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## **Captain Michael Gitt Papers - Colonial Airlines Annual Reports 1946, 1948, 1953, 1954**

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[[image - photograph of Bermuda waterfront]]  
[[caption]] BERMUDA [[/caption]]

In 1954 we carried 43,368 Bermuda passengers. This was well above the traffic for 1951 and 1952, but was considerably below the 51,893 passengers carried in 1953, a record Bermuda year for Colonial, in which we carried 34,320 passengers during the six-month period April through September.

During the year we were successful in obtaining approval of certain fare increases on our Domestic and International routes. The Bermuda increase was effective April 1, 1954 and the Domestic increases were effective later in the year.

#### STATUS OF AIR MAIL PAY

On June 1, 1954 Colonial petitioned the Civil Aeronautics Board for higher mail pay required to offset our increasing costs, including the cost of an Employee's Retirement Plan, which was necessary in order to give Colonial's employees the same benefits as all of the other employees in the airline industry have been enjoying.

At the time Colonial applied for an increase in its Domestic mail pay, the Civil Aeronautics Board extended our petition to include consideration of the permanent rates on the International route, so that since June 1, 1954, the company has been operating on temporary rates. We are very hopeful that the Board will take favorable action on this petition in the near future.

Domestic mail pay for 1954 amounted to \$577,000 compared with \$596,000 in 1953. These figures include subsidy payments of \$466,000 and \$480,000, respectively. Under the formula established by the Civil Aeronautics Board in 1952, for the calculation of our Domestic mail pay, we have been able to substantially reduce our subsidy by \$375,000 in 1954 and \$356,000 in 1953. The reason for this is that under the operation of the formula, as our load factors increase, our mail pay need diminishes and we were able to effect substantial reductions in our mail pay because through extensive effort, we achieved high load factors in both years.

#### ROUTE EXTENSION

Colonial's application for a new route from New York to Chicago was consolidated into the New York-Chicago Case by the Civil Aeronautics Board. The Examiner has completed the hearings but has made no finding or recommendation in this case.

Your company believes that it made a good showing before the Examiner of the Civil Aeronautics Board, since the proof indicated that, if granted the route, Colonial would be able to operate profitably without air mail subsidy.

The Civil Aeronautics Board has also scheduled for hearing Colonial's original application of August 1947 and subsequent applications of other airlines for a New York-Miami route.



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