

Mr. HAMILTON (*York West*): That also would be reflected in the net position which you have here?

Mr. MCGREGOR: Yes, in the amount of \$10,000 on the four aircraft.

Mr. HAMILTON (*York West*): For all four? \$2,500 apiece or \$10,000 each?

Mr. MCGREGOR: It was a package deal.

The CHAIRMAN: \$10,000 on all aircraft?

Mr. MCGREGOR: On the four aircraft and parts.

Mr. HAMILTON (*York West*): \$10,000 recovery over and above your depreciation prices?

Mr. MCGREGOR: Yes.

Mr. HAMILTON (*York West*): Are you planning to dispose of any aircraft this year?

Mr. MCGREGOR: We hope to be able to during the coming winter, assuming the delivery of additional Viscounts as per orders placed, but it will not be substantial.

Mr. HAMILTON (*York West*): You believe what you have will still be required for ordinary expansion?

Mr. MCGREGOR: I think our figure is about six DC-3's, possibly available for disposal.

The CHAIRMAN: Shall the heading "Financial Review" carry?

Mr. HAHN: Reverting to an earlier statement Mr. McGregor made in reply to a question asked by Mr. Hamilton in respect to the air crash at Brampton, how much was the depreciation on that aircraft in the crash at Brampton before its crash?

Mr. MCGREGOR: It was very small because it had only been in our possession for something less than a year.

Mr. HAHN: Could you give the committee the figure of the actual loss on the aircraft?

Mr. MCGREGOR: You could have it after lunch if that is convenient.

Mr. HAHN: Surely. Referring again to the matter of operating expenses, I notice that no expenses in connection with legal, medical or secretarial services are mentioned here. How are they borne?

Mr. MCGREGOR: They are borne in two different ways. The legal, medical and secretarial services are provided by the Canadian National Railways and we make a lump sum payment to the Canadian National Railways amounting, I believe, to \$50,000 in the year 1955 for that work. But if in any of these three departments they employ people specifically and entirely on T.C.A. work then those salaries are billed to T.C.A. in addition to that annual payment.

Mr. HAHN: Did that annual payment cover what was assessed to the C.N.R. with respect to the three services?

Mr. MCGREGOR: You mean: does that payment relate accurately to their costs of providing these services? I frankly don't know.

Mr. HAHN: You have no way of knowing whether you are deriving an advantage from this arrangement or whether you are subsidizing C.N.R.?

Mr. MCGREGOR: No. I don't even know what the officers are being paid.

Mr. HAHN: Do you have any special need for a legal, medical or secretarial service in your own right?

Mr. MCGREGOR: Very much so, and the fact that the C.N.R. has a wide geographical representation of these departments means that it would be much more expensive for T.C.A. to duplicate it than to use those facilities which the C.N.R. possesses.