

on about a 50-50 division between capital and operational costs.

TERMINAL BUILDINGS

"Air-terminal buildings form possibly the most noticeable part of the current construction programme. Each of these buildings is a highly complex structure, specially designed to suit, not only the air traveller, but many technical operations as well -- communications, customs and immigration, air-traffic control, baggage handling, and so on. When you superimpose on these the accommodation for a dozen-and-one types of concession, the terminal building is just about the equivalent of a small community.

"For example, the new Montreal terminal building, which we will have in operation by the end of the year, has an area equivalent to five city blocks. 2,500 persons will work there daily. The heating load is more than $\frac{2}{3}$ times that of the Queen Elizabeth Hotel --- to be exact, 18,000 gallons of fuel oil on a peak day. The new Toronto terminal will cover an area thirteen times as large as the present building.

"New terminal buildings are already in operation at Saskatoon, the Lakehead, Windsor, Quebec City, Seven Islands, Moncton, Torbay, Stephenville and Gander. This year we will complete new terminal buildings at Ottawa, Halifax, Regina and Montreal. Good progress is being made on the new projects at Edmonton, Winnipeg, and Toronto. When this part of our programme is completed, we will have a series of terminals better than those provided by any country of comparable size.

AIR CARGO

"Another aspect of aviation, which is perhaps not as widely recognized as passenger service but is making tremendous advances today, is the business of air cargo. While volume in this field is still lower than passenger service, its present rate of growth has surpassed passenger-business growth by nine times, and many competent people in the aviation industry are today predicting that freight revenues will soon exceed passenger revenues.

"While air-freight expansion has been spectacular it has been retarded by one obstacle -- the lack of an efficient large cargo aircraft.

"The fact airlines have been carrying on with primarily passenger aircraft converted for freight work has kept operating costs high.

"A major solution to the problem of high costs, and one which may well provide the economic breakthrough, is the C.L. 44 cargo plane being developed by Canadair.

"This plane has many special features, particularly advanced turbo-prop engines with low fuel consumption and maximum capacity through use of a hinged tail, which allows straight in loading and unloading.

"This feature promises to overcome delays on the ground. It is estimated that three to five hour loading times may be cut to half an hour and result in a substantial reduction in air freight rates.

"Ten years ago, Trans-Canada Air Lines carried, in one year, approximately $4\frac{1}{2}$ million pounds of air freight. Last year, the total was 35 million pounds, or eight times as much. Today, virtually all the large air lines have, or soon will have, large jet aircraft in service, providing greater speed and more capacity.

"The new D.C. 8 that TCA has now in operation is capable of carrying, in addition to its normal complement of 127 passengers, 5 tons of cargo in its holds, at a speed of 550 miles an hour.

"When it is realized that a shipment of goods can leave Toronto at 8.35 in the morning, and arrive in Vancouver at 10.15 the same morning, or, for example, a shipment from a supplier in London, England, can leave at 3.15 in the afternoon and arrive in Toronto at 6.10 the same afternoon, one can readily see the great potential that lies ahead for this phase of the air industry.

CENTRAL WAREHOUSES

"I visualize the day, and not in the far-distant future, when we will see huge central warehouses built close to our major airports, with connecting runways that will permit 30 to 40 ton cargo planes to taxi right into a warehouse, just as a truck does today, load its cargo in Montreal and deliver it in Vancouver the same morning.

"When we accomplish this we will have given Canadian industry a major opportunity to improve its competitive position by providing the benefits of rapid delivery and continuity of supply in areas far removed from the source of production.

"From the point of available facilities for air cargo in Canada, the prospect for the immediate future is greatly expanded capacity.

"By December of this year TCA will be able to lift approximately 1.6 million pounds a month westbound from Toronto, compared to the present figure of approximately 400,000 pounds. In short, a fourfold expansion in air-freight facilities before the end of this year. The same type of expansion in facilities will be possible to and from the Atlantic provinces, and, early in 1961, to New York and Chicago.

"Shipments will move at much greater speeds, so that a combination of increased speed in delivery and increased transport capacity will result in dramatically improved service.

"This improvement in service might lead one to expect higher rates, but let me assure you, the reverse will very likely be the case, because of the increased productivity of the new aircraft.