

Mr. HAMILTON (*Notre Dame de Grâce*): I am interested in the statement under "Passenger Traffic" relating to the sales program:

Sales, reservations and passenger handling facilities were improved to meet the steady increase of traffic."

From time to time we hear of individual cases where somebody has been most unhappy because of something that has happened. But by and large I think the aircraft industry, and the T.C.A. in particular, have a remarkable record in training their sales personnel and in handling the public generally.

Having said that, would Mr. McGregor tell us with respect to his advertising, whether he is concentrating it in Canada or in the United States?

Mr. MCGREGOR: In Canada.

Mr. HAMILTON (*Notre Dame de Grâce*): Have you any break-down of the percentage?

Mr. MCGREGOR: We have the actual expenditures in the two countries.

Mr. HAMILTON (*Notre Dame de Grâce*): I think that would be interesting.

Mr. MCGREGOR: Thank you very much for your comment.

Mr. LANGLOIS (*Gaspé*): Provided that he means it!

Mr. MCGREGOR: Our total advertising expenditure was \$1,700,000 in 1954, of which \$250,000 was spent in the United States.

Mr. HAMILTON (*Notre Dame de Grâce*): You have spent approximately \$1,450,000 for advertising in Canada?

Mr. MCGREGOR: Yes. There is a point however in the fact that the lineage cost of advertising in the United States is considerably higher than it is in Canada. So the proportion of U.S. lineage is even smaller.

Mr. HAMILTON (*Notre Dame de Grâce*): Can we set this up as against the points of origin of your traffic? Can it be done quickly without your having to worry about it too much?

Mr. MCGREGOR: Yes, we can give it by cities.

Mr. HAMILTON (*Notre Dame de Grâce*): I do not want you to go into too much detail. How much of your traffic originated in the United States versus traffic originating in Canada?

Mr. MCGREGOR: That would be rather difficult to give because a great deal of our trans-border travel, as we described it, originates actually in Canada, so that the passenger loads originating in New York, Cleveland and Chicago, do not mean necessarily that the service has originated there.

I would think that by nationality on our trans-border services, probably not more than 20 per cent of the passengers are of United States origin, but that is rather a shot in the dark, I am afraid.

Mr. HAMILTON (*Notre Dame de Grâce*): You attribute a great deal of credit to the increase in passenger traffic to your improved sales program. You say:

The 1954 traffic increase must, however, be attributed not only to the normal growth of the industry, but also to general prosperity, and an energetic sales program in which national advertising was a key factor,...

In other words, with good advertising and good selling you can "bump" your passenger traffic up quite considerably over what you might otherwise have expected it to be?

Mr. MCGREGOR: We are sure that is the case.

Mr. HAMILTON (*Notre Dame de Grâce*): Do you think there is a peculiarity in the airlines business which makes that applicable to airlines as opposed to other traffic?