

Mr. Sissons: We have the newspaper reports that Trans-Canada services would be extended to Alaska this year. Can you tell us anything about that?

Mr. SYMINGTON: The service is slated to be extended the minute we can get the planes. We have applied, and have at the moment acceptance by the United States authorities, for the right to get these planes this fall, commencing August 1st. If we get them I would expect that the service will start; if we do not, it won't. It all depends on the war situation and the materials and planes that we can get; and that depends upon the government.

Mr. NICHOLSON: What rates are to be paid for the carrying of mail on these future lines by the post office people?

Mr. SYMINGTON: That I cannot say.

The CHAIRMAN: All right, proceed.

Mr. SYMINGTON: Next we come to:

Income Charges and Interest	199,221.24	197,186.20	2,035.04
Surplus .....	\$302,436.79	\$539,263.15	\$236,826.36

Operating revenues totalled \$5,807,794, an increase of \$1,215,411 or 26% over the preceding year, which indicates a substantial growth in the earning power of the company. Passenger revenues increased \$774,211 or 50%; 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% of the total revenue as compared with 62% in 1940 and 70% in 1939.

Operating expenses totalled \$5,306,136, an increase of \$1,450,202 or 38% 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.

Mr. HARRIS: Before you leave that last bit there about depreciation and insurance, I would like to ask what was the depreciation for the year 1941?

Mr. SYMINGTON: On aircraft it was \$567,953.87; on ground facilities it was \$140,571.12; a total of \$707,000.

Mr. HARRIS: Yes. What was the cost of the insurance for the year 1941?

Mr. SYMINGTON: I will get that for you in a moment: That insurance for 1941 was \$340,930.87.

Mr. HARRIS: Who were the premiums paid to? Was it between a number of insurance companies?

Mr. SYMINGTON: Oh, there are pages of names here.

Mr. HARRIS: What is the main item; for example, the 18 planes that you spoke about? They are insured, are they not?

Mr. SYMINGTON: The 18 planes are insured—except that we carry our own crash insurance. That is for the planes.

Mr. HARRIS: You carry your crash insurance; do you carry liability insurance?

Mr. SYMINGTON: No.

Mr. HARRIS: What is the name of the company or organization which handles the liability insurance?

Mr. SYMINGTON: That is the British-America Insurance Company, Limited.

Mr. HARRIS: Where are they located?