

The year proved successful in most respects. Traffic volume and transportation revenues attained new record levels, and the period was one of dependable and efficient operations. Perhaps most significant was the introduction for the second successive year of a new aircraft type that made possible the provision of a still better transportation product to the public in the form of faster schedules, more travel comfort, and a substantial increase in available accommodation. The airline was the first in North America to buy and place in service turbine-propeller aircraft.

The Company carried the heaviest passenger, cargo and mail loads in its history as it participated in the growing economic strength of Canada and, at the same time, contributed to the national development. As planned, the increase in airline capacity was even greater than the increase in volume of business.

For the year's operation, TCA recorded a financial surplus of \$190,095. It was a matter of some satisfaction that this was the fifth successive year in which a surplus was realized.

At the same time, the Company was acutely aware of the narrow margin between revenues and expenses that continue to be a general problem at the present stage of development of the air transportation industry. Market expansion and operating efficiency remained basic necessities.

The Year in Brief

	1955	1954
Net Income	\$ 190,095	\$ 496,146
Passengers Carried	1,682,195	1,438,349
Passenger Miles Flown	969,392,395	852,475,532
Commodity Ton Miles	12,175,433	10,192,705
Mail Ton Miles	7,704,144	6,942,299
Revenue Ton Miles	116,706,465	102,305,202
Available Ton Miles	202,176,930	158,093,399
Route Mileage	23,714	24,016
Aircraft Miles Flown	36,246,607	32,327,405

Financial Review

There follows a tabulation of the 1955 operating results compared with those of 1954:

	1955	1954	Increase or (Decrease)
Operating Revenues	\$77,428,254	\$68,764,252	\$8,664,002
Operating Expenses	76,770,922	67,731,512	9,039,410
Operating Income	\$ 657,332	\$ 1,032,740	\$ (375,408)
Non-Operating Income — Net	528,366	257,242	271,124
	\$ 1,185,698	\$ 1,289,982	\$ (104,284)
Interest Expense	995,603	793,836	201,767
Net Income	\$ 190,095	\$ 496,146	\$ (306,051)

The Company's earning ability continued to grow, with gross revenues exceeding those of the previous year by 12.6%. Passenger traffic, the backbone of airline business, accounted for \$61,105,243, an increase of 15%. At the same time, freight and express revenues showed strength, amounting to \$3,352,493 and \$1,929,598 respectively, a combined increase of 30%. Revenue