

EVIDENCE

HOUSE OF COMMONS,

May 5, 1952.

The CHAIRMAN: Gentlemen, we have a quorum. We are to take up this morning the report of Trans-Canada Air Lines, the audit report, and the budget. In addition to the minister, Mr. Howe, we have in attendance Mr. G. R. McGregor, the president; Mr. W. S. Harvey, general auditor; Mr. S. W. Sadler, auditor, and Mr. R. C. McInnis, director of public relations, Trans-Canada Air Lines.

I now call on Mr. McGregor.

Mr. McGREGOR:

TRANS-CANADA AIR LINES

MONTREAL, February 29, 1952.

TO THE RIGHT HONOURABLE,
THE MINISTER OF TRADE AND COMMERCE, OTTAWA.

Sir:

The Board of Directors submit the consolidated Reports of the Trans-Canada Air Lines domestic and overseas services for the calendar year 1951.

Financially, this was by far the most successful year the company has yet had; but perhaps even more gratifying was the contribution it was able to make to the transportation needs of Canada.

Volume of business exceeded that of 1950 in all categories with system passenger transportation increasing by 20 per cent, aircargo and air express loads by 13 per cent and mail by 11 per cent. Although the traffic trend has been steadily upwards since the Company's inception, in no other year has the extent of the advance been so pronounced.

General expansion of the Canadian economy, immigration and the ever-widening public patronage of air transportation brought about a marked increase in gross revenues. On the other hand, the increase in expenses was on a very much smaller scale. The logical outcome of these two relatively satisfactory trends was a system surplus of \$3,890,957.

TRANS-CANADA AIR LINES—NORTH AMERICAN SERVICES

FINANCIAL REVIEW

There follows a tabulation of the 1951 operating results compared with those of 1950:

	1951	1950	Increase or (Decrease)
Operating Revenues	\$37,043,289	\$31,810,684	\$ 5,232,605
Operating Expenses	32,670,655	31,318,613	1,352,042
Operating Profit	\$ 4,372,634	\$ 492,071	3,880,563
Non-Operating Income—Net..	28,681	202,233	(230,914)
Profit	\$ 4,343,953	\$ 694,304	3,649,649
Interest on Capital Invested..	500,227	493,098	7,129
Surplus	\$ 3,843,726	\$ 201,206	3,642,520

These figures reflect a 16 per cent increase in operating revenues.