

Hon. Mr. HOWE: That is provided for in the Trans-Canada Act.

Mr. DONNELLY: If 80 per cent is due to the war it seems to me that your contention that you should set up a reserve is absolutely well founded.

Mr. SYMINGTON: It may be, sir, but when I speak about it being due to the war it is a business war, and I think a good many of those enterprises will still be in business after the war; at least one would hope so.

Hon. Mr. HOWE: If we had twice the equipment we have we could sell twice the number of seats. The service is away below the requirement. I do not think there will be any falling off after the war.

Mr. JACKMAN: With regard to the air mail service, notwithstanding the decrease in the poundage rate paid by the post office the T.C.A. received \$225,758 more in revenue from the post office for the service rendered, and the increases in passenger service and express and miscellaneous were even more substantial. I wonder how it is that the witness can say that the increase in operating ratio was due to the decrease in the poundage rate.

Mr. SYMINGTON: The better position in the mail service arises by reason of the greater number of miles flown, and we are paid according to the miles flown for the mail. The minute you increase your miles you increase your expense, and instead of getting 60 cents we got 45 cents a mile whereas our expenses were the same or higher on the increased mileage.

Mr. JACKMAN: The extra pounds of mail do not cost you as much.

Mr. SYMINGTON: We get nothing for the extra cost of mail, it is mileage. The growth of the mail is all for the post office; we get our rate even though there is not a letter carried. As it is added to that it goes to the post office. This mail can grow to a tremendous weight and that is all for the benefit of the post office and to our disadvantage because it is more weight to carry and we get no more for it.

Mr. JACKMAN: You did get \$225,000.

Mr. SYMINGTON: We got that because the mileage was increased from Halifax to Moncton and from Toronto to New York and we added a service between Toronto and Montreal. The minute we add to the mileage then our revenue increases, but an addition to the poundage of mail does not increase our revenue at all—it is the added mileage flown that increases our revenue. I see that you do not understand it yet. Our contract you see is so much a mile on an approved route by the post office, so that if you added, for instance, Toronto to New York we get an added mileage under the post office contract.

Mr. BERCOVITCH: Whether you carry mail or not?

Mr. SYMINGTON: Yes, whether we carry mail or not. But they have the right to use it for mail, and if the mail is heavy we have to leave passenger seats vacant because the post office has the first call. That is, the heavier the mail we are carrying the fewer passengers we can put in. We get no more money but our revenue comes from the increased mileage.

Mr. DONNELLY: You get paid so much a pound for every mile you fly.

Mr. SYMINGTON: No, so much every mile; the poundage does not matter.

Mr. DONNELLY: For example, you put on two services across the continent. Now, do you get paid double mileage?

Mr. SYMINGTON: Yes.

Mr. NICHOLSON: The minister mentioned additional planes that could be used. I notice that the percentage of passengers is 71 per cent; is that as high a percentage as you hope to get?

Mr. SYMINGTON: Well, that is considered to be a high percentage. You start out with a plane from Vancouver going to Halifax. I suppose not one