

Another Vanguard and four DC-8F aircraft will be delivered early in 1963. Two of the latter will be in composite cargo-passenger configuration and two in all-passenger configuration, but all will lend themselves to ready flexibility of load. The first of the composite DC-8Fs, capable of carrying 117 passengers and up to 28,000 pounds of cargo, will enter service on the trans-Atlantic route in March. These aircraft will considerably increase T.C.A.'s cargo carrying capacity while meeting demands for additional passenger seats. Eventually one or more of the DC-8Fs will probably be converted to all-cargo carriage when the demand for such a large capacity warrants.

The company's technicians will continue their thorough investigation of the new types of aircraft that may be required by the airline in future years. The threat of the supersonic aircraft is still sufficiently far away that the need for any decision in this area is unlikely to arise for at least the next three years. The same cannot be said with respect to the short-to-medium range jet type and this selection will continue to be the subject of searching technical and economic analysis.

With the new automatic reservations system fully operational, a distinct improvement can be anticipated in the speed and accuracy of the company's reservations service. Almost instantaneous response can now be obtained to reservations requests from any point on the North American route network. Furthermore the possibilities of human error have been greatly reduced.

Better economic health for the air transportation industry can now be forecast following a very difficult period in which the costs of introducing new turbine powered equipment combined with a condition of over-capacity to produce a series of financial deficits for most carriers. This phase of expensive transition is now passing and it is to be hoped that the inherent efficiency of the new flight equipment, together with continued traffic growth, will produce substantially better financial results. The problems of excessive capacity and uneconomic competition will continue, however, to harrass the industry in some areas, a fact that is recognized by the general trend towards airline merger and pooling throughout the world.

T.C.A. looks forward in 1963 to a healthy increase in both its passenger and commodity traffic. This will be stimulated by aggressive sales activity. The airline will operate a full year under the revised passenger tariff, as compared with nine months in 1962, and this also should have a buoyant effect upon revenues. All possible economies, commensurate with good service standards, will be sought and it is hoped that some further reduction in unit operating expenses can be achieved. If these forecasts prove valid and if there is no deterioration in the airline's competitive position, T.C.A. should return to the profit position which it enjoyed during the nine years prior to 1960.

The CHAIRMAN: Gentlemen, you have heard the annual report. I note there is also included in that report a balance sheet, a statement of income and the auditor's report. I suppose it is the wish to the members of this committee that these should be printed in the Minutes of Proceedings and Evidence, is it agreeable?

Some hon. MEMBERS: Agreed.