

The company carried 6.4 million passengers on scheduled services, a marginal increase of 1 per cent.

On the North Atlantic, the strike and charter competition caused Air Canada's scheduled passenger traffic to decline 7 per cent, compared to a 13 per cent increase in 1968.

Traffic rose by only 8 per cent on Southern services, owing to greater competition from both scheduled and non-scheduled carriers. This sector grew by 43 per cent the previous year. North American passenger traffic increased a modest 4 per cent.

NEW FARE STRUCTURE

The company is convinced that a simplified and adjusted fare structure is necessary on the North Atlantic if the airline industry is to realize its potential for growth.

To that end, and to meet the problem of non-scheduled competition, the airline proposed in October, non-affinity "mini-fares" for groups of 50, 100 and 150 on scheduled services. Though unsuccessful in introducing a non-affinity fare through the International Air Transport Association, Air Canada was instrumental in the establishment of the lower fare structure that was eventually adopted.

IMPROVED SERVICES

Air Canada resumed service to Brussels during 1969, the tenth city in Europe served by the airline and its sixty-second overseas terminal. Service to Prague will begin this spring and the company hopes to be operating a number of additional routes to the U.S., next year, following bilateral negotiations between the Canadian and the United States Governments.

Important improvements were made in the quality of customer services during the year. "Connoisseur" meals were provided on additional long-haul Canadian routes, up-to-the-minute sales offices and facilities were opened in Edmonton, Calgary and new uniforms were introduced for stewardesses, passenger agents and ground hostesses.

The number of flights within North America was increased, as well as the number of flights to Europe and the Caribbean. Jet aircraft and more non-stop flights were introduced to a number of new destinations.

Cargo services were expanded. Three all-freighter DC-8s operated all year, and in the last quarter three additional DC-8s were converted to a mixed configuration of seven cargo pallets and 69 economy seats. A \$3.5-million cargo terminal was opened in Winnipeg in February and a \$1.7-million terminal at London, England in September.

In 1969, Air Canada took delivery of six DC-8-63s and two DC-9s. One DC-8-61 and 11 *Vanguards* were sold, while a *Viscount* was donated to the National Museum of Science and Technology in Ottawa and another destroyed by fire at Sept-Îles. At year end, the fleet consisted of 112 aircraft: 20 standard DC-8s, 12 long-body DC-8s, 33 DC-9s, 12 *Vanguards* and 35 *Viscounts*. Jet aircraft accounted for 85 per cent

of total seat-miles, compared to 75 per cent in 1968.

The airline will add seven long-bodied DC-8-63s and three DC-9s to its fleet in 1970 at a cost of \$96 million. By 1972, the company will have taken delivery of three 365-seat Boeing 747s and six of ten 270-seat Lockheed *TriStars* at a cost of \$176 million.

NEW CONSULATES IN U.S.

The Department of External Affairs and the Department of Industry, Trade and Commerce, recently made the joint announcement of the openings of consulates in Buffalo, New York and Minneapolis, Minnesota.

Mr. Mitchell Sharp, Minister of External Affairs and Mr. Jean-Luc Pepin, Minister of Industry, Trade and Commerce, said that the new posts would be primarily oriented toward export trade promotion and industrial promotion. They will also perform normal consular functions.

Mr. Pepin said that the consulate in Minneapolis would be of particular assistance to manufacturers in the three Prairie Provinces, while the post in Buffalo would be of particular assistance to manufacturers in Central Canada.

The territory of the Minneapolis office would consist of Minnesota, North Dakota, South Dakota, upper Wisconsin, upper Michigan and Eastern Montana. The territory of the post in Buffalo will be upper New York.

John H. Bailey, formerly Commercial Counsellor in Caracas, Venezuela, will be Consul and Trade Commissioner in Buffalo, and G.E. Woolam, formerly Commercial Counsellor (Agriculture) in London, England, will be Consul and Trade Commissioner in Minneapolis.

WHEAT SALE TO SYRIA

The sale of 200,000 metric tons (7.4 million bushels) of wheat to Syria was announced recently by Mr. Otto E. Lang, Minister responsible for the Canadian Wheat Board. The appropriate value of the contract is \$15 million.

This sale was negotiated by Northern Sales (1963) Limited of Winnipeg, agents of the Canadian Wheat Board selling grain abroad. The first shipment was loaded at Sorel, Quebec and shipping will continue until January 1971.

Mr. Lang said that the sale was made possible only through the Government's revised and expanded credit program, which originated in the Prime Minister's undertaking in June 1968 that the Government would review and amend credit facilities available for wheat sales in order to improve the competitive position of Canadian wheat in world markets.

"This is the first substantial sale of Western wheat ever made to Syria, and is an indication of the far-ranging efforts of the Wheat Board and its accredited agents," Mr. Lang said.