

INCOME ACCOUNT—*Con.*

YEAR ENDED 31ST DECEMBER, 1941

OPERATING EXPENSES:

| | | |
|---|----------------|----------------|
| Aircraft— | | |
| Operation and Maintenance..... | \$3,011,315 13 | |
| Depreciation | 567,953 87 | \$3,579,269 00 |
| Ground Facilities— | | |
| Operation and Maintenance..... | \$1,029,651 13 | |
| Depreciation | 140,571 12 | 1,170,222 25 |
| Incidental Services..... | | 155,488 20 |
| Traffic and General Administration..... | | 394,260 97 |
| Tax Accruals..... | | 6,895 58 |
| Exchange, etc..... | | 11,721 24 |
| Interest on Capital Invested..... | | 187,500 00 |
| Total | | \$5,505,357 24 |
| Surplus | | \$ 302,436 79 |

STATISTICAL DATA

YEAR ENDED 31ST DECEMBER, 1941

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|--|-----------|
| Route Mileage Operated..... | 4,024 |
| Plane Miles Flown—Revenue..... | 6,384,651 |
| Plane Miles Flown—Non Revenue..... | 890,164 |
| Revenue Passengers Carried..... | 85,154 |
| Percentage of Passenger Occupancy..... | 67 |
| Average Passenger Journey—Miles..... | 520 |
| Air Mail Carried—Pounds..... | 1,389,614 |
| Express Carried—Pounds..... | 173,192 |
| Excess Baggage Carried—Pounds..... | 112,924 |

Since the inception of operations the company has flown a total of 15,063,735 plane miles in revenue service and a total of 85,943,053 passenger miles.

Mr. JACKMAN: Number of plane miles flown—non-revenue, this bears quite a high relationship to the plane miles flown—revenue; is that all for training?

Mr. SYMINGTON: That is all for training; or, for example, when we start the Newfoundland service, which we expect to do on the 1st of May, for one month our pilots familiarize themselves with the ground fields, temperatures, and everything else relating to safe flying. That is non-revenue mileage. Also the training of pilots and refresher courses. Then, after a plane has been reconditioned it is flown quite a high number of miles by test pilots putting it through all sorts of things to see that it is in good shape.

Mr. DONNELLY: Do you think that your depreciation figures is high enough?

Mr. SYMINGTON: It has so proved over four years. I do not think we would be allowed by the government to write off any faster than that. Our engines are written down on the basis of service; that is, the engine itself—so many hours. We have had to boost that, they say we are taking too much depreciation. These things are adjusted in accordance with experience. I would say, sir, that our depreciation is adequate.

Mr. NICHOLSON: In connection with these plane miles flown—non-revenue; it seems to be a fairly high percentage—have you the percentages of the previous years available?

Mr. SYMINGTON: I can get that for you. It is roughly the same, Mr. Larson informs me. It varies naturally, once you open up a new route your revenue miles increase because you have got to familiarize your pilots with these routes. As long as the system extends there is bound to be a large percentage, relatively, of non-revenue miles.