

a great deal of embarrassment at times to elected members. Has your company abandoned any routes?

Mr. MCGREGOR: Yes. We recently abandoned the service to Kapuskasing. I believe it was in March of last year. We also abandoned a summer service to Muskoka. In both cases we applied to the Air Transport Board. This matter was dealt with before you came in.

Mr. CREAGHAN: Do you have to have permission from the Air Transport Board in order to abandon a line?

Mr. MCGREGOR: Yes.

Mr. CHEVRIER: In most cases, when you abandon are there not several other carriers interested in buying the line?

Mr. MCGREGOR: One carrier expressed an interest in servicing the Kapuskasing line. I believe it did for a while and then said they were losing \$10,000 a month and they stopped it.

Mr. CHEVRIER: What about this line in northern Quebec which was not abandoned but which was bartered, I believe, with another line?

Mr. MCGREGOR: We acquired the operation from Montreal and Ottawa through Val d'Or, Timmins, and so on, in exchange for the Mexican service. We are still operating it and pleased with it.

Mr. CHEVRIER: Is that considered an abandonment?

Mr. MCGREGOR: No. The service continues.

Mr. CREAGHAN: You have a line from Montreal to Goose Bay in which I understand Maritime Central has been requesting some sort of arrangement whereby they might take it over. I am wondering whether or not it was ever discussed at a meeting of the directors? Has any policy decision been made as to whether or not M.C.A. would be given the flight from Montreal to Goose Bay?

Mr. MCGREGOR: Yes. The answer is no.

Mr. CREAGHAN: Will you hang on to that flight even if you continue to make a loss?

Mr. MCGREGOR: We are not making a loss on it.

Mr. CREAGHAN: I understood there was some evidence here that you might be losing \$10 million a year on some of these runs.

Mr. MCGREGOR: No.

Mr. CREAGHAN: Have you any statistics on the Montreal-Goose Bay flight?

Mr. MCGREGOR: Yes; very carefully worked out ones.

Mr. CREAGHAN: You are convinced you are making a profit on it?

Mr. MCGREGOR: Very much so.

Mr. CREAGHAN: And you are satisfied you are giving good service?

Mr. MCGREGOR: Yes; three flights a week.

The CHAIRMAN: Are there any other questions on the financial statement? We previously dealt with traffic service.

Mr. DRYSDALE: You mentioned that you disposed of some DC-3's this year. I am wondering why you disposed of them and whether or not you obtained some new ones?

Mr. MCGREGOR: There are no new ones.

Mr. DRYSDALE: I was just wondering how much they had depreciated?

Mr. MCGREGOR: We depreciated them on our books to \$5,000 residual value. We obtained on the average something in the order of \$60,000 apiece for them.