

Airlines. The original discussions were with the two railways, and for a time it looked as if the C.P.R. would participate in the project. At the last moment, however, Sir Edward Beatty, head of that railway, decided against the move, and the Canadian National Railways alone went along with the T.C.A., which was incorporated in the year 1937.

In the spring of that year the first route, between Vancouver and Seattle, started operating, making the line international from the start. Operation across Canada followed shortly afterwards, along with branch lines throughout the country; but I think it was not until 1938 that the first trans-continental mail was carried.

I recall that in February of 1939 our present Minister of Fisheries, the Honourable R. W. Mayhew, from British Columbia, was very active in trying to get mail-carrying services extended to Victoria. He was told at the time that there was not sufficient mail to warrant such a line. He put up some persuasive arguments—as a matter of fact, I believe he bet a hat that the line would carry twice as much mail as the post office said it would—and the line was put in operation. It was a success right from the start. In February 1939 Mr. Mayhew was the first passenger to fly from the East to the West Coast, and I think in May of that year the regular transcontinental passenger service was started.

In May of 1943 a trans-Atlantic service was put into operation, and during the war the TCA was asked to take over this service for the government, carrying priority passengers and mail. It operated in that manner until 1947, when the trans-Atlantic line was turned over to the control of TCA. In May of the year 1948 the service was extended to Bermuda, and in December of that year to Trinidad and Nassau. I think the planes now stop at Florida, but that is quite a recent development.

When the first route was operated between Vancouver and Seattle the daily distance flown was only 122 miles; today the total daily mileage is 16,000 miles. The TCA fleet at the end of 1945 consisted of 28 aircraft, with a carrying capacity of 369 passengers; today it is 47 planes, with a capacity of 1388 passengers. When the trans-continental run was started in 1938, there were two planes east and west daily; in 1949 this number was increased to three planes daily; and in May of this year a fourth trip will be added. This fourth plane will cut an hour off the regular flying time. A traveller may leave Vancouver at about 10:55 a.m., Toronto time, and arrive in To-

ronto at 8:10 that evening, a total travelling time of about nine hours.

It is interesting to note the saving of time resulting from non-stop flights. On the new run Trans-Canada planes will operate non-stop from Toronto to Winnipeg, and from Winnipeg to Vancouver. To indicate the speed that can be attained on such a flight, I would point out that the first North Star required, from the take-off in Vancouver until the landing in Montreal, a total elapsed time of six hours and fifty-two minutes—an average speed of 350 miles an hour. That is probably as fast as the jets will travel on commercial schedules to start with.

To indicate how important air travel is to British Columbia, I would point out that last year the Vancouver airport handled 339,900 passengers, many of whom came from all parts of the world.

I come now to the question of the cost of operating the Trans-Canada Airlines, and particularly this year's deficit of \$4 million, which need never have occurred. The government has taken a strong hand in the operation of the TCA, and the low-paid contracts with the post office department have brought about a deficit. Costs of operation have been going up along with everything else, but at the same time the revenue for carrying mail has been drastically reduced. As honourable senators know, Canada is the only country where one can send mail by air for regular postage. It is not the government that is paying for this service, but the TCA. In 1940 the mail rate per ton mile was \$6.35; in 1949 the rate was \$1.59. By a little calculation one can readily see that had the 1940 rates been in force last year the TCA would have had revenue from mail contracts of \$21 million instead of \$5,400,000. Even if the rate of three years ago had been maintained, the line would have had a revenue from mail carriage of about \$10 million, and the operation would at least have broken even.

But that is only part of the story. In 1949 the increase in ton-mile revenue was 16 per cent, and the amount of mail carried for that revenue was 48 per cent more. On the other hand, the number of passengers carried was 22 per cent greater than in the previous year, revenue passenger miles were up 24 per cent and the entire revenue obtained from this source was up 31 per cent. So the passengers are paying a considerable increase, and the people who are using air mail for letters and parcels are doing so at the cost of regular mail. In other words, passenger traffic has not derived any advantage from the additional payment of \$4 million to the air lines.