIGHT: Mr. McGregor, I was wondering whether air personnel have any flying privileges, such as free flights and that sort of thing, by virtue of the fact that they are employees of the company. Is there such a thing, and to what extent?

Mr. MCGREGOR: It varies according to length of service. They and their immediate families are given vacation passes on the airline on a space available basis, depending on the length of service which they have had with the company.

The CHAIRMAN: Shall that carry?

Carried.

The next item is "Future Aircraft", on page 22. Are there any questions on this topic?

Carried.

"Service Planning", on page 23.

Mr. BELL: Under future developments, I wonder if you could say generally whether you are inclined to go into areas where there is competition? Have you examples of where T.C.A. has gone into competition with other companies in particular areas, or is there a tendency to stay away from them and just go into areas which are not being serviced?

Mr. MCGREGOR: I would say that there is no tendency of that kind, Mr. Bell. I think it is true to say that about 30 per cent of our total route pattern is competitive. The best example is the trans-Atlantic, and over the last three years that has been extended to Paris and Dusseldorf, which are competitive with other airlines, and in one case by direct competition from Air France. It is simply a matter of calculating whether there is enough room in our opinion for a second or third airline on the route in question.

Mr. BELL: Some of these highly competitive routes are just as profitable as the other ones, speaking generally?

Mr. MCGREGOR: Not just as profitable, no, and not as profitable as they would be if they were not subject to expense duplications.

Mr. BELL: In other words, T.C.A. is afraid of a little competition?

Mr. MCGREGOR: We are not afraid of a little competition in the right spot.

Mr. HAMILTON (*York West*): Dealing with service planning and flight frequencies, how many transcontinental flights do we have?

Mr. MCGREGOR: Five, at the moment. Six last summer and seven this coming summer.

Mr. HAMILTON (*York West*): As president of this organization, do you see the continuing necessity of adding flights?

Mr. MCGREGOR: Yes.

Mr. HAMILTON (*York West*): In another year it may be eight and seven?

Mr. MCGREGOR: It could well be.

Mr. HAMILTON (*York West*): How long do you think it would be? How many flights will you have to build up to before you can stand competition on that route? Have you made any plans in the future for that?

Mr. MCGREGOR: No. We have not planned on it. We have ordered aircraft on the basis that we will have to fill the demand.

Mr. HAMILTON (*York West*): In other words, the present commitments for purchases indicate that you will require a monopolistic condition for some time to come?

Mr. MCGREGOR: I think it should be worded the other way around. We ordered aircraft assuming that we will be carrying the traffic.