

The CHAIRMAN: I would like to suggest, Mr. Symington, that perhaps it would be wise after each individual item has been read or after each paragraph has been read to pause for a moment for interrogation before you proceed.

Mr. SYMINGTON: Just as you like, sir. I had really thought that someone else would read this report and afterwards I would point out some of the essential phases which I thought perhaps might be of interest; but any procedure you like will be quite satisfactory to me.

Mr. JACKMAN: What is the basis of the contract between the T.C.A. and the R.C.A.F. and Atlantic Ferry; is it cost plus?

Mr. SYMINGTON: Cost plus.

Mr. JACKMAN: Cost plus, how much?

Mr. SYMINGTON: Well, that is somewhat involved, but it roughly amounts I would say to a service at cost—a certain percentage on a certain class of work. Perhaps Mr. Larson could give you the details. It is the usual thing that the B.O.A.C. asks us to do, and I would say that it is a war service which is being done practically at cost.

Mr. DONNELLY: Is this all the extension in paragraph 4 to the service?

Mr. SYMINGTON: At the end of the year.

Mr. DONNELLY: During the last year?

Mr. SYMINGTON: Yes, there have been extensions since the end of the year, but last year the extension was Moncton to Halifax, and Toronto to New York.

Mr. JACKMAN: Have these two extensions paid for themselves pretty well from the start?

Mr. SYMINGTON: Yes, I would say so. If you analyse the figures, I would think they paid for themselves. When you come to the percentage of earnings in the various categories I think it is quite apparent that they paid for themselves.

The CHAIRMAN: We might have those figures now.

Mr. SYMINGTON: Result of Operations:—

	1941	1940	Increase or Decrease
Operating Revenues.....	\$5,807,794 03	\$4,592,383 39	\$1,215,410 64
Operating Expenses.....	5,306,136 00	3,855,934 04	1,450,201 96
	<hr/>	<hr/>	<hr/>
Income Charges and Interest.....	\$ 501,658 03	\$ 736,449 35	\$ 234,791 32
	199,221 24	197,186 20	2,035 04
	<hr/>	<hr/>	<hr/>
Surplus.....	\$ 302,436 79	\$ 539,263 15	\$ 236,826 36

Operating revenues totalled \$5,807,794, an increase of \$1,215,411 or 26 per cent over the preceding year, which indicates a substantial growth in the earning power of the company. Passenger revenues increased \$774,211 or 50 per cent; mail revenues increased \$225,758; express and miscellaneous revenues increased \$215,442. Effective April 1st the rate for the carriage of air mail was reduced from 60 cents to 45 cents a mile. Partly as a result of this reduction in rate, and partly due to the increase in passenger business, mail revenue contributed 53 per cent of the total revenue as compared with 62 per cent in 1940 and 70 per cent in 1939.

Operating expenses totalled \$5,306,136, an increase of \$1,450,202 or 38 per cent over the preceding year. Approximately one-half of the increase is accounted for by expansion of services; the remainder represents increased labour and material costs due to war conditions. Payrolls increased \$597,398; gasoline and oil \$285,883; materials and supplies \$359,403; rentals, office expenses, advertising and miscellaneous expenses \$138,903; depreciation and insurance \$68,615.