McGregor talks about re-equipment

With the airline evidently in no hurry to make up its mind on selection of a short/medium range jet, TCA president G. R. McGregor teased his audience a little at the annual meeting of the Canadian Aeronautics and Space Institute last month.

McGregor was discussing the management of a hypothetical airline, and while he did not mention TCA, he indicated that he was talking about the national carrier's need for a smaller jet that would enable reduction of the fleet to two basic types. He continued: "A good decision as to aircraft type could, by the late 1960's put the airline in an enviable position. A bad decision could be little short of ruinous, where the ultimate requirement for a new aircraft type in a two-type fleet could well be as many as 50 airplanes."

Admitting that such matters as national labor content must be weighed in the balance, the TCA president said that the ultimate decision must be based upon the answer to the question: "Which type best meets the airline's long term requirements?" And no honest management dare base its decision on any other premise, McGregor said.

Rejuvenated Moth for museum

de Havilland plant over 30 years ago. The Moth (G-CAUA) was handed over to museum curator Ken Molson at Downsview last month by Carl Burke and P. G. Garratt, managing director of DHC.

G-CAUA was the 15th aircraft to be completed by the Canadian de Havilland Company in 1928 and was delivered to International Airways Limited at a cost of about $3,000. Ownership was transferred to Mr. Burke in 1933.

From 1962 annual reports

Sales in 1962 were a record post World War II high for **de Havilland Aircraft of Canada Ltd.** Year saw acquisition of Avro Aircraft and Canadian Applied Research, with assets of more than $13.5 million, for cash. Retained earnings at year-end amounted to $6,-355,796.

Gross revenues of **TransAir Ltd.,** Winnipeg, were an all-time high of $5,-239,414, exceeding those of previous year by almost 25%. Net profit was $192,780, more than 75% better than the 1961 figure. A large proportion of the cash earnings of $674,678 was utilized in purchase of additional assets, and as company does not anticipate the need for major outlays in 1963, a further substantial improvement in working capital position is anticipated.

Accounts of **Hawker Siddeley Canada Ltd.,** Toronto, showed a net profit of $1,366,973, compared to net loss of $3,-663,222 for 1961. Significance of trend is shown by comparison of the earnings of $3,114,479 before allowing for taxes and minority interests, compared to similarly defined incurred loss of $3,-710,233 the previous year. Emphasis is on swing from military business to general industrial products. Improvement in financial position has been made without significant increase in total sales; was achieved mainly through measures within the company.

A loss of $317,480 was recorded on the year's operations by **Pacific Western Airlines Ltd.,** Vancouver, compared with a profit of $10,393 for 1961. Gross revenues were down slightly at $5,898,056 ($6,796,145 in 1961), and expenses down to $5,527,659, compared with $6,100,-377. West coast Mainline revenues showed an increase of more than 7% following the introduction of DC-4 aircraft. Freight revenues on the line increased 12.7%.

Despite an operating profit of over $362,000, before depreciation and interest charges, **Okanagan Helicopters Ltd.,** Vancouver, registered a net loss of $171,000, compared to a net profit of $90,000 in 1961. Principal reason for result was a reduction in revenue of $578,000, mainly due to the loss of the Mid Canada Line contract. Operating expenses were reduced by $340,000 and further action has been taken, results of which will be apparent this year. Okanagan's Sikorsky S-62 helicopter was returned to the manufacturer early last year, following loss of the Mid Canada contract.

Trans-Canada Air Lines reported a loss of $3,540,625, compared to the deficit of $6,450,082 in 1961. This was the third consecutive deficit following nine consecutive surpluses beginning 1951. President G. R. McGregor said there was a continuing shift to economy travel, a slackening of the rate of traffic growth and lower load factors (average passenger 60.2%). However, he forecast improvement in the economic health of the air transportation industry while cautioning against problems of excessive capacity and uneconomic competition. He expected TCA would return to a profit position in the current year.

Transport

EPA takes over MCA

Eastern Provincial Airways Ltd., Gander, Newfoundland, has purchased Maritime Central Airways, Moncton, N.B., but it is expected it will take several months to integrate the two airlines.

Details of the takeover have not been made public but the purchase price is quoted at several million dollars. This makes Eastern Provincial the fifth largest airline in Canada. It will be listed as one of the main scheduled airlines in the ATB's statistical reports.

EPA started as a one-plane company in 1949 (see "EPA-Ambitious airline going places", Canadian Aviation, August, 1962). It operated from St. John's, moving its headquarters to Gander in 1954. Prior to the purchase of MCA, the staff numbered just over 200 employees.

Under the new setup there will be virtually no elimination of routes. EPA will carry on its Newfoundland routes plus the former MCA routes, except where there is duplication. It is not yet decided whether the MCA portion of the operation should retain its name.

There will be no change in the EPA management personnel and MCA employees will be absorbed by EPA. No top management from Moncton will be moved to Gander immediately.

TCA gets fare advantage

For a brief period TCA was offering the lowest trans-Atlantic fare of any carrier in the world last month, but company officials expressed little joy over the situation. They were somewhat embarrassed at being caught in the fares hassle between IATA and the governments of Britain, the U. S. and Canada.

Canadian and U. S. governments refused to ratify a generally approved IATA fare increase occasioned by the reduction of the round trip discount from 10% to 5%. As a result American carriers were threatened with suspension of service into Britain if they continued to charge the old lower rate, and conformed — reluctantly. But Canada's carrier was protected by a clause in the bilateral agreement and was able to continue service. BOAC tickets, sold by TCA in Canada, were also available at the cheap rate, but at press time it was expected that the anomaly would be cleared up quickly.

Boost for One Eleven

Increased power rating of the Rolls-Royce Spey engine has resulted in new