

Canadian National (West Indies) Steamships Ltd—Annual Report for 1958, and the Canadian National Railways Securities Trust Annual Report (1958). The Auditors' Reports to Parliament for the year ended December 31, 1958 were considered and adopted.

5. The Annual Report of the Canadian National Railways for 1958 was tabled in the House on April 14th pursuant to section 40 of the C.N.R. Act, Chapter 29, S. of C. 1955. It showed operating revenues of \$704,947,410 and operating expenses of \$700,021,499 making a net revenue on railway operations of \$4,925,911. After taking into account taxes, rents, other income and fixed charges, there resulted a deficit of \$51,591,424 for the year's operations. This figure compares with a deficit of \$29,572,541 disclosed for the year 1957, the increase being attributed to a decline in traffic, higher wages, material costs and other related economic factors. Your Committee found however that in spite of less traffic, the Company continued its endeavour to improve all categories of service having due regard to sound economy, and to pursue its announced policy to modernize its equipment, its facilities, its methods and its techniques which are specially inherent to a railway system covering geographically such a vast territory.

Canadian National (West Indies) Steamships Ltd.

6. The Annual Report of the Canadian National (West Indies) Steamships Limited for the year ended December 31, 1958 was also tabled in the House on April 14, pursuant to section 85(3) of the Financial Administration Act, Chapter 116, R.S.C. 1952. Your Committee noted a net deficit of \$1,151,954 for 1958, compared with \$648,849.80 for the previous year. The report disclosed a capital surplus balance of \$3,500,910. The Company did not have a Capital Budget because, as contemplated in 1957, it has disposed of its assets and has ceased operations.

Trans-Canada Air Lines—Annual Report

7. Your Committee noted with satisfaction that Trans-Canada Air Lines recorded for 1958 a net surplus of \$547,429, after provision for depreciation of \$9,911,049, and the payment of interest on capital invested to the amount of \$2,495,586. Before allowances for these two expense items, income from operations rose to \$12,425,035, an increase of \$4,109,681 over 1957. Your Committee was pleased that the management of the company recorded a net profit for the eighth consecutive year.

8. Your Committee was interested in the continued progress in TCA's fleet conversion to turbine type aircraft. Fifteen additional propeller turbine Viscounts were put into service during 1958 while nine more DC-3's were retired. Also of interest was the fact that satisfactory flight tests have been undertaken by both DC-8 and Vanguard aircraft. Your Committee also observed that in the year under review TCA increased its passenger carrying capacity by 20% as compared to a 17% growth in passenger traffic. This however resulted in a further decline in the overall passenger load factor to 69.3%, in keeping with the Company's long range plans.

9. Your Committee recommends that this Committee be appointed much earlier in any subsequent session to enable it to better determine its method of procedure.

10. Your Committee wishes to express its appreciation to the Minister of Transport for his continuous attendance at the meetings and to Mr. Donald