

The Corporation had obtained from the New Zealand Government and other sources a number of Dakota, Lodestar, Electra, and Dominic aircraft released mainly from Service use and proceeded to have as many as thought necessary converted to modern standards of passenger comfort, with the result that a fleet was built up sufficient to provide a reasonable service to meet the estimated requirements.

At that period it was clear there would be no suitable British post-war type of aircraft available for some years, and that is still the position in mid-1949. It was therefore a question of meeting an existing demand for air transport with the assistance of the aircraft available locally converted, or confining operations on very restricted time-tables to the more lucrative trunk routes. An expansion policy based upon these factors was decided upon by the Board. The Board realized that in the development period the Corporation would be faced with the undesirable operation of several types of aircraft—many uneconomical—for the reasons that modern and proved British aircraft would not be obtainable and also that varying operational restrictions on the aerodromes would in any case necessitate the use of several types of aircraft.

Rongotai, constituting as it did a highly convenient aerodrome for not only the capital city but the most up-to-date air-linking centre in the Dominion, had enabled the Corporation to develop with the aircraft available a very well patronized service across the Cook Strait running consistently into over 95 per cent. capacity. The central position of this aerodrome within a short travelling-time from the city also had a very far-reaching effect on the traffic to all parts of the Dominion, due to the time saved in journeys in comparison with other forms of transport. Coupled with the use of Mangere, at Auckland, ground travelling-time in relation to flying-time between the two main and largest cities was exceedingly attractive to the Corporation's interests.

The tangible result of these conditions was indicated in an increase in the paying passengers carried on all the Corporation's internal services from 80,807 in 1946-47 to 147,253 in 1947-48, with a passenger load factor of 83.1 per cent. in the latter year. It was reasonable to assume that if the factors remained constant the Dominion network of services established during the year under review would have been regarded as meeting the commercial air requirements of the Dominion. As already indicated, however, certain limiting aspects were also apparent—viz., the use of so many types of aircraft, the consequent uneconomic duplication of ground maintenance, the expensive replacement of parts, and also aerodrome restrictions, referred to later—and even with the existing advantageous conditions it would have been difficult during the interim and development period to provide at a working profit the services demanded by the public. This was referred to in the last annual report.

It could not be foreseen, however, that the position would decline to the considerable degree experienced last year. From being barely able to break even for the year ended 31st March, 1948, the Corporation's financial results steeply deteriorated during the middle period of the year. A reverse of such magnitude could only be accounted for by some major cause or a combination of adverse factors which, although apparent, were not easy of solution. Whilst the total number of paying passengers carried rose to 174,800, an increase of 18.73 per cent. over the previous year, the passenger load factor dropped from 83.1 per cent. to 79.59 per cent. Against the increase of 18.73 per cent. in the number of passengers carried there was an increase of 36.89 per cent. in the passenger-miles created.

Most far-reaching in effect of the Corporation's business was the transfer from Rongotai and Mangere aerodromes to Paraparaumu and Whenuapai respectively. The Cook Strait services, built up to such a successful degree mainly due to the proximity of Rongotai to Wellington City, deteriorated sharply as may be gauged from the following figures showing passengers carried:

		1947.	1948.
Blenheim to and from Rongotai		25,557	15,647
Nelson to and from Rongotai		17,562	15,700