

**LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
5TH COUNCIL, 30TH SESSION**

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NORTHWEST TERRITORIES

TABLED DOCUMENT NO. 4

The attached brief regarding Pacific Western Airlines Mackenzie river services prepared by PWA is tabled. This brief is addressed to the Commissioner of the N.W.T.

PACIFIC WESTERN AIRLINES

Head Office: Vancouver Airport, Canada.

June 3, 1965.

The Commissioner,
Council of the Northwest Territories,
Kert Building,
Ottawa, Ontario.

Dear Sir:

It has been our privilege recently to peruse the transcript of the First Session 1965 of the Council of the Northwest Territories which commenced February 8, 1965.

In our perusal we were surprised and distressed at the comments attributed to Mr. Forritt, the Councillor for Mackenzie River area. We noted with interest the Council's request to the Air Transport Board for a hearing on the matter. We advised the Board that Pacific Western would welcome such a hearing and the opportunity to defend ourselves publicly from the charges made in Council.

As it would now appear that an Air Transport Board hearing in the near future is most unlikely we beg Council's indulgence to permit us to submit a short brief tracing the history of our operations in the Mackenzie area. We hope to demonstrate that in the years we have been operating the Mackenzie Service Pacific Western has invested heavily in the North, has improved air service to most of the Northerly points, has reduced freight rates despite generally rising costs, and has been a good citizen of the Northwest Territories.

It would be appreciated if you could see fit to distribute copies of the brief to Council, and should Council wish to discuss the matter with a representative of the Company in person, we will be most happy to attend your deliberations at your convenience.

Yours truly,

PACIFIC WESTERN AIRLINES LTD.

R.H. Laidman,
President & General Manager.

PACIFIC WESTERN AIRLINES LTD.
MCKENZIE RIVER SERVICES

In July 1959 Pacific Western Airlines first commenced service from Edmonton to the Mackenzie River District of the Northwest Territories. Service was conducted with equipment purchased from our predecessor company, Canadian Pacific Air Lines. Our initial investment in the service was in excess of one million dollars which covered the purchase of five Curtiss C46 twin engine, 36 passenger aircraft plus buildings and ground facilities.

The service as then scheduled provided for two trips per week to Norman Wells and Inuvik; seven trips per week through Fort Smith; seven to Yellowknife; and two trips per week to Hay River. Scheduled flying time between Edmonton and Inuvik was eight hours; Edmonton and Yellowknife was 5-1/2 hours; and Edmonton and Hay River 4 hours. Passenger fares from Edmonton to Inuvik were \$135.00; to Yellowknife \$53.00; and to Hay River \$46.00. Freight rates from Edmonton to Inuvik were \$60.00/C; to Yellowknife \$14.97/C; and to Hay River \$14.97/C. The service pattern, rates and fares were adopted in toto from our predecessor company.

Since commencing the service Pacific Western introduced four engine DC4 aircraft to it in 1960, and four engine, pressurized DC6B aircraft in 1963. Our investment in two DC4 and two DC6B aircraft exceeded \$1,500,000. The service as now scheduled provides for three weekly DC6B trips to Norman Wells and Inuvik; eight trips through Fort Smith; six trips weekly to Yellowknife; and five weekly to Hay River. In addition Hay River and Yellowknife are linked by Beechcraft service three times a week. Flight times have been improved with the faster aircraft so that Edmonton - Inuvik is now scheduled at just over seven hours; Edmonton - Yellowknife at 3-1/2 hours; and Edmonton - Hay River at 3-1/2 hours. Passenger fares have increased very slightly but freight rates have been reduced considerably. The 3000# lot freight rate to Inuvik is now \$25.00/C; to Yellowknife \$12.00/C; and to Hay River \$11.40/C.

Throughout this period, our efforts to improve service, to reduce rates and to introduce larger, faster, more efficient equipment have been hampered by inadequate landing strips at many of the centers we serve. Hay River is a prime example. During the summer months a rain squall will render Hay River airport unserviceable for all but very light aircraft. The possibility of airport unserviceabilities at Hay River, Fort Simpson and Wrigley led to the establishment of the much disliked DC3 shuttle service from Fort Smith. It is only because of the availability of Pine Point airport as an alternate and the Hay River - Pine Point highway that we are now able to schedule DC4 equipment to Hay River direct from Edmonton five days a week.

It is most encouraging to Pacific Western to note that the Department of Transport is now engaged in plans for airport improvement at Hay River. We are hopeful that this will be the commencement of a program of airport improvement at most of the centers in the Mackenzie area.

Pacific Western has also been severely criticized for the free baggage allowance and the rates charged on excess baggage. It is true that prior to this year the excess baggage rate was higher than most air carriers. This punitive rate was introduced at the time when Pacific Western was operating C46 aircraft and load limits were critical. We could not accommodate excess baggage without offloading an equal weight of freight previously loaded. The excess baggage rate was imposed to encourage passengers to ship the excess as air freight and was at least partially successful in meeting its objective. With the addition of the second DC6B aircraft last Fall this requirement was lessened

and the excess baggage rate was dropped to the 1/2 of 1% of passenger fare common in the air transport industry. The forty pound free baggage allowance permitted by Pacific Western is the same as scheduled air carriers on domestic service in North America other than Air Canada and Canadian Pacific. Because of trans-continental competition only between these two airlines, their allowance is four pounds greater than the standard. The forty pound allowance we have adopted is also designed to permit carriage of more air freight on each flight - a matter of considerable importance to Northern merchants.

Pacific Western has not confined its efforts to improving service only along the Mackenzie River route. In 1961 four engine DC4 service was introduced to Cambridge Bay and freight rates for volume shipments were again drastically reduced. In 1962 a combined truck-air program of freighting onto a landing strip on the ice at Coppermine was pioneered. That year 80 tons of freight were moved in this manner. This Spring over 600 tons were freighted into such communities as Coppermine, Cambridge Bay, Spence Bay, Pelly Bay, Gjoa Haven, and Holman Island. This increase is a result of low rates and early delivery permitting construction during summer rather than Fall and Winter months.

In addition to these services Pacific Western still maintains charter service from six bases throughout this area. During the past ten years this facet of our operations was upgraded from semi-obsolete aircraft such as Barkley Grow, Norseman and Bellanca to Beaver, Otter and twin Beechcraft. Our company designed, installed, and proved successful a cabin water tank for Otter aircraft engaged in forest fire bombing. Our investment in aircraft and base facilities for this service in the Northwest Territories exceeds \$750,000.

As an active company in the Northwest Territories, Pacific Western has over 30 employees based and living at various locations in the Territories. In addition numerous subcontractors and part time agents (including Indians and Eskimos) are in our employ. Our payroll in the Territories exceeded \$300,000 in 1964. We paid another \$300,000 to cover our expenses at the bases we maintain there. Local taxes paid amounted to \$8,500; taxes on fuel were \$15,000; and airport fees and taxes another \$15,000.

In addition to these normal business expenses, Pacific Western supports various recreational projects throughout the North, including curling, basketball, boxing, baseball, and such cultural projects as band tours and concerts.

We at Pacific Western believe that during the past five years we have done much to improve service and to lower rates to residents of the areas we serve. We have been a conscientious member of each community, assisting in community projects where we can. We have attempted to grow with the growth of the Territories and trust we will be able to continue that growth - and to perform efficiently the services required of us.

June 2, 1965.