

## STATEMENT OF INCOME

Operating Revenues:	1955	1954
Passenger .....	\$61,105,243	\$53,123,868
Mail .....	8,297,605	8,371,344
Air Express and Freight .....	5,436,802	4,220,672
Excess Baggage .....	579,108	484,841
Charter .....	334,057	250,307
Incidental Services — Net .....	1,675,439	2,313,220
Total .....	\$77,428,254	\$68,764,252
Operating Expenses:		
Flight Operations .....	\$16,749,503	\$14,614,919
Ground Operations .....	12,807,609	11,008,253
Maintenance .....	21,656,662	19,346,433
Depreciation .....	4,308,467	3,883,838
Passenger Service .....	4,682,401	4,031,000
Sales and Reservation Service .....	10,191,730	8,975,232
Advertising and Publicity .....	2,186,660	1,830,414
General and Administrative .....	4,187,890	4,041,423
Total .....	\$76,770,922	\$67,731,512
Operating Income .....	\$ 657,332	\$ 1,032,740
Non-Operating Income — Net .....	528,366	257,242
Interest Expense .....	\$ 1,185,698	\$ 1,289,982
	995,603	793,836
Net Income .....	\$ 190,095	\$ 496,146

The CHAIRMAN: We will now come to page 3 of the report, the letter dated February 29, 1956, addressed to the Right Hon. the Minister of Trade and Commerce, Ottawa.

Mr. HAHN: Mr. McGregor, I notice we have here a reported financial surplus of \$190,095. With the volume of traffic which the T.C.A. carries, how would that compare, let us say, with Canadian Pacific Air Lines or Trans-World Airlines or some of these other airlines?

Mr. MCGREGOR: It is a very much smaller percentage of net on the gross business done than in the case of a large United States carrier. I cannot comment on a comparison with Canadian Pacific Air Lines; their financial reports are incorporated in the Canadian Pacific Railway report, and I do not know what their revenues are.

Mr. HAHN: Do you know of any way we could get those figures to compare with let us say an area with a similar population in Australia or some place like that?

Mr. MCGREGOR: There may be information in the Air Transport Board which would permit that comparison. I do not have it.

The CHAIRMAN: Is it not due to the fact that you have a more stringent operation on the ground? I was in conversation with a person the other day and he said the reason that the net surplus was probably not as high as on privately owned lines in the United States was that Trans-Canada were much more careful on the examination and review of their engines