

Mr. HAMILTON (*York West*): Will you need the same conditions as now to get the load factor you have been talking about?

Mr. MCGREGOR: That is our estimate.

Mr. HAMILTON (*York West*): There is no place in the future you can say, with fourteen or fifteen transcontinental flights that you can then see a place where a competitive service should be required?

Mr. MCGREGOR: It seems to me that if we are controlled as to the rates we are charged, as we are, like all transportation, and if we are satisfactorily meeting the demand and giving a decent standard of service, there is no reason why we should look forward to competition.

Mr. HAMILTON (*York West*): In other words, under those circumstances you would count on a continuing monopoly for this kind of services?

Mr. MCGREGOR: I would hope so on the basis that the more services the airline is operating the more efficiently they ought to be able to handle it. In the old days when there were three transcontinental services, each station had to have a ground crew and pay them for eight hours, though they only worked for twenty minutes when the aircraft went through. As more flights went through, the ground crew began to earn its keep. I see no end to that.

Mr. HAMILTON (*York West*): This type of service could go as high as twenty-five or thirty daily transcontinental flights. It would be on the same basis as you have been planning?

Mr. MCGREGOR: It should be the most efficient way.

Mr. HAMILTON (*York West*): That is contrary to most other businesses.

Mr. MCGREGOR: I suggest telephony, for instance.

The CHAIRMAN: Shall "Service Planning" carry?  
Carried.

"The General Prospect"?

Carried.

Shall the report of Trans-Canada Airlines, 1954, carry?

Carried.

Can I have a motion to adopt the report of the Trans-Canada Airlines?

Moved by Mr. Langlois (*Gaspé*), seconded by Mr. Fairey, that the annual report of the Trans-Canada Air Lines carry.

Carried.

Next is the Budget for the year 1955.

Mr. HAMILTON (*York West*): We have not yet had a chance to discuss the financial statement.

The CHAIRMAN: We can do that while we are dealing with the report here. In the meantime, will you please pass around the budget?

Mr. HAMILTON (*Notre Dame de Grâce*): Mr. Chairman, on the balance sheet, under "capital assets", property and equipment are bulked, less accrued depreciation. Could Mr. McGregor tell us the value of his aircraft and the depreciation which has been accumulated against those aircraft to December 31st, 1954?

Mr. MCGREGOR: Yes, as I think I mentioned earlier. To deal with the depreciation first, the DC3 fleet, consisting of twenty-seven aircraft, has been fully depreciated since 1951; the North Star aircraft, to the number of twenty-two, fully depreciated in May, 1954, which left the Bristol aircraft, the three freighters, being of recent acquisition, being depreciated on a five-year basis. The Super Constellation aircraft are on a seven-year straight-line basis, for