

of its risk in respect of international operation that this self-insurance fund is completely liquid so for that reason the money cannot be invested in the business and on the other count the difference in percentage between the revenue we get from that \$6 million invested and the money in interest charges we pay to the Canadian National Railways is infinitesimal.

Mr. HAMILTON (*Notre Dame de Grâce*): It was an appealing idea, that is all.

Mr. MCGREGOR: One that had occurred to me, I might add.

The CHAIRMAN: Any other questions?

Mr. BELL: Regarding buildings, Mr. McGregor, what is the policy of renting buildings wherever possible?

Mr. MCGREGOR: Not in every case, but the only buildings we own are hangars, stores buildings and such specialized buildings as engine test houses. We do not own any office accommodation.

Mr. HAMILTON (*York West*): Are these buildings on freehold land like the one at Malton, for instance, or leasehold?

Mr. MCGREGOR: Leasehold, long term.

Mr. HAMILTON (*Notre Dame de Grâce*): Looking ahead, Mr. McGregor, even beyond this capital budget, would you foresee continuing expenditures next year and the year after of a substantial nature for additional aircraft?

Mr. MCGREGOR: I think it is referred to in the note, Mr. Hamilton. It refers to the fact that this budget involves commitments for purchases of new aircraft in 1956 and 1957.

The CHAIRMAN: Shall the capital budget carry?

Carried.

The next is the operating budget for Trans-Canada Air Lines.

TRANS-CANADA AIR LINES

OPERATING BUDGET

Year 1955

Operation Revenues	\$78,000,000
Operation Expenses	\$77,160,000
Operating Income	\$ 840,000
Non-Operating Expense-Net	640,000
Income	\$ 200,000
Provision for Income Tax
Net Income	\$ 200,000

The CHAIRMAN: Any questions on the operating budget? Carried?
Carried.

I would like now to take this opportunity of thanking Mr. McGregor for coming here and giving of his time and giving us a most satisfactory explanation of the workings and operations of Trans-Canada Air Lines during the past year and I am sure I express the thanks of all the committee and also to the other officials who have accompanied Mr. McGregor here. I also wish to express thanks to the minister, Mr. Howe, who has been here constantly throughout the time we have been carrying on deliberations.