

course, willingly complied: Had that not been done we would have had a reserve of probably, I should think, nearly a million dollars more; and we would have had a liquid position which would have placed us in a very strong position, looking forward to the necessary changes which will have to take place in equipment after the war. However, that is done.

Mr. BERCOVITCH: How many planes have you?

Mr. SYMINGTON: We have 18 planes.

Mr. NICHOLSON: If the increase in volume of air mail continues next year and if the 45-cent rate is maintained what would be the amount of the profit to the Post Office Department during this year?

Mr. SYMINGTON: We anticipate a surplus of \$24,000 in our budget.

Mr. NICHOLSON: I am speaking of the post office.

Mr. SYMINGTON: Oh, the post office. The way things stand at this stage, if these figures of the post office are right, every pound of mail we carry gives a 100 per cent increase in surplus because the expense is all being taken care of by the present volume. It is purely a question of volume. Once you get up to moving enough air mail to pay your expenses then everything added on to it is completely net.

Mr. NICHOLSON: These figures you have given indicate a tremendous increase each year since 1938; if that rate of increase is continued it will ensure the post office a handsome profit?

Mr. SYMINGTON: That is so—but “handsome”; what will we say—credit balance.

Mr. NICHOLSON: Have you any figures to show how much this credit balance will be if this increase is maintained?

Mr. SYMINGTON: Well, every pound of air mail increase will earn them approximately \$3.

Mr. JACKMAN: In view of the fact that the more business the air lines do the more profit there should be, or the higher percentage of profit, I find it difficult to understand why the operating ratio of the T.C.A. went up to such an extent last year resulting in a great decrease in “net,” despite a great increase in operating revenues and those factors which the president of the T.C.A. mentioned—the increase in the cost of gasoline and the payment of cost of living bonuses. I wonder if he would be good enough to give us the figures on these two items.

Mr. SYMINGTON: I will get you those figures. I might say, however, that our revenue in 1941 for mail was only 42 cents per miles flown, instead of 53·86 in 1940; that arising by reason of the reduction in the mail rate. The result whether you increase the expense or reduce the revenue, of course, increases your operating ratio. Trans-Canada can never change its operating ratio very much; if it makes a profit down goes the mail rate, and if it has a loss, of course, up goes that rate; so that it is difficult to talk in terms of operating ratio under a contract of that kind. I would point out, of course, that our mail revenue per mile flown was reduced 11·86 cents in 1941 as compared with 1942. That was one way through which our revenue was reduced; but, as Mr. Harris very properly pointed out, 53 per cent of our business is mail.

Mr. DONNELLY: If you have to reduce your rates according to your profits you will never have any revenue built up.

Mr. SYMINGTON: Quite true, we will never be able to build up any very great reserve in Trans-Canada; that is quite true.

Mr. DONNELLY: And if you believe, as I think we all believe, that when this war is over your revenue is going to decrease, you are going to run into difficult times if you have no reserve.