

services as well as how the Department might adjust its operations to suit the convenience of its patrons.

### SPECIAL SERVICES

One such change, Mr. Hamilton noted, was a system whereby Canada's postmen, who already knocked twice, would arrange for special service for people who were not at home when the letter-carrier arrived with registered mail, C.O.D. items and "shortpaid" letters. The new service, provided on an optional basis and at additional cost of 25 cents to the patron, had been extremely well received. A housewarming gift of \$120,000 in the form of free postage to patrons wishing to inform correspondents of their change of address was also extended during the year. In an attempt to keep track of wandering patrons, the Post Office Department dropped the former two-cent postage rate on official change-of-address cards and encouraged the six million Canadians changing address each year to take advantage of the new free service.

A saving, realized through a decrease in basic air costs of mail transportation, was passed on to

the public in the form of reductions in domestic air-parcel post rates. The reductions averaged approximately 17 per cent. This was the first general revision of air-parcel post rates since the inception of this service more than eight years ago.

Regulations regarding the handling of "short-paid" overseas air mail were amended to eliminate delays and avoid "double" deficiency postage by the overseas recipient. Under the new arrangement, the Post Office advances the necessary postage, despatches the item by air and follows up with a special card to collect the money from the sender. Mr. Hamilton said the Department had received high praise from mailers who appreciated the Post Office action to ensure speedy air transport of their mail.

### TAGGED STAMPS

Early in 1962, the Postmaster said, new tagged stamps of the one-cent to five-cent denominations would go on sale in Winnipeg. These would be used to activate an automatic machine soon to be unveiled at the Winnipeg Post Office that would provide the first electronic segregation and cancelling of letter mail in America.

## TRANS-CANADA AIR LINES, 1961

On the threshold of its twenty-fifth anniversary, Trans-Canada Air Lines carried in 1961 a record 3,700,000 passengers and flew almost two-and-a-half billion revenue-passenger miles as passenger traffic increased significantly.

There was, however, an even greater increase in capacity offered, and a decided trend towards economy-class travel contributed to a lower financial return per passenger mile than in the past, President G.R. McGregor revealed in an annual review recently released.

The number of passengers increased 7.6 per cent over 1960, while revenue-passenger miles rose almost 21 per cent as the average length of journey increased substantially. At the same time, the number of seat miles made available by TCA rose 25 per cent to 3,900,000,000, providing a 64 per cent load factor, down two per cent from 1960. All these statistics are based upon ten months' actual results and two months' estimated.

### PASSENGER FARES

Mr. McGregor said the traffic increase was largely owing to the new North American passenger-fare structure introduced by TCA at the beginning of the year. This tariff lowered the Company's fares, except on very short routes. The average return per passenger mile was 5.8 cents in 1961, compared with 6.25 cents in the previous year.

The new lower fares were the result of a unique cost-curve principle of rate setting, developed and implemented by TCA, which gave Canadians the lowest general air-fare structure in the world.

The trend towards economy-class travel resulted in 75 per cent of all TCA passengers taking advantage of the lower fares.

Total revenue miles flown by TCA aircraft dropped eight per cent to 52,724,000 as more large jet and turbine propeller aircraft were phased into service, carrying more passengers further on fewer flights. Revenue ton miles increased 18.5 per cent to more than 276,000,000. Ton miles made available rose at an even greater rate, with the airline providing 521,000,000 ton miles of capacity in 1961, up 29 per cent from the previous year.

TCA carried 20,355,000 ton miles of air freight in 1961, up 18 per cent over the previous year. Air-express ton miles reached 3,000,000, an increase of almost seven per cent. A total of 11,500,000 ton miles of mail were moved by air, an increase of two per cent.

### NEW CRAFT

The airline introduced the third aircraft type of its planned all-turbine fleet to the travelling public on February 1, when it inaugurated service with Vickers "Vanguards" between Montreal and Vancouver, with en route stops. The big turbo-prop, successor to the highly successful "Viscount", began operating on routes to the Atlantic Provinces on April 30 and to New York and Chicago on June 15.

At the year's end, TCA was operating 10 DC-8 jets on trans-continental and trans-Atlantic services, and to Tampa and the islands of the Caribbean; 49 "Viscounts" on short-haul domestic and trans-border routes and 20 "Vanguards" on longer domestic and trans-border operations.

The last of the airline's 21 "North Stars" was sold in the fall of the year, and only a handful of "Super Constellations", flying on routes between Canada and the Caribbean, and two DC-3's on the Prairie "milk run" remain to be retired before the airline will be operating turbine aircraft only. This is expected to be achieved early in 1962.