

*T.C.A.'s new four-engine 44-passenger aircraft now being built in Canada*

TRANS-CANADA AIR LINES

*Annual  
Report  
1944*

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# *Annual Report*

*of the*

**T R A N S - C A N A D A   A I R   L I N E S**

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*for the year ended December 31, 1944*

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## BOARD OF DIRECTORS

### *Elected by Shareholders:*

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

### *Appointed by Governor in Council:*

C. P. EDWARDS, O.B.E..... Deputy Minister of Transport.....	Ottawa
J. A. WILSON..... Director of Air Services, Department of Transport.....	Ottawa
GEO. HERRING..... Chief Superintendent of Air and Land Mail Services, Post Office Department.....	Ottawa

## OFFICERS

President.....	H. J. SYMINGTON, C.M.G., K.C., Montreal
Vice-President.....	W. F. ENGLISH, Winnipeg
Operations Manager.....	J. H. TUDHOPE, Winnipeg
Operations Superintendent—Central Division.....	F. M. MCGREGOR, Toronto
Operations Superintendent—Western Division.....	E. W. STULL, Lethbridge
Operations Superintendent—Atlantic Division.....	F. I. YOUNG, Moncton
Operations Superintendent—Canadian Government Trans-Atlantic Air Service	M. B. BARCLAY, Montreal
Superintendent of Flight Operations.....	B. A. RAWSON, Winnipeg
Superintendent of Maintenance and Engineering.....	J. T. BAIN, Winnipeg
Superintendent of Passenger Service.....	D. R. MACLAREN, Winnipeg
Superintendent of Communications and Electronic Development.....	S. S. STEVENS, Winnipeg
Superintendent of Cargo Service.....	E. T. HOWE, Winnipeg
Traffic Manager.....	W. J. DALBY, Winnipeg
Secretary.....	W. H. HOBBS, Montreal
Comptroller.....	T. H. COOPER, Montreal
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.....	G. E. BELLEROSE, Montreal
Chief Medical Officer.....	DR. K. E. DOWD, Montreal



On trans-continental flights, Trans-Canada's aircraft now fly over the Rockies six times a day.

## TRANS - CANADA AIR LINES

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Montreal, March 15, 1945.

To the Shareholders:

The Board of Directors submit the Annual Report of Trans-Canada Air Lines for the calendar year 1944.

In its seventh year of public service, Trans-Canada Air Lines continued to mature as an instrument of national development, while devoting its energies to the immediate requirements of a wartime economy. The period was one of intensive planning for a time when the Air Line will not only multiply its domestic services but also, as the sole Canadian agency designated by the Government to operate international air services, extend its operations beyond the Nation's frontiers.

At the British Commonwealth conference in Montreal and at the world conference in Chicago, where government representatives met to draft the future of world civil aviation, the Company participated directly within the frame-work of the Canadian delegations. It is still too early to assess the results of those discussions as they relate to T.C.A.'s activities, but the organization stands ready to accept whatever new responsibilities may be required of it.

Passenger, mail and express traffic was close to the capacity of the Air Line. There was a notable expansion in the Canadian Government Trans-Atlantic Air Service, an operation conducted by the Company for the primary purpose of transporting mail to and from Canada's Armed Forces overseas and of transporting essential and critical war materials. Work performed for the Royal Canadian Air Force and the British Overseas Airways Corporation was substantially increased during the year.

In July, flights were rerouted in the Maritime Provinces to bring main line operations closer to the New Brunswick cities of Fredericton and Saint John. A direct service was also provided between Halifax and Sydney, Nova Scotia.

Trans-Canada Air Lines intends to increase both transcontinental and inter-city schedules as rapidly as the availability of necessary personnel and equipment will permit.

A direct operation between Winnipeg and Edmonton waits only upon the installation of airport and airway facilities along this route. The shortening of the transcontinental line by flight across the Great Lakes awaits equipment and airway facilities.

Plans for international flight, other than the present trans-Atlantic service, are still tentative; but the West Indies, South America and the Pacific are areas of admitted interest to the Company. The newly agreed on T.C.A.-operated routes between Canada and the United States will be serviced as soon as war conditions permit, these lines being: Halifax-Boston, Toronto-Cleveland, Toronto-Chicago, Port Arthur-Duluth, Victoria-Seattle, and Whitehorse, Y.T.-Fairbanks, Alaska. The T.C.A.-operated route Toronto-New York has been in operation since 1941.

Following the decision of the Canadian Government to undertake the manufacture in Canada, of a Douglas DC-4 type of four-engined aircraft engineered to meet special requirements, Trans-Canada Air Lines, as the intended user of the equipment, has maintained close liaison with the manufacturer and its designers.

In 1944 the number of passengers carried increased by 12%, air express volume by 4% and air mail volume by .3%. The growth was not as great as in former years, but had the Company possessed the equipment and personnel, more traffic could have been handled.

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### RESULT OF OPERATIONS

	1944	1943
Operating Revenues.....	\$10,314,941	\$ 9,379,501
Operating Expenses.....	10,070,807	8,974,902
	\$ 244,134	\$ 404,599
Income Charges and Interest on Capital Invested.....	236,725	256,710
	\$ 7,409	\$ 147,889
Surplus .....		

Operating revenues totalled \$10,314,941, an increase of \$935,440 or 10% over the previous year. Passenger revenues increased \$243,168 or 6%; mail revenues increased \$286,588 or 8%; express revenues decreased \$3,848 or 1%; revenues from incidental services increased \$419,331 or 33%. The 1944 rate of compensation received from the Post Office Department for the carriage of air mail was 42.03 cents per plane mile flown, as compared with 42.90 cents in 1943, 45.57 cents in 1942, 48.16 cents in 1941 and 60 cents in 1940. Mail revenue contributed 37% of the total revenue, as compared with 37% in 1943, 44% in 1942, 53% in 1941 and 62% in 1940.

Operating expenses totalled \$10,070,807, an increase of \$1,095,905 or 12% over the preceding year. Principal factors here were the cost of additional traffic and services, increased cost of labour and materials, a major programme of aircraft and flight equipment overhaul, and development expenditures in preparation for expanding operations.

After the payment of interest on the Company's capital and other income charges the surplus for 1944 was \$7,409.

### ROUTES AND SERVICES

At December 31, 1944, Trans-Canada Air Lines (exclusive of the trans-Atlantic operation) was providing service—air mail, passenger and express—over routes totalling 5,299 miles between the Atlantic and the Pacific seaboard. This was an increase in route mileage of 396 miles as compared with December 31, 1943. The routes now operated are as follows:

	Miles
Halifax-Victoria (via Moncton and Toronto).....	3,303
Halifax-Sydney .....	201
Halifax-Blissville .....	172
Moncton-St. John's, Nfld.....	751
New York-Toronto.....	365
Toronto-Windsor.....	206
Lethbridge-Edmonton.....	301
	5,299

Daily scheduled miles flown amounted to 26,264 at December 31, 1944, as compared with 25,872 at the close of 1943, an increase of 392 miles. During the year, 10,034,805 miles were flown, as compared with 8,963,786 in 1943, an increase of 1,071,019 miles.

On July 1, one round flight that had previously moved between Montreal and Halifax via Moncton was rerouted to pass through Blissville, New Brunswick, an airport accessible by highway to both Saint John and Fredericton. This action was designed to bring main

line operations as close to the two cities as is at present possible. Neither yet possesses the airport facilities to permit local T.C.A. stops.

Also, on July 1, daily flights linking Halifax and Sydney were inaugurated.

#### **Atlantic Service**

With the provision of additional Canadian-built Lancaster aircraft in 1944, the Canadian Government Trans-Atlantic Air Service was able to accelerate its carriage of mail to and from the Armed Forces overseas and of priority passengers and freight. Over one million pounds of mail were carried during the year. To cope with the expanded schedules it was necessary to enlarge maintenance staff and facilities at the Montreal terminal and to increase the number of flight crews. A standard T.C.A. meal service was provided for passenger comfort. Over a direct route of approximately 3,000 miles between Montreal and Great Britain, operational frequency is three round trips weekly at present. More aircraft will enter the service and schedules will be further developed.

#### **Passenger Service**

Revenue passengers carried by Trans-Canada Air Lines, apart from the Atlantic service, numbered 156,884 in 1944, as compared with 140,276 in 1943, an increase of 16,608 or 12%. The average passenger journey was 538 miles, as compared with 560 miles in 1943.

Passenger revenue per revenue passenger was \$28.41 and per revenue passenger mile 5.28 cents, as compared with \$30.04 and 5.37 cents respectively in 1943.

#### **Air Mail Service**

The volume of air mail carried by Trans-Canada Air Lines in 1944, apart from the Atlantic service, was approximately the same as in 1943. During the year, 3,739,105 pounds of mail were moved as compared with 3,726,607 pounds in 1943. Mail revenue per pound mile was 1.08 mills, the same as in 1943.

#### **Air Express Service**

Pounds of air express carried increased from 821,606 in 1943 to 856,016 in 1944 but the average haul was shorter. The carriage of cargo by air continued to be vital to the Nation's war effort.

#### **Airway Facilities**

Despite wartime scarcity of labour and materials, the Department of Transport continued throughout 1944 to improve the runways, field facilities, airport lighting and navigational aids required for the safe and scheduled conduct of air operations.

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## PROPERTY AND EQUIPMENT

The Company's plant and equipment have been well maintained and are in good condition.

Flight equipment (exclusive of the Canadian Government aircraft used in Trans-Atlantic Service), as of December 31, 1944, consisted of:

Twelve Lockheed 14-08 aircraft, equipped with two Pratt and Whitney Twin-row Wasp engines, each of 1200 horsepower.

Fourteen Lockheed Lodestars, equipped with two Pratt and Whitney Twin-row Wasp engines, three of which were purchased in August.

A heavy programme of major overhauls was carried out in accordance with the Company's policy of keeping all T.C.A. aircraft at the height of operating efficiency.

New flight procedures were adopted after extensive surveys and studies with a view to reducing fuel consumption and prolonging the life of equipment.

With modification of the Lodestars' heating systems completed, a similar programme was extended to the 14-08 aircraft.

At Winnipeg the Company occupied a new building, a hangar and an office annex. These provided much-needed additional accommodation for the Company's operations headquarters.

An extension to the Moncton hangar, completed in 1944, doubled the floor space.

The first frequency-modulated radio circuit to be applied to commercial operations in Canada was installed by the Company between Vancouver and Victoria. Two-way voice contact is provided, with the simplest of operation and without static.

For the better servicing of passengers, T.C.A. ticket offices were established in Moncton, Lethbridge, Saint John and Sydney.

To effect an improvement in reservations service, the western reservations control office was moved from Winnipeg to Edmonton. The Atlantic reservations control office was transferred to new and enlarged Halifax premises.

## PERSONNEL

As of December 31, 1944, 263 male employees and 16 female employees of Trans-Canada Air Lines had enlisted in the Armed Forces. Of these, 14 had lost their lives.

Total personnel of the Company, as of December 31, 1944, was 2,790. Women comprised 33% of all employees engaged in the domestic services, as compared with 35% at the end of 1943. Thus, for the first time since the outbreak of war, the proportion of female employees showed a decrease. Women continue to perform with efficiency many duties within the Company, but they are being gradually replaced by men released from the Air Force and other services.

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As a result of its agreement with the R.C.A.F., the Company continued to receive Air Force flight personnel who had completed their tours of operational duty overseas. For these men, T.C.A. conducted six training classes during the year and thirty-eight pilots graduated and were posted to T.C.A. service. The programme will continue at an accelerated pace.

Instruction is also being carried on by T.C.A. of discharged Air Force personnel as radio operators, dispatchers, station and traffic agents and in other capacities.

### SPECIAL WAR ACTIVITIES

At Montreal, a large T.C.A. staff continued to maintain, service and convert the Liberator aircraft employed by British Overseas Airways Corporation on the North Atlantic Return Ferry Service, as well as the aircraft of the Canadian Government Trans-Atlantic Air Service. Increased frequency of operation by both of these services in 1944 made it necessary to procure and train additional personnel. There were 553 employees engaged in this work at Montreal at December 31, 1944, as compared with 286 at December 31, 1943.

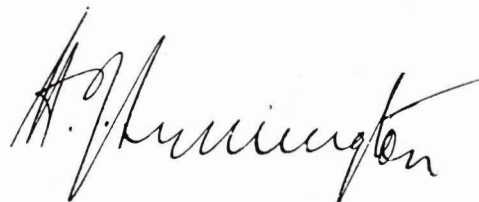
War contract work in the Winnipeg shops included overhaul of military aircraft, engines, propellers, instruments and accessories. With the close of the Commonwealth Air Training Plan this work has now been terminated.

T.C.A. facilities were, throughout the year, placed at the disposal of military aircraft in need of servicing. In particular, radio coverage, dispatch and station service were furnished for the operations of the R.C.A.F. Communication Squadrons.

### THE STAFF

The Directors again record their appreciation of the loyal and efficient services of the Company's officers and employees, who have made it possible for Trans-Canada Air Lines to continue its vital services to the nation at war. They record their pride in the devotion and battle achievements of the members of the staff in the fighting forces. To the families of those who have lost their lives in the service of their country they extend their deep sympathy.

For the Directors,



President.

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## BALANCE SHEET AT

ASSETS		
CURRENT ASSETS:		
Cash.....	\$ 666,554.64	
Working Fund Advances.....	14,202.41	
Special Deposits.....	522.50	
Accounts Receivable.....	1,337,083.28	
Traffic Balances Receivable.....	195,404.36	
Balances Receivable from Agents.....	47,136.58	
Material and Supplies.....	1,200,686.47	
Interest Receivable.....	11,250.00	
Other Current Assets.....	15,944.20	\$3,488,784.44
DEFERRED CHARGES:		
Prepayment—Rents.....	\$ 937.96	
Prepayment—Group Life Insurance.....	11,630.20	
Research and Development Expense.....	37,480.91	
Other Deferred Charges.....	9,835.02	59,884.09
INSURANCE FUND.....		881,798.00
INVESTMENTS:		
Investments—Dominion of Canada Bonds.....	\$ 749,062.50	
Investments in Affiliated Companies.....	2,761.00	751,823.50
CAPITAL ASSETS:		
Property and Equipment.....	\$6,661,488.25	
Less Accrued Depreciation.....	3,025,594.90	3,635,893.35
		<u>\$8,818,183.38</u>

## CERTIFICATE

We have examined the books and records of the Trans-Canada Air Lines for we certify that, in our opinion, the above Balance Sheet is properly drawn up so 31st. December, 1944, and that the relative Income Account for the year ended

15th. March, 1945.

31st. DECEMBER, 1944.

LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable.....	\$ 958,808.14	
Traffic Balances Payable.....	4,225.85	
Air Travel Plan Deposits.....	342,975.00	
Salaries and Wages.....	167,394.52	
Other Current Liabilities.....	153,068.74	\$1,626,472.25
RESERVES:		
Insurance.....	\$ 881,798.00	
Inventory.....	218,000.00	1,099,798.00
CAPITAL STOCK:		
Common Stock Subscribed—Par Value.....	\$5,000,000.00	
Less Uncalled Subscriptions to Common Stock.....	400,000.00	4,600,000.00
SURPLUS:		
Balance at 1st. January, 1944.....	\$1,484,503.84	
Surplus for Year 1944.....	7,409.29	1,491,913.13
		<u>\$8,818,183.38</u>

T. H. COOPER,  
Comptroller.

**OF AUDITORS**

the year ended the 31st. December, 1944, and subject to our report to Parliament, as to exhibit a true and correct view of the affairs of the Air Lines as at the 31st. December, 1944, is correctly stated.

GEORGE A. TOUCHE & CO.,  
Chartered Accountants.

## INCOME ACCOUNT

	1944	1943
GROSS REVENUE:		
Passenger.....	\$ 4,456,767.45	\$ 4,213,599.09
Mail.....	3,802,395.26	3,515,807.14
Express.....	326,236.18	330,084.12
Excess Baggage.....	50,279.72	60,078.97
Incidental Services.....	1,679,262.55	1,259,931.19
Total.....	<u>\$10,314,941.16</u>	<u>\$ 9,379,500.51</u>
OPERATING EXPENSES:		
Aircraft Operation, Maintenance and Depreciation.....	\$ 5,213,447.62	\$ 5,004,764.00
Ground Operation, Maintenance and Depreciation.....	2,872,546.79	2,520,600.75
Incidental Services.....	1,122,419.03	854,827.02
Traffic and General Administration.....	813,541.24	572,904.24
Tax Accruals.....	48,852.76	21,805.85
Total.....	<u>\$10,070,807.44</u>	<u>\$ 8,974,901.86</u>
Interest Income..... <i>Credit</i>	19,160.96	—
Income Charges.....	25,885.39	26,709.78
Interest on Capital Invested.....	230,000.00	230,000.00
Total.....	<u>\$10,307,531.87</u>	<u>\$ 9,231,611.64</u>
SURPLUS.....	<u>\$ 7,409.29</u>	<u>\$ 147,888.87</u>

## STATISTICAL DATA

	1944	1943
Route Mileage Operated.....	5,299	4,903
Plane Miles Flown—Revenue.....	9,110,474	8,254,819
Plane Miles Flown with Mail.....	9,046,866	8,194,962
Plane Miles Flown—Non-Revenue.....	924,331	708,967
Revenue Passengers Carried.....	156,884	140,276
Percentage of Passenger Occupancy.....	84	83
Average Passenger Journey—Miles.....	538	560
Air Mail Carried—Pounds.....	3,739,105	3,726,607
Express Carried—Pounds.....	856,016	821,606
Excess Baggage Carried—Pounds.....	261,731	292,600

Since the inception of operations the company has flown a total of 39,601,158 plane miles in revenue service and a total of 306,460,139 passenger miles.

### AIRCRAFT OPERATION, MAINTENANCE AND DEPRECIATION

	1944	1943
601 Flying Personnel.....	\$ 842,053.25	\$ 732,051.58
602 Flying Personnel Supplies & Expenses.....	118,001.67	117,196.18
603 Aircraft Engine Fuels.....	1,147,161.09	1,097,210.83
604 Aircraft Engine Oils.....	39,515.42	53,529.61
605 Passenger Supplies and Expenses.....	22,754.04	26,949.15
605 Passenger Meals (Aircraft).....	212,871.18	161,639.59
605 Passenger Interrupted Trip Expenses.....	42,668.79	39,298.17
607 Clearance Fees.....	18,567.35	15,201.76
608 Servicing—Labour and Supplies.....	561,972.60	473,700.88
611 Aircraft Repairs.....	642,842.33	417,337.79
612 Aircraft Propeller Repairs.....	44,185.64	32,473.16
613 Aircraft Instrument Repairs.....	2,097.10	90,683.62
614 Aircraft Engine Repairs.....	570,084.24	332,269.38
615 Aircraft Communication Equipment Repairs.....	49,932.73	50,025.04
616 Miscellaneous Flying Equipment Repairs.....	28,680.26	40,896.65
617 Flying Equipment Insurance.....	177,981.25	297,020.98
618 Liability and Compensation Insurance.....	105,879.83	140,629.30
620 Other Flying Expense.....	4,574.39	5,380.46
625 Aircraft—Depreciation.....	304,230.21	490,737.20
625 Propeller and Hub—Depreciation.....	29,016.17	49,104.86
626 Aircraft Engines—Depreciation.....	223,520.59	292,347.70
627 Aircraft Communication Equipment—Depreciation.....	23,715.46	47,911.55
628 Miscellaneous Flying Equipment—Depreciation.....	1,142.03	1,168.56
	\$5,213,447.62	\$5,004,764.00

### GROUND OPERATION, MAINTENANCE AND DEPRECIATION

631 Superintendence.....	\$ 315,021.66	\$ 225,225.97
632 Airport and Hangar Employees.....	812,191.97	559,794.23
633 Communication Operators.....	241,530.13	241,658.53
636 Travelling and Office Expenses.....	385,596.77	288,694.33
637 Light, Heat, Power and Water.....	79,718.62	67,313.88
638 Rent of Fields, Buildings and Offices.....	106,383.91	116,589.84
639 Rent and Expense of Motor Vehicles.....	24,419.43	23,265.64
641 Communication Equipment Repairs.....	59,270.29	48,789.64
643 Hangar Equipment Repairs, Supplies and Expenses.....	23,977.28	28,058.60
644 Shop Equipment—Repairs.....	39,325.80	20,828.15
645 Motor Vehicles—Repairs.....	29,345.89	22,112.59
647 Furniture, Fixtures and Office Equipment—Repairs.....	22,771.86	13,109.82
648 Miscellaneous Ground Equipment Repairs.....	10,093.69	6,529.09
649 Buildings and Other Improvements—Repairs.....	76,748.47	70,447.04
650 Shop Expenses—Indirect Labour and Material.....	189,792.83	107,098.52
651 Stores Expense.....	103,181.33	77,208.82
652 Stores Expense—Inventory Adjustments.....	7,138.65	230,717.52
653 Buildings, Material and Ground Equipment—Insurance.....	10,826.54	9,388.68
654 Ground Liability and Compensation Insurance.....	27,303.01	21,105.20
656 Other Ground Expenses.....	90,576.67	67,929.36
656 Express Expenses.....	121,080.37	123,433.21
660 Depreciation on Ground Facilities.....	110,528.92	151,302.09
	\$2,872,546.79	\$2,520,600.75

### INCIDENTAL SERVICES

	1944	1943
671 Buffet and Restaurant Service.....	\$ 9,896.33	\$ 10,378.00
672 Airport and Other Privileges.....	148.88	123.16
675 Fuel and Oil—Sales.....	110,267.73	90,013.88
676 Repairs and Service—Sales.....	1,002,106.09	754,311.98
	\$1,122,419.03	\$ 854,827.02

### TRAFFIC AND GENERAL ADMINISTRATION

681 Salaries and Wages—Traffic.....	\$ 234,306.67	\$ 156,679.30
682 Travelling and Office Expenses—Traffic.....	67,922.66	63,198.94
683 Rent of Traffic Offices.....	29,413.25	21,161.00
684 Agency Commissions.....	27,632.28	31,367.56
685 Advertising.....	64,285.69	71,542.63
687 Other Traffic Expenses.....	10,286.05	12,701.35
691 Salaries and Wages—General.....	155,851.34	115,678.07
692 Travelling and Office Expenses—General.....	27,249.66	21,463.21
693 Office Rentals—General.....	625.50	1,397.50
694 Administration Charges from Affiliated Companies.....	45,000.00	42,000.00
695 Pensions.....	133,220.14	26,041.77
696 Insurance.....	1,876.35	1,499.71
698 Other General Administration Expenses.....	15,871.65	8,173.20
	\$ 813,541.24	\$ 572,904.24

### GENERAL TAXES

699 General Taxes.....	\$ 48,852.76	\$ 21,805.85
	\$ 48,852.76	\$ 21,805.85











CANADA'S NATIONAL AIR SERVICE