

Corporation
File



TRANS-CANADA
AIR LINES

*ANNUAL
REPORT
1947*

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Annual Report

of the

TRANS-CANADA AIR LINES

FOR THE YEAR ENDED DECEMBER 31, 1947



G R O W T H

SYSTEM ROUTE MILES

1939	3,664
1947	11,072

REVENUE PASSENGER MILES

1939	12,068,661
1947	230,178,216

TON MILES OF EXPRESS

1939	34,761
1947	981,805

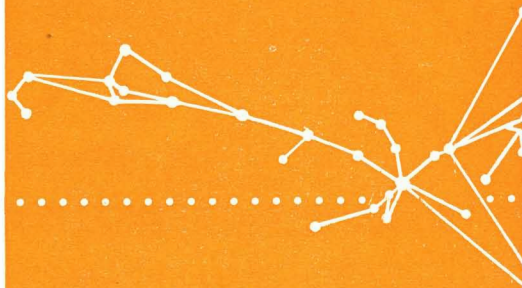
TON MILES OF MAIL

1939	306,252
1947	1,527,471

ATLANTIC CROSSINGS

1943	18
1947	919

INCREASE
IN
ROUND FIGURES



3x



19x



28x



5x



50x

BOARD OF DIRECTORS

Elected by Shareholders:

WILFRID GAGNON.....	Director, Canadian National Railways.....	Montreal
J. A. NORTHEY.....	Director, Canadian National Railways.....	Toronto
H. J. SYMINGTON, K.C.....	Director, Canadian National Railways.....	Montreal
R. C. VAUGHAN.....	President, Canadian National Railways.....	Montreal

Appointed by Governor-in-Council:

C. P. EDWARDS.....	Deputy Minister of Reconstruction and Supply.....	Ottawa
GEORGE HERRING.....	Director of Communications, Post Office Department.....	Ottawa
G. R. MCGREGOR.....	President, Trans-Canada Air Lines.....	Montreal-Winnipeg

OFFICERS

President.....	G. R. MCGREGOR, Montreal-Winnipeg
Vice-President, Operations.....	W. F. ENGLISH, Winnipeg
Vice-President, Traffic.....	ANSON C. MCKIM, Montreal
General Manager, Operations.....	J. H. TUDHOPE, Winnipeg
General Traffic Manager.....	W. GORDON WOOD, Winnipeg
Operations Manager, Central Region.....	F. I. YOUNG, Toronto
Traffic Manager, Central Region.....	W. R. CAMPBELL, Toronto
Operations Manager, Western Region.....	E. W. STULL, Lethbridge
Traffic Manager, Western Region.....	W. J. DALBY, Vancouver
Operations Manager, Eastern Region.....	T. F. K. EDMISON, Moncton
Traffic Manager, Eastern Region.....	J. G. MAXWELL, Montreal
Operations Manager, Atlantic Services.....	F. M. MCGREGOR, Montreal
Traffic Manager, West Indies Region.....	W. G. COURTNEY, Hamilton, Bermuda
Director of Research and Economic Control.....	H. C. COTTERELL, Winnipeg
Director of Facilities and Supply Control.....	F. T. WOOD, Montreal
Director of Personnel and Organization Control.....	E. H. MONCRIEFF, Winnipeg
Director of Maintenance and Engineering.....	J. T. BAIN, Winnipeg
Director of Maintenance and Overhaul.....	A. M. SUTHERLAND, Winnipeg
Director of Engineering.....	J. T. DYMENT, Winnipeg
Director of Flight Development.....	B. A. RAWSON, Winnipeg
Director of Flight Operations.....	H. W. SEAGRIM, Winnipeg
Director of Passenger Service.....	D. R. MACLAREN, Winnipeg
Director of Communications and Electronic Development.....	S. S. STEVENS, Winnipeg
Director of Training.....	J. H. SANDGATHE, Winnipeg
Director of Station Services.....	E. T. HOWE, Winnipeg
Secretary.....	W. H. HOBBS, Montreal
General Counsel.....	N. J. MACMILLAN, Montreal
Comptroller.....	T. H. COOPER, Montreal
General Auditor.....	P. W. BALDWIN, Winnipeg
Treasurer.....	C. D. COWIE, Montreal
Director of Public Relations.....	W. S. THOMPSON, Montreal
Chief Architect.....	J. SCHOFIELD, Montreal
General Manager, Express Services.....	F. N. WIGGINS, Montreal
Chief Medical Officer.....	DR. K. E. DOWD, Montreal

NOTE:

The above-named directors and officers are those in office as of the date of this report.

Mr. G. R. McGregor was appointed a director as of January 30th, 1948, succeeding Mr. J. A. Wilson, former Director of Air Services of the Dominion Government, who had retired from active service. Mr. McGregor was elected President as of February 1st., 1948, succeeding Mr. H. J. Symington who retired from the presidency late in 1947. Mr. F. N. Wiggins was appointed General Manager, Express Services, as of February 16th, 1948, succeeding Mr. G. E. Bellerose, retired.





RECORD FLIGHT

Vancouver - Montreal

Rt. Hon. C. D. Howe, right, congratulates Capt. H. W. Seagrim, T.C.A. director of flight operations, after the latter had piloted a Mark II North Star non-stop from Vancouver to Montreal in the record time of six hours and 52 minutes, flying at an average speed of 342 m.p.h. and altitude of 20,000 feet. Others on the trip beside Mr. Howe were H. J. Symington, C.M.G., K.C., then president of T.C.A. (second from left), Stewardess Phyllis Harding, and Capt. B. A. Rawson (right background), director of T.C.A. flight development.

Trans-Canada Air Lines' new Mark II North Stars began rolling off the assembly line at the Canadair plant in the autumn of 1947. Pressurization allows the craft to fly at altitudes of 20,000 or more feet with no discomfort to passengers.



TRANS - CANADA AIR LINES

Montreal, March 10, 1948.

To the Right Honourable, the Minister of Reconstruction and Supply, Ottawa.

Sir:

The Board of Directors submit the Annual Report of the Trans-Canada Air Lines system for the calendar year 1947.

This was a period of growth in Canadian air transport. Within North America, T.C.A.'s route miles increased by 1,248 to a total of 7,759, and six more cities were included as points of call. Over 1,380,000 more revenue miles were flown in 1947 than in 1946. Canada's transcontinental air route was shortened. A more extensive use of larger aircraft increased the Air Line's capacity for public service. In an expanding Atlantic schedule, T.C.A. crossed the ocean more than 900 times, carrying heavy loads of passengers, mail and cargo. Service to Ireland was commenced with the inclusion of Shannon as a point of call.

The service extensions resulted in a 34% increase in carrying capacity on North American routes and a 9.6% reduction in cost per available ton mile of transport. The wider North American work was done with over two hundred less staff than in 1946, while the total labour force required for both domestic and greatly expanded Atlantic operations was almost unchanged.

Although traffic in 1947 was heavier than in any previous year and operational efficiency increased, revenues were not sufficient to offset the mounting expenses. This was due not only to the growth of Canada's air services, but also to the much higher cost of labour and materials, factors over which the Air Line had no control and which are common to air transport generally.

The number of passengers carried on North American services grew by 40% while passenger revenue increased by 30% during the year. But this type of traffic was unable to support, by itself, the greater economic requirements of main line operations. 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. While 33,483,544 ton miles of transport were available on the North American routes in 1947, a total of only 19,588,661 revenue ton miles or 58.5% were used as compared with 67.5% in 1946. In an effort to develop non-passenger load, T.C.A. is now organizing an air cargo service for business and industry.

T.C.A. opened the Great Lakes airway on July 1. This chain of new and improved airports supplanted the route north of the Lakes. All transcontinental flights were then scheduled through the Lakehead and Sault Ste. Marie, providing those cities with their first main line air service. The new airway reduces Toronto-Winnipeg flight time, is a better weather route, and possesses scenic beauty.

The service to Northern Ontario was maintained by a local operation between Toronto, North Bay, Porquis and Kapuskasing.

Winnipeg and Edmonton were brought within five hours of each other on July 1 and Saskatoon added to the Air Line network when a daily schedule commenced between those three cities. Direct connections with Great Lakes flights offered greater transport facility between Eastern and Western Canada.



July 1 also saw the inclusion of Medicine Hat and Swift Current in a daily trans-continental schedule. The Air Line is now providing a well-rounded prairie service.

A new international operation was inaugurated on April 1, with a service between Halifax, Yarmouth, Saint John and Boston. At the year end, T.C.A. was connecting Canada with United States cities by means of six well separated trans-border routes.

Daily flight frequency on the Pacific Coast was increased during the summer months to six between Victoria and Seattle and to twelve between Vancouver and Victoria.

During 1947, the Air Line assisted world authorities in the standardization of international practices, planned with the Department of Transport for improved airport and airway facilities at home, and instructed many young Canadians in the techniques of flight and its administration.

The Company maintained the operational standards that have earned the public's confidence.

TRANS-CANADA AIR LINES

Results	1947	1946
Operating Revenues.....	\$15,297,346	\$12,810,805
Operating Expenses.....	16,796,491	13,926,061
Operating Deficit.....	\$ 1,499,145	\$ 1,115,256
Interest on Capital Invested.....	261,897	154,368
Deficit.....	\$ 1,761,042	\$ 1,269,624

Operating revenues totalled \$15,297,346, an increase of \$2,486,541 or 19% over the preceding year. Passenger revenues increased \$2,403,400 or 30%; cargo revenues increased \$144,208 or 47%; mail revenues increased \$27,688 or 1%; revenue from sales and services decreased \$164,273 or 28%; other revenues increased \$75,518. Passenger revenue contributed 68% of total revenue, mail revenue 25% and cargo revenue 3%.

Operating expenses totalled \$16,796,491, an increase of \$2,870,430 or 21% over the previous year. Of this amount, an increase of \$1,347,908 may be attributed to higher payroll charges. The general rise in price structure, during 1947, affected the purchase of all T.C.A. materials, and this resulted in an increase of \$1,128,541. In spite of these circumstances, the Company is able to report lower production costs per available ton mile of air service. Expenditures were carefully controlled and an efficient operation maintained. The charge to operating for accrued depreciation on aircraft and other property during the year amounted to \$1,950,820.

The operating deficit for the year was \$1,499,145.

Resulting from the 1945 amendments to the Trans-Canada Air Lines Act, 1937, the practice of charging operating expenses with 5% interest per annum on invested capital, paid to the Canadian National Railways, was changed in 1946 so that interest payments were at the same rates as the Railway Company was called upon to pay on the advances to it by the Government for T.C.A. capital purposes. On this basis the 1947 charges amounted to \$261,897.

After the payment of interest on capital there was a deficit of \$1,761,042.

STATISTICAL

Additional schedules, the greater carrying capacity of the fleet and intensified solicitation activities enabled the Air Line to serve passengers and shippers in larger numbers. Air mail volume alone remained unchanged.



Passengers

Revenue passengers carried on North American routes numbered 427,967 in 1947 as compared with 305,442 in 1946, an increase of 122,525 or 40%. The average passenger journey, excluding charter service, was 420 miles, as compared with 510 miles in 1946, the decrease being due to a higher frequency of service on short Pacific Coast routes. Revenue passenger miles increased by 15%. Revenue per passenger on scheduled services was \$24.50 and per passenger mile 5.84 cents, as compared with \$26.41 and 5.18 cents respectively in 1946.

In an effort to offset mounting material and labour costs, the Air Line was obliged to increase its passenger fares by 10% in April. This followed similar action by the United States operators. It is not possible to calculate the influence of the increase upon traffic volume. A majority of the large United States carriers increased fares again in November, but T.C.A. did not.

T.C.A. assisted in the simplification of air travel regulations between Canada and the United States. By international agreement it was possible to eliminate many travel forms and to raise the standard of Customs and Immigration services.

Air Mail

Air mail volume was almost unchanged in 1947, with the Company flying 1,232,237 ton miles, as compared with 1,210,716 in 1946. There was some growth of this traffic toward the end of the year, but not enough to approach the Air Line's capacity for mail transport.

Air Cargo

Air express traffic grew steadily in 1947. Poundage totalled 1,439,814 as compared with 1,043,713 in 1946, an increase of 38%. Ton miles rose from 380,557 to 543,307.

In August, the Company filed its first charter tariff and, with the availability of the larger fleet, several specialized cargo flights were operated before year end. Ton miles totalled 90,712.

A new type of cargo service was organized which will go into effect in 1948. In addition to carrying express shipments, the Air Line will handle commodities in volume at new low cargo rates.

PROPERTY AND EQUIPMENT

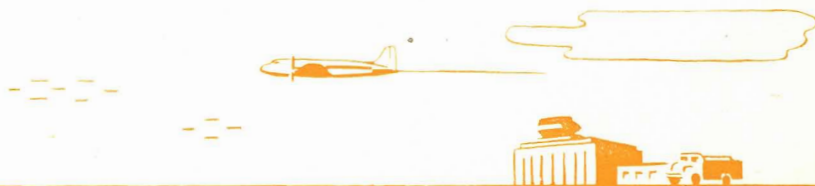
Flight equipment as of December 31, 1947, consisted of:

30 Douglas DC-3 aircraft, 27 of which are equipped with two Pratt and Whitney Twin-row Wasp engines, each of 1,200 horsepower, and three equipped with two Wright Cyclone engines, each of 1,200 horsepower.

11 Lockheed Lodestar aircraft, equipped with two Pratt and Whitney Twin-row Wasp engines, each of 1,200 horsepower.

The introduction of pressurized North Stars was delayed by production problems. However, at the end of the year three newly delivered aircraft were being prepared for domestic operations and used for pilot training. Planning for the first Canadian use of four-engined commercial equipment involved many changes in air line practices and in ground facilities.

All of the 10 and most of the 14-passenger Lockheed aircraft have been retired from service in favour of the 21-passenger DC-3's and the 40-passenger North Stars now in production. Some sales had been made of this older equipment.



The changing nature of the fleet required major adjustments in the maintenance and overhaul organization. All North Star servicing was assigned to Montreal, where domestic and overseas operations meet. Winnipeg remained the overhaul centre for the System.

Airport accommodation for the growing needs of air traffic continued to be a problem in 1947. At Victoria, Lethbridge and Saint John, N.B., use was made of renovated Air Force buildings. The Department of Transport began construction of a large terminal building at Toronto. The Company proceeded with a shop and office extension at Winnipeg.

New ticket offices were opened in Boston, Detroit, Hamilton and Sault Ste. Marie (Ontario). The Toronto office was moved to an improved location.

ROUTES

At December 31, 1947, Trans-Canada Air Lines was providing service—passenger, air mail and cargo—over nation-wide routes totalling 7,759 miles. This was an increase of 1,248 or 19% over 1946. The routes operated are as follows:

	Miles
Halifax—Victoria (via Moncton and Lethbridge)	3,220
(via Moncton and Calgary)	3,333
(via Saint John and Calgary).....	3,287
Sydney—St. John's, Newfoundland	523
Halifax—Sydney	201
Halifax—Boston (via Yarmouth and Saint John)	563
Halifax—Saint John	172
Toronto—New York	363
Toronto—Chicago (via London and Windsor).....	468
Toronto—KapusKasing (via North Bay and Porquis Jct.)	476
London—Cleveland.....	124
Lakehead—Duluth	178
Winnipeg—Edmonton (via Saskatoon).....	735
Lethbridge—Edmonton (via Calgary).....	301
Seattle—Victoria.....	103

Airway Facilities

The Department of Transport and the Company worked in close accord for the improvement of Canada's airport and airway facilities.

The Great Lakes airway was completed, providing a series of good airports, intermediate landing fields and radio ranges between Toronto, Sault Ste. Marie, the Lakehead and Winnipeg.

Extensive runway development took place at Toronto, Winnipeg, Calgary and Lethbridge to fit those airports for the handling of four-engined aircraft.

The Saskatoon airport was enlarged so that T.C.A. service could be provided to that city.

Installation of instrument landing equipment proceeded at a number of major airports, including Montreal, Toronto, Winnipeg, Saskatoon, Calgary, Lethbridge and Vancouver. The Company has collaborated with the Department of Transport in this programme, which promises a marked reduction in flight delays due to weather.

The Air Line extended its system of very high frequency ground radio stations. These are static-free, insuring complete clarity of communication with aircraft. By year-end, the Line was operating twenty such stations from Newfoundland to Western Canada.

A new schedule of airport landing fee charges was issued by the Department of Transport in 1947. It called for large increases, particularly for four-engined aircraft, and has been a subject of discussion between T.C.A. and the Department.



TRANS-CANADA AIR LINES (ATLANTIC) LIMITED

On May 1, 1947, Trans-Canada Air Lines (Atlantic) Limited assumed responsibility for the operation previously provided by the Canadian Government Trans-Atlantic Air Service.

Results	May 1 to Dec. 31, 1947
Operating Revenues.....	\$5,483,298
Operating Expenses.....	5,341,898
Operating Surplus.....	\$ 141,400
Interest on Capital Invested.....	5,097
Surplus.....	<u>\$ 136,303</u>

Operating revenues totalled \$5,483,298, of which \$3,912,070 represented passenger traffic, \$735,013 air mail and \$331,557 air cargo. Operating expenses totalled \$5,341,898, leaving an operating surplus of \$141,400. After the payment of interest on capital there was a surplus of \$136,303.

The popularity of this overseas operation, equipped with North Star aircraft, ran high in 1947, and it is gratifying that even under the difficult circumstances represented by the transition to a larger scale service and the use of a new fleet it was possible to show an operating profit.

STATISTICAL

A basic schedule of one daily trip in each direction was maintained throughout the year. During the summer, as many as eleven round trips were operated each week. In all, T.C.A. made over 900 crossings. During the autumn there was a period of delayed operations resulting from severe weather and from certain equipment problems attending the introduction of the new type of aircraft.

Passengers

A total of 15,815 passengers crossed the Atlantic with T.C.A. during the last eight months of 1947, when the operation had full commercial status. 14,393 of these travelled on scheduled flights. The remaining 1,422 were largely immigrants from the United Kingdom, carried under a charter arrangement with the Province of Ontario. In addition, the Company sub-contracted with Transocean Air Lines for the carriage of 4,450 more immigrants to Ontario.

Throughout the year, westbound passenger traffic was of such large volume as to approach fleet capacity. Eastbound loads were much lighter.

A trans-Atlantic ticket office was opened at Prestwick for the convenience of Scottish passengers and a Visitors' Service Bureau was established in London for the assistance of T.C.A. passengers.

Air Mail

Trans-Atlantic air mail totalled 152,179 pounds between May 1 and December 31, 1947. In this case the flow was predominantly eastbound, T.C.A. receiving little mail load from the British Post Office.



Air Cargo

271,077 pounds of air express and 111,688 pounds of air freight were carried on the Atlantic service between May 1 and December 31.

In October, charges were substantially reduced and a special commodity rate offered for gift food parcels, resulting in a pronounced increase in cargo volume.

PROPERTY AND EQUIPMENT

Six unpressurized North Star aircraft replaced the modified Lancasters previously in use. With almost four times the passenger capacity of their predecessors, these aircraft carried a very large volume of overseas traffic.

At year end, three pressurized North Stars were being used for flight training.

ROUTES

The trans-Atlantic air route extends 3,313 miles between Montreal, Shannon, Prestwick (Glasgow) and London.

In 1947 service to the British Isles was rounded out with the scheduling of one stop weekly at Shannon, Ireland.

By including Sydney, Nova Scotia, in some flights, service to the Maritime Provinces was improved at reduced cost to travellers.

GENERAL

The self insurance fund increased by \$610,457 during the year and now amounts to \$2,124,730. The coverage includes aircraft and other equipment, also passenger, public, and employer liability on both domestic and overseas services. The premiums are treated as operating costs and the growth of the fund has been made possible by the substantial expenditures made by the Company in the interests of safety.

Personnel

Staff assigned to both companies totalled 4,393 at December 31, 1947. Although the T.C.A. widened its services during the past year it was able, through increased efficiency, to consolidate its working force.

During 1947, the Air Line continued the heavy training programme required to equip staff for the responsibilities of larger aircraft and the developing scale of Canadian air transport. T.C.A.'s employees today constitute one of the most efficient groups in the aviation industry.

Inter-airline Agreements

Mutually advantageous arrangements were made with other air lines. The Company organized and managed an international hotel at Goose Bay, in Labrador, for the passenger convenience of several trans-Atlantic operators. Agreements were made with Scottish Aviation, British Overseas Airways Corporation, and United Air Lines for the ground handling of T.C.A.'s flights at Prestwick, London and Boston respectively. The sub-contract under which Canadian Pacific Air Lines operates between Whitehorse and Fairbanks was extended for another year.

Four-engined Aircraft

It was a disappointment that unforeseen delays in production postponed the opening of North Star service across the continent. This four-motored, 40-passenger aircraft has



characteristics of size, speed and comfort that will increase the popularity of air transportation. Travel time between Montreal and Vancouver will be reduced to fourteen hours westbound and thirteen hours eastbound including station stops—five hours less than at present.

An early version of the North Star was employed on the Atlantic during most of 1947. The more advanced model will be superior in many respects. Cabin pressurization, for example, will insure travel comfort at all altitudes. Twenty of these aircraft are in process of delivery by Canadair Limited, at Montreal.

Pressurized North Star aircraft will be placed in service on both the overseas and domestic routes as rapidly as they become available.

Future Service

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.

With greater capacity and service, the main problem facing the Company is the utilization of the aircraft space not required by passenger traffic. T.C.A. will continue the development of Canada's first nation-wide air cargo service at rates which will, it is believed, make possible volume shipments by air. Efforts will be continued 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. Special efforts will be made to ease the problem of seasonal traffic fluctuations which, in Canada, permit the full utilization of equipment and staff during only four months of the year.

Mr. H. J. Symington, C.M.G., K.C.

The retirement of Mr. H. J. Symington, C.M.G., K.C., from the Presidency of Trans-Canada Air Lines was a source of general regret. No man has contributed more to Canadian air transport. Mr. Symington led T.C.A. from small beginnings to a position of prominence in the air transport industry. At the same time, he gave his energies to the rationalization of world aviation.

Trans-Canada is fortunate in retaining Mr. Symington as a member of its Board of Directors.

The Staff

Employee relationships are of sound character. To all members of the staff, the Directors extend their sincere appreciation. Trans-Canada Air Lines owes its reputation to their loyalty and effort.

For the Directors,



President.



CONSOLIDATED BALANCE SHEET

ASSETS			
CURRENT ASSETS:			
Cash		\$ 578,211.41	
Working Fund Advances		61,506.91	
Special Deposits		5,106.39	
Accounts Receivable		2,517,254.16	
Traffic Balances Receivable		740,777.29	
Balances Receivable from Agents		120,330.14	
Material and Supplies		2,834,793.84	
Other Current Assets		96,758.35	\$ 6,954,738.49
DEFERRED CHARGES:			
Prepaid Insurance and Rents		\$ 43,534.31	
Research and Development Expense		31,465.06	
Other Deferred Charges		53,205.83	128,205.20
INSURANCE FUND			2,124,730.69
INVESTMENTS IN AFFILIATED COMPANIES			11,961.72
CAPITAL ASSETS:			
Property and Equipment	\$14,700,574.15		
Less Accrued Depreciation	5,992,874.67	\$ 8,707,699.48	
North Star M2 Equipment		12,858,963.62	21,566,663.10
			<u>\$30,786,299.20</u>

CERTIFICATE

We have examined the books and records of the Trans-Canada Air Lines for we certify that, in our opinion, the above Consolidated Balance Sheet is properly as at the 31st. December, 1947, and that the relative Income Accounts for

10th. March, 1948.



AT 31st. DECEMBER, 1947.

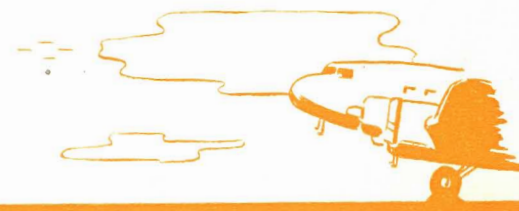
LIABILITIES			
CURRENT LIABILITIES:			
Audited Accounts Payable		\$ 1,599,899.95	
Accrued Accounts Payable		2,006,512.51	
Traffic Balances Payable		296,226.12	
Air Travel Plan Deposits		598,400.00	
Salaries and Wages		378,511.31	
Other Current Liabilities		852,082.56	
Canadian National Railways Advance for Deficit		1,000,000.00	
Canadian National Railways Current Accounts		303,114.36	\$ 7,034,746.81
RESERVES:			
Insurance		\$ 2,124,730.69	
Inventory		100,000.00	
Overhaul—North Star M1		296,500.00	2,521,230.69
CAPITAL STOCK:			
Common Stock Authorized and Subscribed—Par Value \$25,000,000			
Common Stock Issued—Par Value		\$23,000,000.00	
Less Amount not paid in		400,000.00	22,600,000.00
PROFIT AND LOSS:			
Surplus 1st. January, 1947		\$ 255,061.23	
Deficit Year 1947, Trans-Canada Air Lines	\$1,761,042.84		
Surplus from 1st. May, 1947, Trans-Canada Atlantic Service	136,303.31	1,624,739.53	1,369,678.30
			<u>\$30,786,299.20</u>

T. H. COOPER,
Comptroller.

OF AUDITORS

the year ended the 31st. December, 1947, and subject to our report to Parliament, drawn up so as to exhibit a true and correct view of the affairs of the Air Lines the year ended the 31st. December, 1947, are correctly stated.

GEORGE A. TOUCHE & CO.,
Chartered Accountants.



INCOME ACCOUNTS

Trans-Canada Air Lines	
Year 1947	Year 1946
\$10,450,523.53	\$ 8,047,123.58
3,808,197.01	3,780,508.72
449,447.29	305,238.69
84,912.12	72,946.77
81,905.29	18,353.46
422,361.17	586,633.88
<u>\$15,297,346.41</u>	<u>\$12,810,805.10</u>
\$ 3,955,603.04	\$ 3,345,973.59
1,344,600.53	1,328,949.04
1,785,166.57	1,388,635.49
3,499,835.02	2,797,112.41
1,933,883.61	1,516,021.82
165,652.97	125,776.33
1,141,972.85	1,050,165.30
1,779,923.21	1,404,828.43
382,817.06	220,758.29
869,225.94	765,718.39
62,188.85	17,878.08
<u>\$16,796,491.95</u>	<u>\$13,926,061.01</u>
\$ 1,499,145.54	\$ 1,115,255.91
261,897.30	154,368.48*
<u>\$ 1,761,042.84</u>	<u>\$ 1,269,624.39</u>

*Charged to Surplus—shown here for comparative purposes.

OPERATING REVENUES:

Passenger.....	\$ 3,912,069.71
Mail.....	735,013.40
Express and Cargo.....	331,556.59
Excess Baggage.....	19,849.62
Charter.....	417,763.00
Incidental Services—Net.....	67,045.90
Total.....	\$ 5,483,298.22

OPERATING EXPENSES:

Flight Operations.....	\$ 1,246,662.09
Flight Equipment Maintenance.....	612,521.57
Flight Equipment Depreciation.....	328,361.97
Ground Operations.....	991,997.91
Ground and Indirect Maintenance.....	691,009.76
Ground Facilities Depreciation.....	13,375.22
Passenger Service.....	367,766.02
Traffic and Sales.....	618,911.53
Advertising and Publicity.....	167,075.70
General and Administrative.....	307,078.13
Miscellaneous Income— <i>Net Credit</i>	2,861.71
Total.....	\$ 5,341,898.19
Operating <i>Deficit</i> or Surplus.....	\$ 141,400.03
Interest on Capital Invested.....	5,093.72
<i>Deficit</i> or Surplus.....	\$ 136,303.31

**Trans-Canada
Atlantic Service**
1st. May, 1947,
to 31st. Dec.,
1947

STATISTICAL DATA

Trans-Canada Air Lines	
Year 1947	Year 1946
7,759	6,511
15,543,485	14,162,377
472,649	1,101,908
671,514	600,385
427,967	305,442
420	510
62	76
1,232,237	1,210,716
634,019	380,557
130,086	132,935

Route Miles Operated.....	3,313
Plane Miles Flown—Revenue.....	2,386,709
Plane Miles Flown—Training.....	51,978
Plane Miles Flown—Other Non-Revenue.....	117,725
Revenue Passengers Carried.....	15,815
Average Passenger Journey—Miles.....	3,134
Percentage of Passenger Occupancy.....	73
Mail Ton Miles.....	251,562
Express and Cargo Ton Miles.....	508,598
Excess Baggage Ton Miles.....	22,410

**Trans-Canada
Atlantic Service**
1st. May, 1947,
to 31st. Dec.,
1947



Trans-Canada Air Lines			Trans-Canada Atlantic Service
Year 1947	Year 1946		1st. May, 1947, to 31st. Dec., 1947
\$1,383,474.50	\$1,071,407.39	5100 FLIGHT OPERATIONS	
—	—	23 Captains and First Officers	\$ 214,553.56
187,380.11	141,806.96	24 Other Flight Personnel	125,396.93
158,311.75	182,959.04	28 Training—Salaries and Expenses	20,904.04
1,940,561.35	1,732,313.93	36 Travel and Incidental	33,807.63
40,008.30	36,263.81	45 Aircraft Engine Fuel and Oil	702,526.77
240,006.85	176,007.07	53 Other Supplies	10,077.66
5,368.01	5,215.39	55 Flight Equipment Insurance	138,618.66
492.17	—	67 Clearance Fees	389.07
\$3,955,603.04	\$3,345,973.59	74 Other Expenses	387.77
			<u>\$1,246,662.09</u>
		5200 FLIGHT EQUIPMENT MAINTENANCE	
\$ 278,015.03	\$ 327,591.62	25 Aircraft—Labour	\$ 97,781.10
228,755.51	172,386.17	26 Aircraft Engine—Labour	135,959.80
95,933.00	93,004.35	27 Aircraft Other Equipment—Labour	31,209.39
316,616.04	373,006.80	46 Aircraft—Material, etc.	97,039.37
359,579.73	315,995.01	47 Aircraft Engine—Material, etc.	186,166.05
65,701.22	46,965.09	48 Aircraft Other Equipment—Material, etc.	64,365.86
\$1,344,600.53	\$1,328,949.04		<u>\$ 612,521.57</u>
		5900 FLIGHT EQUIPMENT DEPRECIATION	
\$1,186,435.43	\$ 856,986.76	75 Aircraft	\$ 205,483.38
188,843.82	326,014.30	76 Aircraft Engines	51,670.84
263,003.74	75,607.14	77 Aircraft Spare Parts	36,607.73
146,883.58	130,027.29	77 Aircraft Other Equipment	34,600.02
\$1,785,166.57	\$1,388,635.49		<u>\$ 328,361.97</u>
		6100 GROUND OPERATIONS	
\$ 253,379.95	\$ 234,179.95	21 General Officers and Superintendents	\$ 87,191.10
129,577.11	102,071.47	22 Station Managers and Assistants	18,613.85
33,306.51	40,887.16	28 Training—Salaries	14,023.75
556,710.89	424,317.16	29 Ground Service Employees—Mechanical	199,383.37
324,179.76	233,309.12	29 Ground Service Employees—Cargo	44,320.88
135,049.51	113,258.50	30 Flight Control Officers	38,285.87
249,125.68	191,953.68	30 Radio Operators	—
117,563.11	94,279.83	30 Teletype Operators	6,252.49
251,919.11	235,997.42	35 Other Employees	54,933.54
154,149.24	162,172.29	36 Travel and Incidental	54,600.51
189,511.51	233,160.10	37 Telephone, Telegraph and Teletype	21,631.25
99,809.92	77,707.92	38 Light, Heat, Power and Water	7,584.42
143,437.54	113,218.33	39 Express Expenses	94,208.16
70,725.01	53,364.84	40 Agency Services and Joint Facilities	8,536.10
215,433.14	54,512.26	43 Other Services	68,816.63
313,153.77	179,488.04	44 Airport, Building and Office Rentals	124,852.99
83,528.42	50,788.83	49 Servicing Supplies	74,292.17
76,994.83	103,985.36	50 Stationery, Printing and Office Supplies	22,107.46
42,770.65	41,046.38	53 Other Supplies	5,078.75
102.00	523.97	64 Memberships	—
59,407.36	56,889.80	74 Other Expenses	47,284.62
\$3,499,835.02	\$2,797,112.41		<u>\$ 991,997.91</u>



Trans-Canada Air Lines

Year 1947	Year 1946
\$ 107,735.14	\$ 83,379.82
283,357.14	254,678.82
139,559.68	85,257.68
60,734.45	53,526.92
192,449.66	121,495.34
149,401.48	138,567.00
128,017.42	98,335.86
207,442.67	122,477.39
202,473.07	142,957.40
90,657.87	50,187.98
10,156.65	15,959.94
45,330.41	36,134.38
6,847.68	2,563.52
184,267.96	137,190.42
104,052.93	95,802.99
29,296.43	27,936.70
10,963.24	11,512.73
6,553.34	39,501.99
82.16	129.50
2,472.58	3,141.19
14,861.67	4,715.75
<u>\$1,933,883.61</u>	<u>\$1,516,021.82</u>

\$ 165,652.97	\$ 125,776.33
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\$ 35,435.03	\$ 28,873.39
245,673.30	188,816.73
10,054.31	9,895.50
81,675.27	70,036.20
84,950.20	80,943.00
20,148.00	16,133.57
842.10	501.85
332,146.92	286,991.76
115,114.76	113,077.64
96,530.10	163,995.74
66,771.26	52,933.50
30.00	—
50,305.28	37,925.10
2,296.32	41.32
<u>\$1,141,972.85</u>	<u>\$1,050,165.30</u>

Trans-Canada
Atlantic Service
1st. May, 1947,
to 31st. Dec.,
1947

6200 GROUND AND INDIRECT MAINTENANCE

21 General Officers and Superintendents.....	\$ 32,400.34
22 Maintenance and Stores Supervision.....	122,696.41
27 Equipment and Facilities—Labour.....	38,194.14
28 Training—Salaries.....	9,327.53
28 Unallocated Shop Labour.....	35,612.20
29 Building Attendants.....	38,702.13
31 Stores Employees.....	50,117.55
35 Engineering Employees.....	88,502.21
35 Other Employees.....	122,293.16
36 Travel and Incidental.....	25,723.85
37 Telephone and Telegraph.....	12,099.43
38 Light, Heat, Power and Water.....	8,298.27
44 Building and Office Rentals.....	10,209.70
48 Equipment and Facilities—Material, etc.....	46,200.40
49 Shop Supplies.....	29,338.85
50 Stationery, Printing and Office Supplies.....	12,568.97
53 Other Supplies.....	4,553.86
54 Stores Inventory Adjustment.....	—
64 Memberships.....	2.84
74 Other Expenses.....	11,475.06
80 Unallocated Shop Overhead.....	7,307.14
	<u>\$691,009.76</u>

6900 GROUND FACILITIES DEPRECIATION

78 Ground Property and Equipment.....	\$ 13,375.22
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6300 PASSENGER SERVICE

21 General Officers and Superintendents.....	\$ 6,715.59
24 Stewards and Stewardesses.....	68,048.73
28 Training—Salaries.....	1,958.16
35 Other Employees.....	19,456.35
36 Travel and Incidental.....	18,379.04
43 Other Services.....	5,502.98
50 Stationery, Printing and Office Supplies.....	575.99
51 Passenger Food Expense.....	54,749.84
52 Passenger Supplies.....	30,374.12
56 Passenger Liability Insurance.....	76,512.62
63 Interrupted Flight Expense.....	82,223.63
64 Memberships.....	—
67 Customs Expense.....	2,661.26
74 Other Expenses.....	607.71
	<u>\$367,766.02</u>



Trans-Canada Air Lines			Trans-Canada Atlantic Service
Year 1947	Year 1946		1st. May, 1947, to 31st. Dec., 1947
		6400 TRAFFIC AND SALES	
\$ 62,985.67	\$ 73,156.34	21 General Officers and Superintendents.....	\$ 21,300.66
85,983.46	63,915.95	22 Traffic Supervision.....	31,808.54
20,116.92	38,735.47	28 Training—Salaries.....	5,897.38
1,267.76	1,568.64	29 Building Attendants.....	385.98
34,334.50	38,477.38	30 Teletype Operators.....	10,391.37
378,739.59	314,477.92	32 Ticketing Employees.....	118,100.89
372,416.96	319,744.23	32 Reservations Employees.....	115,698.80
42,027.13	31,217.23	33 Traffic Solicitors.....	17,357.08
127,930.26	122,317.29	35 Other Employees.....	42,188.17
85,319.46	99,665.83	36 Travel and Incidental.....	32,490.53
163,731.97	113,888.98	37 Telephone, Telegraph and Teletype.....	56,866.11
7,141.05	4,805.51	38 Light, Heat, Power and Water.....	2,376.56
189,169.20	51,053.48	40 Agency Services and Joint Facilities.....	92,097.72
16,862.29	3,009.74	43 Other Services.....	7,206.01
116,540.86	70,444.61	44 Office Rentals.....	38,870.54
63,301.92	39,700.02	50 Stationery, Printing and Office Supplies.....	21,179.99
2,297.40	19.13	53 Other Supplies.....	1,209.66
1,377.96	998.95	64 Memberships.....	247.77
8,378.85	17,631.73	74 Other Expenses.....	3,237.77
<u>\$1,779,923.21</u>	<u>\$1,404,828.43</u>		<u>\$618,911.53</u>
		6500 ADVERTISING AND PUBLICITY	
\$ 24,935.83	\$ 16,973.92	59 Timetables and Distribution.....	\$ 8,788.84
275,314.19	137,280.69	60 Advertising—Space.....	123,964.61
40,226.42	43,690.72	61 Advertising—Other.....	18,128.44
42,340.62	22,812.96	62 Promotional and Publicity Expense.....	16,193.81
<u>\$ 382,817.06</u>	<u>\$ 220,758.29</u>		<u>\$167,075.70</u>
		6600 GENERAL AND ADMINISTRATIVE	
\$ 87,424.63	\$ 94,264.94	21 General Officers and Supervision.....	\$ 29,089.17
225,556.17	194,863.44	35 Other Employees.....	74,500.52
24,192.20	26,619.43	36 Travel and Incidental.....	8,985.78
11,790.51	5,865.44	37 Telephone and Telegraph.....	4,572.15
37,999.99	50,000.00	39 Affiliated Company Charge.....	12,000.01
10,311.18	2,795.44	41 Professional Fees and Expenses.....	3,604.69
4,792.02	45.17	44 Office Rentals.....	2,361.56
25,581.87	18,138.80	50 Stationery, Printing and Office Supplies.....	7,014.41
25,380.81	30,216.84	55 Insurance—Public Liability and General.....	7,570.58
58,388.35	49,631.63	57 Insurance—Employees' Welfare.....	60,924.58
242,768.93	199,920.00	57 Pensions.....	72,405.87
4,938.14	10,835.00	64 Memberships.....	274.86
41,210.27	30,805.16	68 Taxes—Payroll.....	5,216.25
38,164.33	27,517.89	69 Taxes—General.....	7,760.64
30,726.54	24,199.21	74 Other Expenses.....	10,797.06
<u>\$ 869,225.94</u>	<u>\$ 765,718.39</u>		<u>\$307,078.13</u>





Men distinguished in the world of transport were at Montreal Airport in April for the take-off of the first North Star in T.C.A. trans-Atlantic service.



The new aircraft, built in Canada and first used between Montreal and the United Kingdom, will fly the transcontinental route as well in 1948.



TCA to LONDON

A T.C.A. stewardess watches the changing of the guard at Buckingham Palace in London.

Passengers on a North Star bound for London have a snack high above the ocean.



CANADA'S TRANS-ATLANTIC AIR SERVICE

Canada's air service operating between Montreal and the United Kingdom became, by 1947, one of the principal international air operations.

Flying a basic schedule of one round flight daily, which will be increased to two in June, 1948, it has made Canada and the British Isles almost next-door neighbors. The 3,000 miles of ocean are bridged in fifteen hours.

Scheduled stops are made in England, Scotland and Ireland, at the airports of London, Prestwick (near Glasgow) and Shannon. At Montreal, the overseas flights are interlocked with the domestic air service. Some of the trans-Atlantic flights stop at Sydney, N.S.

Forty-passenger North Star airliners of Canadian manufacture cut days from the traditional Atlantic crossing. When post-war aircraft became available in 1947 and the air line took full commercial control of the service, T.C.A. was already a proven trans-Atlantic operator. In the years 1943-1947, T.C.A.'s log books recorded more than 1,900 crossings made for the Canadian Government Trans-Atlantic Air Service.





The birthplace of Robert Burns, at Alloway near Ayr, is not far from Prestwick, where Trans-Canada planes touch down on their flights across the Atlantic from Montreal.



A T.C.A. North Star heads east for Newfoundland and the British Isles.

TCA TO SCOTLAND

The aircraft comes to rest at Prestwick, near Glasgow.

Princes Street, Edinburgh, is known as one of the finest thoroughfares in the British Empire.





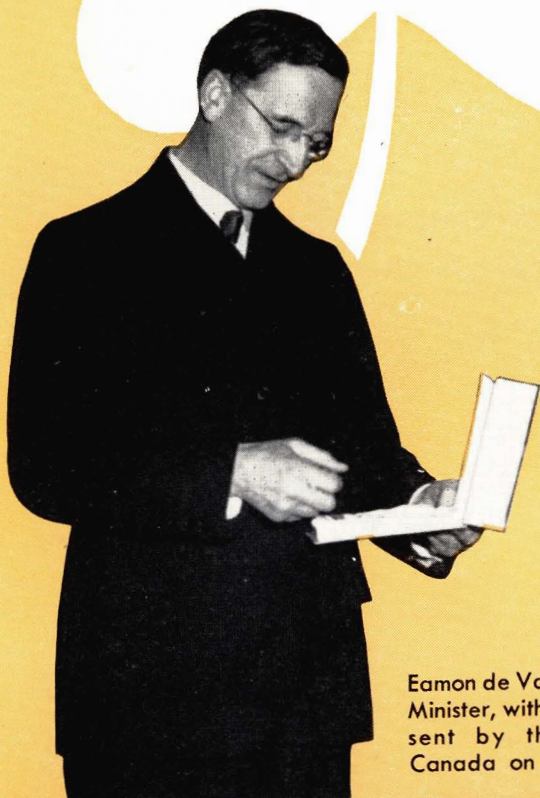
When T.C.A. began service to Ireland in September, representatives of Ireland and of the Irish societies in Canada joined with representatives of the Dominion Government and of the City of Montreal in the send-off ceremonies.

TCA TO IRELAND

Upper O'Connell Street in Dublin.



The airport at Shannon where T.C.A. planes from Canada land.

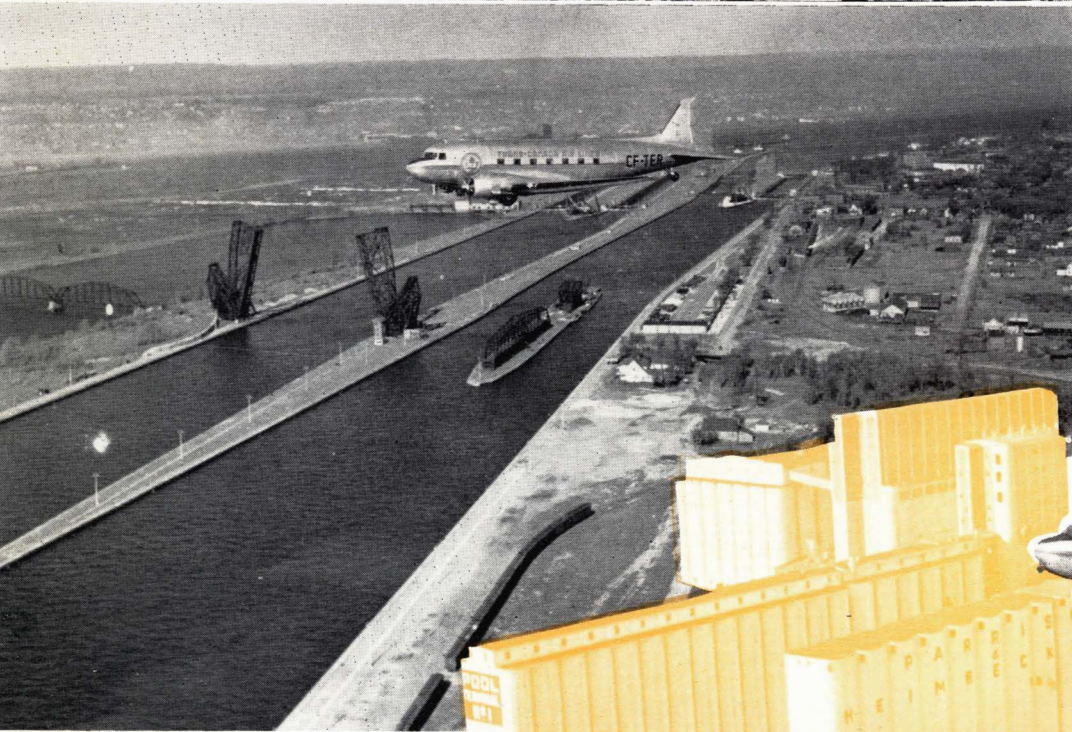


Eamon de Valera, then Prime Minister, with one of the gifts sent by the people of Canada on the North Star.

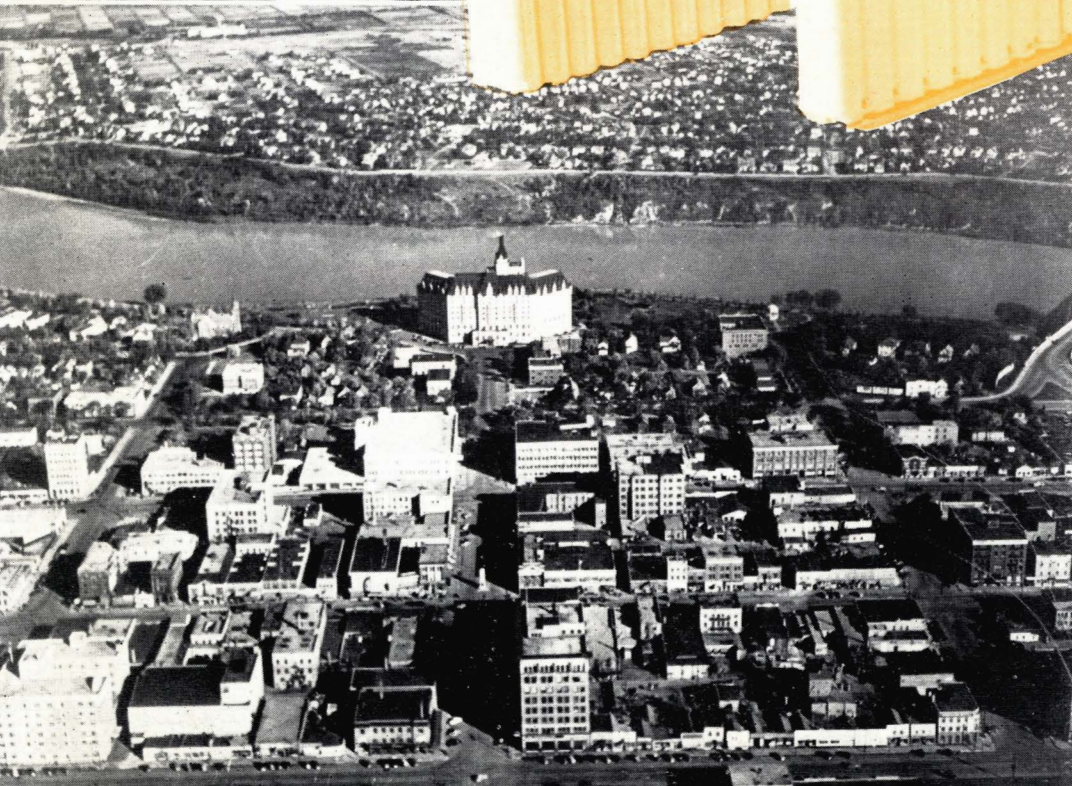




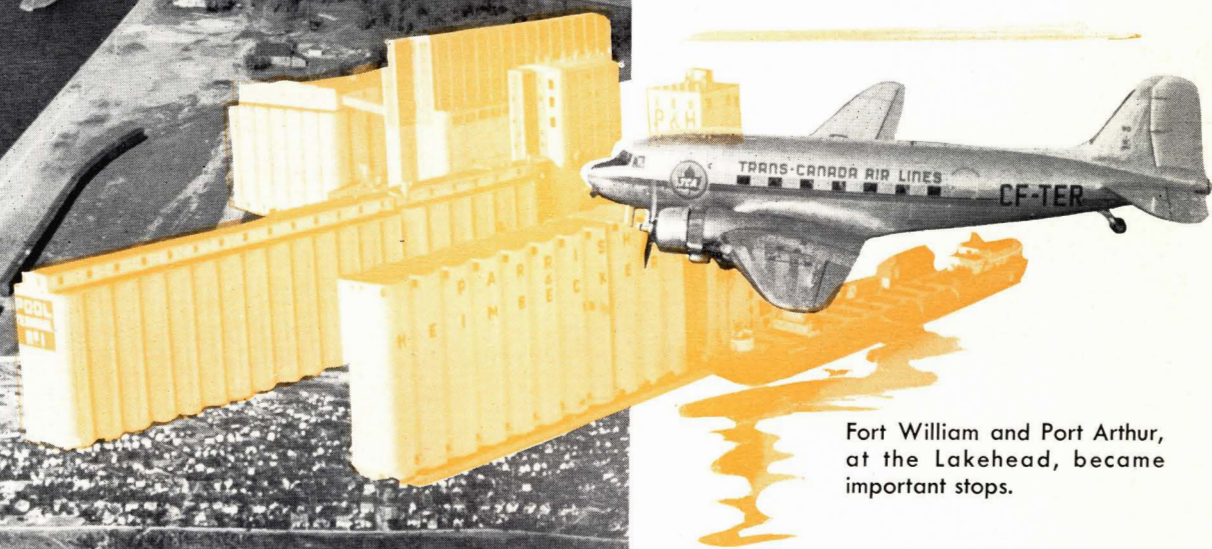
Boston was added to T.C.A. ports of call in 1947, connecting with Halifax, Saint John and Yarmouth.



With the opening of the Great Lakes airway, the transcontinental line was routed through Sault Ste. Marie, Ont.



Saskatoon was added, connecting with Edmonton, and with the East through Winnipeg.



Fort William and Port Arthur, at the Lakehead, became important stops.



Many distinguished passengers took advantage of Trans-Canada Air Lines transcontinental and trans-ocean services during 1947. Among these was pretty Barbara Ann Scott, holder of the Women's European, the Olympic and World Figure Skating crowns.

The year 1947 saw the start of what is believed to be the first mass air immigration service. It was carried out by Trans-Canada Air Lines for the Ontario Government which arranged to bring some 7,000 British immigrants to that province. The first of the new citizens are shown deplaning at Toronto's Malton Airport.



People of many ages flew with the air line during 1947, but the honour of being the youngest passenger to travel T.C.A.'s transcontinental route during the inauguration of the Great Lakes airway fell to five-weeks' old Pamela Carol Dann, of Baie Comeau, Que. Mrs. Dann, who is holding Pamela, was enroute to Victoria, B.C.

Another "immigrant" to arrive in Canada during the year was Bluey, the Australian kangaroo which came to live in the Toronto Zoo after making an appearance at the Toronto Press Club's By-Line Ball. Bluey flew across the Pacific and at Vancouver was transferred to a Trans-Canada Air Lines plane.



AIR EXPRESS & AIR CARGO

T.C.A. will introduce a Canadian air cargo service in 1948. The North Star aircraft, which will be flying across Canada during the summer, can accommodate two tons of cargo as well as forty passengers. This makes possible the carriage of more and heavier commodities in a transcontinental shipping time of about fourteen hours. Low rates for volume shipments will bring the speed of air transport within general reach of business and industry.

Goods will be carried in DC-3 aircraft as well as North Stars on established schedules, supplemented, when required, by all-cargo flights. Domestic and overseas air cargo services will be closely integrated. An air express service will be continued for smaller shipments.

The photograph to the right shows modern cargo-loading machinery which handles tons as easily and expeditiously as pounds.

At the lower left may be seen some of the gift food parcels sent by Canadians to relatives and friends in the United Kingdom toward the close of the year. The North Stars carried heavy loads at special rates.

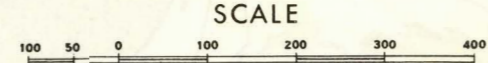
Air express on domestic routes, illustrated at lower right, amounted to 1,439,814 pounds in 1947, an increase of 38 per cent over 1946.





TRANS-CANADA AIR LINES
Canada's National Air Service

T.C.A. existing routes ————
 T.C.A. projected extensions - - - - -



To Hawaii and Australasia

To Europe



Serves all the Provinces of Canada and many Sections of the United States



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