

(C. W. B. April 23, 1948)

## TRANS CANADA ANNUAL REPORT

**DEFICIT \$1,761,042:** With the addition of 1,248 miles, Trans-Canada Air Lines increased its North American routes to 7,759 miles and included six more cities as points of call in 1947, it is shown in the annual report, tabled in the House of Commons by Rt. Hon. C.D. Howe, Minister of Reconstruction and Supply. The report, signed for the directors by G.R. McGregor, president, states that over 1,380,000 more revenue miles were flown than in the previous year. Service extension and the use of larger aircraft resulted in a 34 per cent increase in carrying capacity. The number of passengers carried increased 40 per cent and air express volume was up 38 per cent; there was practically no change in air mail.

## TRAFFIC ANALYSIS

Passengers contributed 68 per cent of total revenue, mail 25 per cent and cargo three per cent. The report suggests that passenger traffic is out of desirable proportion: "The line flew with empty space in 1947, indicating the opportunity for a wider employment of air transport in the carriage of mail and cargo." Only 58.5 per cent of the available ton miles was used, as compared with 67.5 in 1946. With greater capacity and service, the main problem facing the Company is the utilization of the aircraft space other than passenger accommodation. In an effort to develop non-passenger load, TCA is now organizing an air cargo service for business and industry. This new type of service, to go into effect in 1948, will handle "commodities in volume at new low cargo rates" as well as express shipments.

A joint effort will be made, Mr. McGregor goes on, "to develop with the Post Office Department a satisfactory basis under which first class mail can be carried by air where the public would gain by the quicker delivery thus afforded. The facilities of the Air Line will also be offered to the Defence Services and other branches of government for the essential transport of persons and equipment."

Operating revenues for 1947 totalled \$15,297,346, an increase of 19 per cent over 1946. Passenger revenues increased 30 per cent; cargo revenues, 47 per cent; mail revenues, one per cent. Operating expenses were \$16,796,491, an increase of 21 per cent over the previous year. There was an operating deficit of \$1,499,145. After the payment of \$261,897 interest on capital, the deficit for the year was \$1,761,042.

## PAYROLL INCREASE

Although traffic in 1947 was heavier than in any other year and operational efficiency increased---"the wider North American work was done with over 200 less staff than in 1946"---revenues were not sufficient to offset the mounting expenses, attributable not only to

the expansion of the air line but to the much higher cost of labour and materials. The increase in payroll charges amounted to \$1,347,908 and materials cost \$1,128,541 more. In spite of these circumstances, the report states, production costs per available ton mile of air service was reduced by 9.6 per cent.

With the opening of the Great Lakes airway on July 1, all trans-continental flights were scheduled through the Lakehead and Sault Ste. Marie, providing these cities with their first main line air service, and the Toronto-Winnipeg flight time was reduced. Service to Northern Ontario was maintained by an operation between Toronto, North Bay, Porquis and Kapuskasing. The opening of a direct line between Winnipeg and Edmonton brought the two cities within five hours of each other and added Saskatoon to the network. Medicine Hat and Swift Current were included in a daily transcontinental schedule. A new international operation linked Halifax, Yarmouth, Saint John and Boston.

In 1947 TCA carried 427,967 passengers and 1,439,814 pounds of express, and flew 1,232,237 mail ton miles.

The fleet at the end of the year consisted of 30 Douglas DC-3 aircraft and 11 Lockheed Lodestars. All of the 10 and most of the 14-passenger Lockheeds had been retired from service in favour of the 21-passenger DC-3's and the 40-passenger North Stars now in production. Some of the older equipment was sold.

## TWENTY NORTH STARS

The introduction of pressurized North Stars was delayed owing to production problems but at the end of the year three of these aircraft were being prepared for domestic operations and used for pilot training. When they go into service, Mr. McGregor predicts, they will reduce travel time between Montreal and Vancouver to 14 hours westbound and 13 hours eastbound, including station stops--five hours less than at present. Twenty North Stars are in process of delivery by Canadair Limited, Montreal.

The Department of Transport and TCA worked in close accord for the improvement of airport and airway facilities, the report states, and goes on to refer to extensive runway development at Toronto, Winnipeg, Calgary and Lethbridge and to the enlargement of Saskatoon airport. The air line has collaborated with the Department in the preliminary installation of instrument landing equipment at a number of major airports, to reduce flight delays due to weather. T.C.A., in 1947, extended its system of static-free, very high frequency ground radio stations, and, by the end of the year, was operating these at twenty points from Newfoundland to Western Canada. Airport accommodation continued to be a problem and use was made of renovated Air Force buildings at

Victoria, Lethbridge and Saint John, N.B. Offices and shops at Winnipeg were extended and new ticket offices were opened at Boston, Detroit, Hamilton and Sault Ste. Marie, Ont.

On May 1, Trans-Canada Air Lines (Atlantic) Limited assumed responsibility for the operation previously by the Canadian Government Trans-Atlantic Air Service. A basic schedule of one daily trip in each direction between Montreal and the United Kingdom was maintained throughout the year, and during the summer as many as 11 round trips were operated each week. The trans-Atlantic air route extends 3,313 miles between Montreal, Prestwick and London. In September one stop a week was scheduled at Shannon, Ireland. Sydney, N.S., was included as a stop in some flights.

## 15,815 PASSENGERS

During the last eight months of the year, 15,815 passengers were carried, of which 1,422 were immigrants brought under charter arrangements with the Province of Ontario. In the same period, 152,179 pounds of mail were carried. The flow was predominately eastbound, TCA receiving little mail from the British Post Office. Air express amounted to 271,077 pounds and air freight, 111,688 pounds.

Operating revenues were \$5,483,298 and operating expenses \$5,341,898. There was an operating surplus of \$141,400. After the payment of \$5,097 interest on capital invested, the surplus was \$136,303.

Six unpressurized North Star aircraft replaced the modified Lancasters previously in service. Three pressurized North Stars were being used for flight training at the end of the year.

In reference to future service, Mr. McGregor says: "Progress in 1948 will be measured not so much by route extensions as by improvements in speed, comfort and capacity. Canada's second overseas air operation, however, is expected to begin in 1948 with a North Star service to Bermuda."

**AIR TRAFFIC CONTROL:** Control of Air traffic in congested areas by radar and other electronic devices will be considered by the International Civil Aviation Organization's Rules of the Air and Air Traffic Control Division, whose Third Session opened at ICAO Headquarters in Montreal April 20. During war radar was used to identify "non-cooperative" or enemy aircraft. When used for civil air traffic purposes a second problem, that of discriminating between and identifying individual aircraft, is also involved. Research has been conducted on this problem and equipment is now in experimental use at several international airports.

Another item to be considered by the air traffic control experts is the provision of special air traffic rules to allow helicopters to fly at low altitudes under weather condi-

tions that would normally ground fixed-wing aircraft. Present regulations prohibit flights at heights less than 1,000 feet above the ground when visibility conditions are lower than one mile. The proposed regulation would permit helicopters to fly without minimum height limitations in such visibility.

The Division will extend its standardization of the rules of the air and of air traffic control procedures, and will draft uniform flight plans and signal codes. The establishment of priorities for different classes of aircraft operating under instrument weather conditions and the preparation of special air traffic rules for aircraft engaged in flight refuelling operations will also be discussed.

The Session is expected to last about three weeks.

## ARMY NOTES

**MOSTLY MARRIED:** The Canadian soldier is still considered a good marital risk by unmarried females. There are at present far more married than single men in the Canadian Army Active Force, the number being swelled considerably last year when more than 1300 permanent force soldiers marched to the altar.

Figures compiled at Army Headquarters reveal that 180 officers and 1,131 other ranks were wed during the past year. Twenty-two officers and 55 other ranks were granted divorces.

**ROYAL BANNERS:** Royal wedding banners, recently donated by Princess Elizabeth, Duchess of Edinburgh, to the 48th Highlanders of Canada and le Regiment de la Chaudiere, have arrived at Army Headquarters from England and will be shipped immediately to the units concerned. They are approximately 27 feet in length in yellow and white, with a wine colored cartouche in the centre bearing the letters "E" and "P" between a coronet and a Tudor rose. Her Royal Highness is Colonel-in-Chief of both regiments.

**OVER 16,000 STRENGTH:** Army Headquarters said this week that the strength of the Active Force of the Army has topped the 16,000 mark and that there is a noticeable increase in recruiting, especially for artillery and armoured corps units.

Approximately 250 recruits, mostly young men with no previous military service, enlisted in the first two weeks of April.

The Army is rapidly approaching its quota for artillery and armoured corps personnel and might soon stop recruiting for these units. However, many vacancies still exist in other corps and recruiting will continue until these have been filled.

**GOVERNOR-GENERAL'S VISIT:** The Canadian Armed Forces will welcome His Excellency the Governor-General at a number of military bases, including the Joint Air School at Rivers, Man., Camp Shilo, and Chilliwack, B.C., when he