

# Colonial Air Transport Inc.

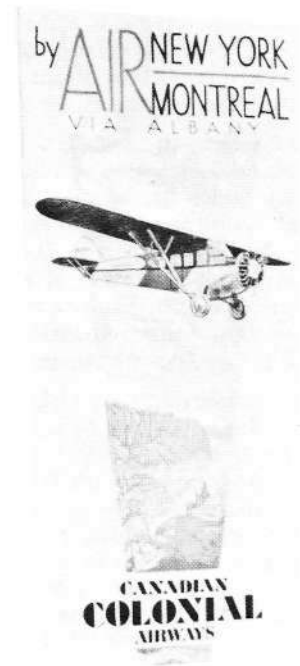
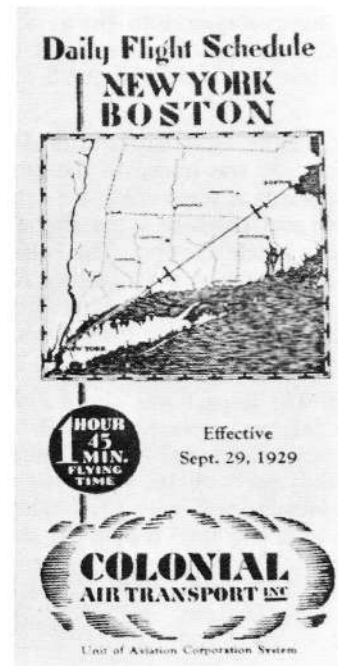
By ALBERT A. LeSHANE

## PART 2

### 1929-BRIGHT PROSPECTS

The year 1929 started off with bright prospects for Colonial Airways and its subsidiaries. An important achievement was the installation of radio equipment at Hartford's Brainard Field to determine to what extent radio navigation aids could be adopted. The equipment, installed by RCA engineers, consisted of a radio beacon rather than the radio beam which had been used earlier for radio navigation.

A second milestone was the opening of Newark Municipal Airport on February 17th thereby displacing Hadley Field, used as the New York terminal up to that time. The new airport offered more convenient access to New York City and the important industrial centers in the New York metropolitan area, and provided modern facilities built by the airlines, the municipality, and the Department of Commerce.



A major tragedy came in March. Colonial Western's sightseeing Ford Trimotor met disaster in a crash that was labeled at the time "the worst accident in the history of heavier-than-air aeronautics in this country." The pilot, Lou Foote, was the only survivor of the 15 persons aboard. He took off from Newark Airport for the final sightseeing flight of a Sunday afternoon. At about 500 feet the left engine quit, then the center engine. The Trimotor crashed into a railroad gravel car and was cut in half.

During a subsequent trial to affix damages, in 1931, much expert opinion was voiced concerning the safety of trimotor aircraft. Hustis I. Wells, a regular Colonial pilot testified that a trimotor is not safe to turn under 1000 feet; Clarence Chamberlin stated that "trimotors are not nearly as safe as single-engine airplanes," a testimony that was ordered stricken from the record. Berndt Balchen, on the other hand, testified that he had safely taken off in a similar airplane, Byrd's 4-AT-15 at a gross weight of 14,500

Fokker Universal of Canadian Colonial Airways.

(James J. Sloan Collection)



pounds, some 5000 pounds heavier than the Colonial airplane that had crashed. (The rated gross weight of the 220-hp Whirlwind-powered 4-AT-B was 10,000 lbs.) In the litigation that followed the trial, about \$160,000 was awarded to eight surviving relatives of crash victims.<sup>20</sup>

Colonial began publishing its own monthly house organ, the *Colonial Airnews*, in April 1929, an attractive four-page typeset newsletter containing descriptions and pictures of current happenings within the Colonial Airways system. The May 1929 issue reported on a minor crisis attending the christening of new Ford 5-AT-B Trimotors being introduced into service. It seems that somebody discovered that Saturday, the day set for the ceremony, fell on April 13th. Because of traditional superstitions surrounding the number 13, it was decided that the next best thing would be to hold the rites on Sunday the 14th. And then came the question of whether or not it was proper to hold this kind of christening on Sunday. Wilson Lloyd, so the rumor goes, hastened to the phone and the best minds of the Cunard, French, and White Star lines were called into conference. Had they ever heard of a Sunday christening? Away they went to the records and emerged to report: "Sunday christenings will go. So far as ocean liners are concerned there is no prejudice against christening one on the thirteenth of the month. But one precaution is always taken in the naming and launching of liners: no such ceremony is ever held on Friday, for Friday is the illest omen of days, much more to be feared than the thirteenth."

Colonial Air Transport opened full-scale passenger service between New York and Boston in April, utilizing, for the first time, modern equipment designed to provide more than the previous experimental service. These were new 14-passenger Ford 5-AT-B Trimotors. Two round trips left Boston at 10:30 a.m. and 4:30 p.m. daily, covering the 202-mile trip in 1 hr. 45 min. Based on an assumed half-hour for airport access on each end of the trip, the service provided city center-to-city center travel in less than three hours. Tickets were placed on sale at hotel and clubs in both New York and Boston, and a bus service connecting the downtown area and the airports was provided. The bus terminal in Boston was at the Hotel Statler, and in New York at the Hotel Pennsylvania.

In addition to two pilots, a steward was on duty in each airplane. Bouillon was served on the morning trip, and tea and coffee were offered on the afternoon runs. The aircraft were equipped with washrooms, writing desks, books, magazines, and maps of the route. Radio equipment was installed to receive storm warnings and other weather reports. In short, commercial aviation had come of age with the availability of the Ford Trimotor, with passenger amenities which, though crude at first, were to become standard operating procedure from then on.

Colonial had also ordered six Sikorsky S-38B amphibians for its projected Buffalo-to-Montreal service in March. These aircraft cost more than \$350,000 and together with the three Ford Trimotors, at \$200,000, and two six-passenger Fairchild's, at \$50,000, brought Colonial's new equipment purchases in the Spring of 1929 to more than \$600,000.

While the New York-to-Boston route had been "fully lighted" for some time, it had one bad 25-mile stretch of hilly country between Tolland, Conn. and Dudley, Mass. Four additional rotating beacons were installed in early 1929, and a petition was prepared for an emergency landing field near Stafford Springs, Conn.

A subtle change in commercial aviation was taking place in early 1929, noticeable to the researcher poring through period publications. Whereas up to this time, commercial aviation had been developed by a series of small and not-so-small individual airline companies, the formation of holding companies began to give commercial aviation a big-business appearance. The first of these large holding companies, formed in December, 1928, was United Aircraft & Transport Corp. organized under the leadership of

Frederich B. Rentschler, president of Pratt & Whitney Aircraft. This joined his company with Boeing Air Transport and Pacific Airways, and later picked up Stout, Varney, and National Air Transport. The second was The Aviation Corporation, of Delaware, (later AVCO) which formed in March 1929 with W.A. Harriman as chairman. Into this holding company went Universal Aviation Corp., which had already absorbed Robertson, Braniff, Continental, Northern, and Central. It later acquired Southern Air Transport, Interstate Airlines, Embry Riddle, and Fairchild Aviation Corp.

In late May, with 76% of its stockholders in accord, the Colonial Airways System, which included Colonial Air Transport, Inc., Colonial Western Airways, Inc., and Canadian Colonial Airways, Inc., came under the control of The Aviation Corporation. Maj. Gen. John F. O'Ryan continued as president of Colonial and was named a vice-president of The Aviation Corporation. At the time it was absorbed by The Aviation Corporation, the Colonial System was capitalized at \$5,000,000 and conducted operations over 967 miles of airways.<sup>21</sup>

The first discount air fare was offered by Colonial Air Transport in early May when it instituted commutation tickets for air travel between Boston and New York. Commuters were offered a 50-trip ticket at a rate of \$17.43 per trip, just half the single one-way fare which had climbed to \$34.85; and a ten-trip ticket at \$27.88 per trip, a reduction of 20% from the regular single fare. The first one was purchased by the Jordan Marsh Company, a leading department store in Boston. The innovation was reported by Sumner Sewall, Colonial's traffic manager, to have been met with great success since a deluge of requests for tickets was received from various New England and New York firms indicating that the scheme would go a long way toward stimulating the flow of air passenger traffic.<sup>22</sup>

Following the delivery in late May of the first of a fleet of six Sikorsky S-38B amphibians, the Buffalo-to-Toronto air service was inaugurated on July 15th. It was a passenger and express service, primarily, not an official route of the U.S. postal service, although mail was flown on the first day of service. Flight time between the two cities was 45 minutes and was offered on a twice-per-day schedule, leaving Buffalo at 9:50 a.m. and 5 p.m. and returning from Toronto at 11:15 a.m. and 6:30 p.m. The landing at Buffalo was at the foot of Georgia St., and, in Toronto, at the foot of Scott St. The one-way fare between the two cities was \$17.50, with a round-trip ticket good for 30 days at \$30.00. Ten-trip commutation tickets, good for one year, were available at \$14.00 per trip. In the first month of operation, 131 passengers were carried.

Expansion of its home base at Newark Municipal Airport took place in June when Colonial leased another 200,000 sq. ft. for construction of a \$95,000 Union Air Station. Tentative plans were also made, in an arrangement between Colonial and the Keystone Aircraft Corp., for the use of a Keystone "Patrician" on the Boston-to-New York route. The Patrician was a large, three-engined, 18-passenger transport having some features in common with the Keystone bomber. The Patrician was only used on an experimental basis on the New York-to-Boston route and the company chose to expand its fleet of Ford Trimotors.

Passenger service was achieved by an increasingly elaborate staff of employees. It was estimated that some thirty men were employed in connection with every flight between New York and Boston. Only twelve came into actual contact with the passengers, but probably 18 others performed vital functions in the background. Four men directed the passengers and handled tickets; two bus drivers took them to and from the airports; eight mechanics under the supervision of a field engineer checked, tuned, and fueled the engines, after which a chief pilot and two men with signal flags gave the actual order for takeoff. In the meantime, weather reports were being received from nine men

stationed along the route. Finally, a steward took care of the wants of the passengers while a pilot and co-pilot flew the airplane.<sup>23</sup>

Colonial also branched out of the airline business into an affiliate, Colonial Flying Service, Inc., designed to broaden the activities by operating flying schools, doing air taxi work, and offering charter and photographic services as well as selling aircraft as a distributor for various manufacturers. A first order of business was to order 50 airplanes from the Fairchild Airplane Manufacturing Corp. of Farmingdale, L.I., a recent acquisition of The Aviation Corporation.<sup>24</sup> The \$400,000 order included five Wasp-powered Fairchild 71's, twelve Whirlwind-powered cabin monoplanes, and 33 sport and training planes. Fifty Model I's were ordered in June from the Fleet Aircraft Corporation of Buffalo for a total of \$275,000, at that time, the largest Fleet order and the largest commercial plane order in Buffalo's history.<sup>25</sup> These were to be used by student pilots registered with the Colonial Flying Service at flight schools in Buffalo, Schenectady, and Utica as well as at instruction bases to be subsequently established by the flying service.

A major goal of the flying service was to develop transport pilots based on the company's realization of "the absolute necessity of developing a pilot who would combine the best features of the navigator of a steamship and the crack engineer of a railroad while retaining the spirit which prompts young men to enter the world of aviation." Colonial thus became the first airline to gain the prospect of having its aircraft flown by men trained under the company's own supervision. The director of schools for the Colonial Flying Service was Maj. Charles H. Wooley, formerly a WWI pilot of the 95th Aero Squadron, U.S.A.S. Its conspicuous feature was uniformity of instruction through all phases of the curriculum under the direct supervision of an instructor, implemented by Frank Little, one of the company's original airmail pilots.

Following ground instruction, students began their flight training in an open cockpit biplane and then advanced to the Pitcairn mail plane, and then to a Fairchild cabin monoplane used by Colonial in its regular mail service. If the student elected to continue on to qualify as a passenger transport pilot, for Colonial or another line, he would move to a post-graduate course in multi-engine airplanes such as the Sikorsky S-38 and Ford Trimotor, after having obtained a Department of Commerce transport license. The cost began at \$525 for a Private Pilot's License and increased, through an intermediate Limited Commercial License, to \$4500 for the Transport Pilot's License which required 115 hours of ground instruction and 200 hours of flying. Finally, the post-graduate course required 200 hours of ground work plus 500 hours in the air.<sup>26</sup>

The Ford Trimotor lost by Colonial Western in what was then described as "the worst accident" in a crash at Newark on March 17, 1929. It was a model 4-AT, c/n 41, NC76683.

(Photo - R.C.A.F., courtesy of William T. Larkins)

The L. and H. Aircraft Corporation announced its intention to merge with Colonial Flying Service in July. It was a flying service located in Hartford, Conn., incorporated in December 1927, and one of its directors was Harris Whittemore, Jr., one of the founders of Colonial in 1925. In the merger, the L. and H. Company kept its own officers and identity, but its pilots became instructors under the Colonial label. Its operation manager, Lt. Carl A. Dixon, and its chief pilot, Lt. Charles L. Wright, already were reserve pilots for the Colonial New York-to-Boston airmail route.

An innovation in parcel express service was inaugurated in New York under an agreement between the Colonial Airways System and the Western Union Telegraph Co. The service was intended to make possible a four-hour hand-to-hand parcel service between New York and Boston. A flat rate of \$5.00 was charged for transmittal of a package, with a maximum weight limit of 5 pounds. The Western Union service superseded a similar, but more restrictive, service which Colonial had been operating with the Railway Express Agency since 1927, but was considered a trial which, if successful, would be extended to other Colonial routes and to other carriers within The Aviation Corporation, including Universal Airlines, Interstate Airlines, Southern Air Transport, and Embry Riddle.

In another innovation, the Scully-Walton Ambulance Company and Colonial Flying Service organized the first airplane ambulance service in the U.S. in October, providing day and night service between New York and any point having an adequate landing field. Colonial's Fairchilds, Sikorsky amphibians, and Ford Trimotors were put at the disposal of Scully-Walton. It was intended that the service would be virtually national in scope, with Scully-Walton ambulance services available in 17 cities in states ranging from Massachusetts to Florida and as far west as Oklahoma.

In September 1929, the First National Air Traffic Conference of the Aeronautical Chamber of Commerce of America was called by its president Frederick B. Rentschler. Several days of conferences at Kansas City saw all phases of the air transport industry discussed at great length. Ten committees had earlier been assigned to consider and report on problems in areas ranging from Airports to Ticket Sales. This latter committee was chaired by Miss Amelia Earhart, Assistant General Traffic Manager for T.A.T. John F. O'Ryan, Colonial Airways' president, chaired the session at which these reports were given. Sumner Sewall, Colonial's general traffic manager, reported on the success of the airline's commuter ticket plan, stating that apprehension that the plan would undermine the regular fare structure was unfounded.



Rather, satisfied holders of commutation tickets represented the line's best salesmen in selling one-trip tickets to their associates and friends. About 11% of gross profits came from commuter tickets and, on 99% of the flights, commuters represented the last 30% of available space which might have been unfilled. At that time, some three months after the inauguration of the commuter service, Colonial had 570 commuter trips standing on the books.

Colonial's Boston-to-New York passenger traffic had shown a marked increase since its beginning on April 15th of that year 1929. During its first thirty days, it had 512 passengers, and in the most recent 30-day period the passenger load was some 55% greater. At the peak of the summer traffic, 812 passengers were carried in the three-day period August 15/17th, and in its first five months of service, 3255 passengers were carried. For the entire year, Colonial flew 118,375 of 134,508 scheduled route miles on CAM 1 and carried 116,176 lbs. of mail for \$348,483 in compensation. On CAM 20, Colonial Western flew 323,732 of 355,221 scheduled route miles and carried 102,099 lbs. of mail for \$113,314 in compensation. Canadian Colonial Airways also rounded out its first year of service on October 1st. For the first eleven months of operation, 135,718 lbs. of mail had been carried over some 201,733 route miles by only three pilots and a division superintendent, using Fairchild monoplanes exclusively. Its peak load was in October when 15,178 lbs. was carried.

Mail operations over the nation's airways had become profitable to the extent that the Post Office Department was trying to enforce drastic cuts in the rates of compensation to be written into new contracts which, at the end of 1929, were coming up for renewal. Because profits varied remarkably, each airline was being individually considered, with varying rate reductions contemplated. While most airlines were willing to accept the relatively small cuts being imposed, but Western Air Express and Colonial Airways objected to proposed cuts from \$3.00 per pound to \$0.93 and \$1.42, respectively.

On the other hand, Postmaster General Brown indicated that the 1929 airmail deficit amounted to some \$3 million, a result of about \$14 million in compensation to operators as against \$11 million income from airmail postage. Aside from the operator's deficit, the Government was spending some \$27 million per year to further commercial flying in the way of new landing fields and navigation aids.

#### 1930-A NEW ERA

At the beginning of the year 1930 the Boston-to-New York passenger service was so successful that Colonial Air Transport announced a 37% fare reduction, from \$27.88 to \$17.43, effective January 22nd. The stimulant was spectacular; business doubled in the first week after the fare reduction. New safety features on the Ford Trimotors, in the form of two-way radios, were being installed. The planes were fitted with a receiving set using a pole antenna for weather reports and radio beacon signals, and transmitters using a wing tip antenna. Equipment from all three competing radio firms — R.C.A., R.F.L., and Western Electric — was used for comparative testing.

But despite the outward appearance of business as usual, the executive offices of The Aviation Corporation were alive with plans which were to reshape the character of Colonial Airways and its subsidiaries. The plans culminated in the formation, in late January, of American Airways, Inc., to take over and operate all of the Corporation's airline subsidiaries. The move was made in an effort to consolidate the fragmented parts of the Corporation, represented by the various subsidiaries, into a more efficient operation having one head. To lead the new organization, the directors chose James F. Hamilton, former president of the New York State Railways, to be president of American Airways. Later in the year, the presidency was transferred to Frederick G. Coburn.



Berndt Balchen with Colonial's Fokker Trimotor, the CHICAGO. Balchen was part-time test pilot for the Fokker Company, built a solid reputation as an expert on cold-weather flying. (James J. Sloan Collection)

The names of the various air transport units (then including Colonial Airways System, Interstate Airlines, Universal Aviation Corp., Southern Air Transport, Cuban Flying Service, and Alaskan Airways) were dropped, and all came under the name of American Airways, Inc. However, there were three divisions: Colonial Division, with headquarters in New York City; Universal Division, with headquarters in St. Louis; and the Southern Division, with headquarters in Fort Worth.<sup>27</sup> A similar consolidation, which had little immediate effect on Colonial but which ultimately would have; was taking place within the North American Aviation Corp. That consolidation created Eastern Air Transport (no relation to the one from which Colonial sprang) which was later to become Eastern Airlines and, much later, was to absorb Colonial and ultimately to erase its name from the nation's airways.

Operating now as a division of American Airways, Colonial increased its New York-to-Boston schedule by adding an early morning flight from Boston, making it possible for a Boston businessman to fly to New York for five hours of business and return the same day on the last northbound flight from Newark at 5 p.m. Colonial also moved into a new 20,000 sq. ft. hangar at Newark, leased from the City of Newark, an entirely self-contained facility, including ticket office, waiting room, operations offices, shops, radio shack, pilot dormitory and lounge, and floor space for five transport airplanes.

In April 1930 a piece of legislation that had been hotly debated for many months was passed by the House of Representatives and signed by President Hoover, the Watres Bill, which fixed the rates for the carriage of mail by the airmail contractors. Whereas previously the rate paid the airlines was so much per pound of mail, the new formula was established on the basis of space available (at 9 lbs. per cu. ft.) and mileage, together with "hazard" factors related to operating at night, over mountains, and through fog. The rates allowed the Colonial Division were 69 cents/mile on the noon Boston-to-New York trip, 86.5 cents/mile on the 6:15 p.m. Boston-to-New York trip (night factor), and 96.5 cents/mile for the 5:15 a.m. New York-to-Boston trip (fog factor). An example of the "mountain" factor shows up in the Western Air Express



Colonial's Sikorsky S-38B, c/n 114-11, NC9138, the first of the slope-windshield S-38's. It was later sold to American Airways, then Air Engineers, finally to Bol-Inca Mining Corp. and possibly went abroad. (Photo - courtesy of William D. Feeny)

rate of \$1.17/mile for its Salt Lake City-to-Los Angeles route. The mail pay formula was soon to have an effect on aircraft design by putting a premium on speed.<sup>28</sup>

An enviable perfect safety record for scheduled airline service was broken on June 5, 1930 when the left engine on the Ford Trimotor NOKOMIS faltered on takeoff from Boston and the airplane was forced to land in the shallow tide-water east of the municipal airport. No serious injuries among the 13 passengers and 2 pilots were sustained due to the landing itself, but one passenger was drowned while trying to reach shore by himself. The accident occurred on the first day of an expanded service of four round trips between Boston and New York.

The cause of the engine failure was never ascertained despite a thorough examination by Pratt & Whitney engineers, whose job was hampered by the thorough dunking in Boston Harbor. The Massachusetts supervisor of aviation, Robert L. O'Brien, suspected that the engine had been idled too long and not cleared by the pilot before takeoff. The pilot Owen O'Connor claimed he had cleared his engines, and a survey of the passengers was inconclusive, half of them reporting that he had, and the other half claiming they didn't know whether he had or not. In spite of the fact that neither faulty maintenance nor engine defect could be established, Inspector O'Brien indicated strongly that the existing maintenance staff at Colonial's Boston facility was inadequate and recommended an increase in personnel.<sup>29</sup>

The accident also stimulated editorial comment by Professor Otto Koppen, of M.I.T., who analyzed the accident from an engineering point of view. He criticized the design requirement that a three-engine airplane be only capable of level, flight when one engine fails as being inadequate to cover the takeoff situation. He pointed out that during takeoff there was usually the attempt to climb rapidly to avoid an obstruction, thereby reducing airspeed to below the minimum-control speed with asymmetrical thrust. He claimed that, because of that condition, a three-engine airplane was no safer than a single-engine airplane which at least had no asymmetrical thrust problem to contend with. Further, it also lessened risk of engine failure, there being only one-third the engines to be concerned with.<sup>30</sup> These comments were to be repeated during the litigation, in 1931, that followed the earlier (March 17, 1929 fatal crash.

The Colonial-Western Union Service, initiated the previous August, was only moderately successful, averaging about 50 packages per month under the existing flat rate of \$5.00 per package.

The users were mostly photo and news services, and in an effort to stimulate business, drastic rate reductions were offered. The new rate was \$1.25 for up to one pound. Larger weights demanded higher prices but in the new rate schedule 15 pounds would be carried for \$5.00, and only \$1.00 would be charged for each 5-lb. increment above 15 pounds.

Western Union assumed a new role as ticket agent for Colonial. Money received and reservations made at Western Union offices were telegraphed to Colonial's main office and, in case of flight cancellation, passengers were notified by telegraph. On the debit side of passenger service, the company found that it could no longer justify free bus service and began charging 75 cents for the trip from downtown hotels to the airport. The personalized escort service that had been inaugurated earlier was likewise discontinued.

Early in 1931, the Boston-to-New York route of the Colonial Division was expanded to include a passenger stop at Hartford, bringing that city to within an hour and a quarter of Newark and to within 2.5 hours of the bright lights of Broadway. Hartford had been a mail stop but did not enjoy passenger service, and with the expanded service, the schedule was increased from four round trips per day to six except for Sunday, which continued two round trips. As the second anniversary of passenger service came, some 16,250 passengers had been carried, and the cumulative distance had reached over one million miles.

American Airways added 1821 miles of new route in 1931 to the 7174 miles it controlled at the end of 1930, though none of the new routes affected the Colonial Division, and its entire fleet exceeded 100 airplanes. The following year American Airways added another 575 route miles, giving it first rank among domestic airline operators in terms of route mileage. Services available in the Colonial Division increased with a night passenger service between Albany and Buffalo, a new passenger service between Newark and Albany, and eight round trips daily between Boston and Newark. Providence was added as a passenger stop on certain of the Boston-New York flights. American Airways inaugurated a Business Travel Planning Service which prepared itineraries for travelers showing exactly how much time and money could be saved by traveling by air.

The growth continued in 1933 with the addition of 2169 miles of routes, though 1891 miles were discontinued, leaving a net gain of only 278 miles. American acquired a fleet of the 1933-type Curtiss Condors, last of the biplane transports, and a fleet of

Stinson Model U tri-motored transports for use mainly on Colonial Division's routes out of New York City. These aircraft had accommodations for eight passengers, a hostess and two pilots.

The economic conditions prevailing throughout the world during the Depression Years provided an interesting sidelight. While employment in most segments of commerce and industry was on the decrease, the air transport industry showed a steady growth of wage earners. As of July 1, 1933, about 6,000 people earned their living in air transport. The livings were not sumptuous, however, as exemplified by the "minimum" wage of \$250 per month for airline pilots set as a fair standard by the Aeronautical Chamber of Commerce. It was pointed out that while pilots of the major airlines earned between \$6000 and \$11,000 per year, the majority of airlines had base pay for pilots ranging from \$600 to \$3,000 per year which, added to flying pay, brought the over-all average to \$6500 per year. This salary was contrasted with that for ship captains (responsible for a much larger value in human lives, cargo, and company property) ranging from \$3500 for the lowest paid to \$7500 for the captain of the S.S. LEVIATHAN, the largest and most modern of U.S. luxury liners.<sup>31</sup>

Throughout the three-year period from 1931 to 1933, the identity of Colonial Airways, even as the so-named division of American Airways, was gradually becoming obscured, with increasing reference to American and minimal (almost to the vanishing point) reference to Colonial. An exception was the Canadian Colonial segment of Colonial Division, which kept its identity as the airmail contractor for F.A.M. 1. Subsequent events were to accentuate this difference; Canadian Colonial was to emerge as the only survivor of the original company. These were rather cataclysmic events, warranting explanation.

#### THE AIRMAIL EMERGENCY OF 1934

The zeal of Postmaster General Walter F. Brown for the development of a strong air transport system had set the stage for an impending shakeup which awaited only the ascendancy of a new administration. Under the Republicans, an investigation into alleged irregularities in the letting of airmail contracts was conducted, but Brown was exonerated. With the election of President Roosevelt and the appointment of his new Postmaster General, James A. Farley, there came a major upheaval culminating in charges against Brown that he had conspired with the big airline operators to build the giants of the industry under his administration. He had little defense except that he was sincere in his use of the broad powers permitted under the McNary-Watres Act and that his plan to achieve a stable and strong air transport system was sound. History was to prove him right. However, he was made the whipping boy of an ambitious political force and was, for a time, in disgrace. The full story of the Special Committee on Investigation of the Air Mail and Ocean Mail Contracts, as convened by its chairman, Senator Hugo I. Black, is a fascinating one, but beyond the scope of this subject history.

The upshot of the investigation was President Roosevelt's cancellation of all existing airmail contracts, effective February 19, 1934, and orders to General Foulis, Chief of the Army Air Corps, to mobilize an emergency force to fly the mails. The assumption of so large a task, on so little notice, with inadequate

equipment and poorly trained (mail carrying) personnel, and in the face of unusually severe winter weather conditions virtually assured a less-than-satisfactory performance despite the heroic personal efforts that went into the operation. The Army Air Corps Mail Operation (AACMO) lasted eleven weeks during which time some 160 miscellaneous ill-suited aircraft and 200 officers and 324 enlisted men were pressed into the hastily conceived mail service. For a portion of that period, March 10 to 19, army mail flights were suspended to permit a reorganization arising out of public criticism of the operation following a series of fatal accidents.<sup>32</sup>

While the efforts of the Army were extraordinary, under the circumstances, it was acknowledged to have been disastrous, both financially and in terms of lives lost (12 lives lost in 66 accidents). At a total estimated cost of \$3.7 million, the Army carried the mails at an average cost of \$2.21 per mile as compared with the 54 cents per mile paid the former airmail contractors during fiscal year 1933.

The interlude afforded the opportunity to reorganize the contract airmail structure, and on April 20, 1934, forty-five operators attended a meeting called by PMG Farley to bid afresh for airmail contracts. All those who had previously taken part in former PMG Brown's "Spoils Conferences," in which alleged collusion had taken place, were specifically barred from the meeting. But the former big names in the airline industry had not been idle in the interim. They had reorganized, themselves, had replaced management teams, and had changed their names; American Airways became American Airlines, Eastern Air Transport became Eastern Airlines, and won. In the final result little was actually changed except names and numbers, but some new names did appear — Bowen, Braniff, Central, Delta, General, Gorst, Hanford, National, among other smaller lines.

Under the new organization, all segments of Colonial Airways except Canadian Colonial Airways, Inc., became part of and were completely absorbed by American Airlines, Inc., and the major part of Colonial Airways ceased to exist. Canadian Colonial Airways, Inc., and its Canadian subsidiary, Canadian Colonial Airways, Ltd., were all that remained

to carry on the name, continuing to operate independently, though with strong ties as subsidiaries to American Airlines. Between 1934 and 1938, the Canadian company operated the southbound services, and the American company operated the north bound services between New York and Montreal. Each retained its relative revenues but shared operating expenses billed to them by American Airlines which, under contract, furnished the personnel, equipment, and other facilities required for all transportation operations.

Under the Civil Aeronautics Act of 1938, the authority for the regulation of the air transport system passed from the Bureau of Air Commerce of the Department of Commerce to the newly created (August 22, 1938) Civil Aeronautics Authority.

Among many changes, the existing airmail contracts and air transport certificates were cancelled, and new "certificates of convenience and necessity" were issued, in virtually all cases, to the current holders of the existing contracts.

One exception was Canadian Colonial Airways, Ltd., who applied to the Civil Aeronautics Board for a foreign air carrier permit but was denied the certificate. However, Canadian Colonial Airways,

# TIME TABLE

Effective September 29, 1929

## DAILY - SUNDAYS - HOLIDAYS

Eastern Standard Time

### NEW YORK - BOSTON

#### Morning Plane

|                                  |            |
|----------------------------------|------------|
| Plane-bus lv. Hotel Pennsylvania | 11:00 a.m. |
| Plane lv. Newark Airport         | 11:45 a.m. |
| Arriving Boston Airport          | 1:30 p.m.  |
| Plane-bus arr. Hotel Statler     | 2:05 p.m.  |

▼

#### Afternoon Plane

|                                  |           |
|----------------------------------|-----------|
| Plane-bus lv. Hotel Pennsylvania | 3:15 p.m. |
| Plane lv. Newark Airport         | 4:00 p.m. |
| Arriving Boston Airport          | 5:45 p.m. |
| Plane-bus arr. Hotel Statler     | 6:15 p.m. |

Buses stop at Irvington Cafeteria, York St., and end of Holland Tunnel, 15 minutes after leaving Hotel Pennsylvania, New York.

### BOSTON - NEW YORK

#### Morning Plane

|                                   |            |
|-----------------------------------|------------|
| Plane-bus lv. Hotel Statler       | 10:45 a.m. |
| Plane lv. Boston Airport          | 11:20 a.m. |
| Arriving Newark Airport           | 1:20 p.m.  |
| Plane-bus arr. Hotel Pennsylvania | 2:05 p.m.  |

▼

#### Afternoon Plane

|                                   |           |
|-----------------------------------|-----------|
| Plane-bus lv. Hotel Statler       | 3:25 p.m. |
| Plane lv. Boston Airport          | 4:00 p.m. |
| Arriving Newark Airport           | 6:00 p.m. |
| Plane-bus arr. Hotel Pennsylvania | 6:45 p.m. |

Buses stop at Parker House, Boston, 5 minutes after leaving Hotel Statler, Boston, and at Maverick St., East Boston, 20 minutes after leaving Hotel Statler, Boston.

Owing to prevailing "Head" and "Following" winds, the Westbound flight may be 10 to 15 minutes longer (as indicated above), while the Eastbound flight may be correspondingly shorter. Average flying time, one hour, forty-five minutes.

Transportation to and from the airport is furnished without extra charge, making this the most complete transportation service available. Special buses connect with planes at both ends, picking up and delivering passengers to Hotel Pennsylvania in New York and Hotel Statler and The Parker House in Boston.





First flight covers have a fascination as collectors' items, and have developed into a valuable market, aside from their value in publicizing the

Inc. (of Delaware) applied for and was granted a "Grandfather" certificate (so-called because it was given to those airlines who had continuously operated a route since the beginning of service on the route applied for.) This certificate permitted Canadian Colonial Airways, Inc., to operate scheduled services to carry persons, property, and mail between New York and Montreal via Albany. Further, Canadian Colonial Airways, Inc. was permitted to let contracts for flying services, thus for several years Canadian Colonial Airways, Ltd. continued to fly the route under contract to the American company.

New Douglas transports, the DC-2 and DC-3, were making their way into airline service and were rapidly becoming standard equipment in the pre-WWII years. In 1939, Canadian Colonial acquired two DC-2's from American Airlines after having severed its contract with American for operating services. Following this separation, Canadian Colonial was largely self-sufficient except for overhaul services which were contracted out to various firms. Canadian Colonial bought several new DC-3's and ordered more in 1940, to bring its total in that year to six. It established a new base of operations at La Guardia Field, and services along the New York-to-Montreal route were expanded to include stops in Glens Falls, N.Y., and Burlington, Vermont. Additional service, on a seasonal basis, was provided to St. Jovite, a resort famous for skiing, hunting, and fishing. To promote this service, a complete merchandising plan was introduced; sky cruises were offered to summer vacationists, and ski-equipped airplanes were fitted out for winter sports fans.

As the United States entered the War, the CAB decreed that the Canadian company could no longer operate a route under subcontract to Canadian Colonial Airways, Inc. Consequently, the latter changed its name to Colonial Airlines, Inc. on April 30, 1942, and as of June 30, 1942 Colonial Airlines became the sole surviving element in what had been the Colonial Airways System. The newly restructured airline endeavored to expand its operations, and filed numerous applications with the CAB for extensions of existing routes as well as for new route authorities. As a result, Colonial was granted services between the terminal points at Washington and both Montreal and Ottawa (Domestic Routes 71 and 71F) with intermediate stops at Baltimore, Reading, Scranton-Wilkes Barre, Binghamton, Syracuse, Watertown, and Massena, in 1945. It won an extension which modified its original route (then considered a domestic rather than a foreign route) between terminal points at New York and both Montreal and Ottawa (Domestic Routes 72 and 72F) with intermediate stops at Albany, Glens Falls, Burlington, and Massena. And in 1946, Colonial won an award for F.A.M. Route No. 33 between Washington and Bermuda, and between New York and Bermuda. Ultimately, Colonial's route structure increased from its "Grandfather" grant of 343 miles in 1938 to a total of 2748 unduplicated route miles in 1956.<sup>33</sup>



events of aviation. Shown here are two more covers from the author's collection. (Albert A. LeShane)

Much of the route structure flown by Colonial formed attractive extensions to the service provided by the more powerful Eastern Airlines and National Airlines. As a new decade opened in 1951, a battle between these companies raged in an attempt to gain control of Colonial. The first proposals by National failed; a block of nonvoting stock was allegedly controlled by Eastern. After several reversals (and contradictions) of Government policy Eastern formally took over Colonial on June\* 1, 1956 in an exchange of stock equal to one share of Eastern for two shares of Colonial stock outstanding. At the time of its acquisition Colonial operated a fleet of five DC-4's and eight DC-3's, and had completed 26 years of continuous service without a passenger fatality. It had flown nearly one billion route miles without a fatality (966 million miles as of Dec. 31, 1955), a record exceeded by only six other scheduled airlines.<sup>34</sup>

Former Colonial president Branch T. Dykes became a vice-president of Eastern in charge of the Colonial Division. James Reinke, former Colonial vice-president for Traffic and Sales, became sales manager for the Colonial Division. Colonial personnel, a staff numbering nearly 800 people, were likewise retained.

Ever since acquisition the name Colonial Airlines, Inc. has been registered by Eastern via annual reports to appropriate authorities in order to preserve (perpetuate) its corporate identity. For almost two years after its integration, Eastern operated the routes as its "Colonial Airlines Division" and it was so indicated in airline schedules. However, this identity link with the Colonial Division ceased to be published after 1958, and, on the surface at least, Colonial ceased to exist.

Eastern disposed of all of Colonial's DC-3 and DC-4 equipment and substituted more modern Martin 404's on its domestic routes and Douglas DC-6's and Lockheed L749's on the Bermuda international route. Unfortunately, despite high hopes that the \$14,000,000 Colonial acquisition would prove profitable to Eastern, the results over the ensuing years showed otherwise; only a few of the segments generated enough traffic to justify continuance. Gradually, Eastern applied for and received permission from the Civil Aeronautics Board either to transfer some of the routes to local service carriers or to have the most unprofitable cities on the routes deleted from the system. Thus, of the original 19 cities acquired from Colonial only 7 remain on Eastern's system today (1972).

Colonial Air Transport started with the virtual birth of U.S. Commercial aviation in 1926 and continued into the age of maturity. Colonial's activities included many firsts, but its real contributions lay in its dedication to the goal of advancing air transportation that it has as the leading mode of intercity passenger transportation in the United States.

(Concluding references are on Page 57)

20. *Ibid.*: Larkins.
21. *Aviation*, June 1, 1929, p. 1888.
22. *Aviation*, May 11, 1929, p. 1624.
23. *Aviation*, Aug. 31, 1929, p. 493.
24. *Aviation*, June 15, 1929, p. 2077.
25. *Aviation*, June 22, 1929, p. 2196.
26. *Aviation*, Sept. 16, 1929, p. 967.
27. *Aviation*, Feb. 15, 1930, p. 358.
28. *Aviation*, April 26, 1930, p. 863.
29. *Aviation*, June 14, 1930, p. 1192.
30. *Aviation*, Sept. 1930, p. 188.
31. *Aircraft Year Book 1934*, p. 66
32. Borden, *Norman E. Air Mail Emergency 1934*. Freeport, ME: The Bond Wheelwright Co.; 1968.
33. Campo, — *Notes on Colonial Airlines*.
34. *Ibid.*: Davies.

|    |                                                                                                                                                                    | LOCATION                  | NUMBER and TYPE                          | UNIT                        |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------|-----------------------------|
| f. | Guess, Capt. Joseph D. "6th Air Force." <i>Air Force Magazine</i> , Oct. 1945.                                                                                     | Coco Solo N.A.S., C.Z.    | 14 PBY                                   | PATWING 3 NoteO             |
| g. | U.S. Army. "Guarding the United States and Its Outposts," Vol. 58 of <i>U.S. Army in WWII</i> .                                                                    | Coolidge Fd., Antigua     | 4 B-18                                   | 35th B.S.                   |
| h. | U.S. Army. "Air Corps Newsletters,** numerous issues.                                                                                                              | David, Panama             | 4 B-18, 1 B-18A                          | 7th Rec. Sq.                |
| i. | U.S. Army Southern Command. "Southern Command News," various dates, Public Affairs Office USSOUTHCOM, Quarry Hts., C.Z.                                            | Edinburgh                 | -                                        | -                           |
| j. | 6th Air Force Headquarters, USAAF. "Panama's Airlanes," issue of 4 Jan. 1945.                                                                                      | Fonseca, Nicaragua        | 2 PBY                                    | PATWING 3 NoteO             |
| k. | Craven, F.W. and Cate, J.S. <i>The Army Air Forces in World War II</i> , Vol. I, "Plans and Early Operations." Chicago: University of Chicago Press, 1964 Edition. | France Fd., C.Z.          | 5 P-40B, 15 P-40C, 10 P-40E              | 32nd P.G.                   |
| l. | Hardy, M.J. "Aviation in Costa Rica." <i>Air Pictorial Magazine</i> , Oct. 1969. pp. 362-365. Illus.                                                               | Guatemala City, Guatemala | 6 B-18, 1 B-18A, 6 P-26A 6 B-17B.4 B-17E | 74th B.S. P.I.C.* 74th B.S. |

| LOCATION                          | NUMBER and TYPE                                                                                                                | UNIT                                                                                         |                                                   |                                       |                                            |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------|--------------------------------------------|
|                                   |                                                                                                                                |                                                                                              | Losey Fd., Puerto Rico                            | 6P-39D, 1 B-10BM<br>14 P-39D, 4 P-40  | HQ, 36th P.G.                              |
| Aguadulce, Panama                 | 4 A-20A, 6 A-17                                                                                                                | 59th B.S.                                                                                    |                                                   | 1 AT-6, 3 P-36A                       | 23rd P.S.                                  |
| Albrook Field, C. Z.              | 1 P-40, 3 A-18,<br>1 B-18, 1 P-4CB<br>14 P-36A, 22 P-40D<br>8 P-40E<br>4 P-40C, 1 P-40E<br>8 P-40C, 1 P-40E<br>1 A-18, 2 YA-19 | HQ Sq., 12th P.W.<br>29th P.S.<br>16th P.G.<br>HQ Sq., 37th P.G.<br>31st P.S.<br>Hq 6th B.G. | Oraanjestad, Aruba, N.W.I.                        | 3 A-20A                               | 59th B.S.                                  |
|                                   |                                                                                                                                |                                                                                              | Paitilla, Panama                                  | 7 P-40C, 3 P-40E                      | 28th P.S.                                  |
|                                   |                                                                                                                                |                                                                                              | Rio Hato, Panama                                  | 1 A-17A<br>4 B-18, 2 B-18A<br>1 A-17  | HQ Sq., 6th B.G.<br>3rd B.S.               |
| Arecibo, Puerto Rico              | 8 P-39D, 8 P-40<br>3 P36A, 1 AT-6<br>15 P-39D                                                                                  | 22nd P.S. Det.<br>32nd P.S.                                                                  | Salinas, Ecuador                                  | 4 B-17Ex<br>2 PBV                     | 25th B.S.<br>PATWING 3 Note 0              |
|                                   |                                                                                                                                |                                                                                              | San Jose, Costa Rica                              | 3 P-26A, 3 P-36A                      | P.I.C.*                                    |
| Atkinson Fd., British<br>Guiana   | 3 B-18, 2 B-18A<br>6 B-18A<br>6 P-40                                                                                           | 44th Rec. Sq.<br>99th B.S.<br>16th P.G.                                                      | San Juan N.A.S., Puerto Rico                      | 1 P-36A                               | HQ Sq., 6th B.G.                           |
|                                   |                                                                                                                                |                                                                                              | Santa Cruz Is. Galapagos                          | 2 PBV                                 | PATWING 3                                  |
| Beane Fd., St. Lucia              | 4 B-18A, 1 B-18                                                                                                                | 5th B.S.                                                                                     | Waller Fd., Trinidad                              | 1 B-18, 1 B-18A<br>5 B-18A<br>9 P-39D | HQ Sq., 9th B.G.<br>1st. B.S.<br>22nd P.S. |
| Benedict Fd., St. Croix           | 3 B-18                                                                                                                         | 12th B.S.                                                                                    |                                                   | 4 PBV                                 | Navy, under Army<br>control.               |
| Borinquen Fd., Puerto Rico        | 2 B-18, 2 B-18A, 1 A-17<br>1 B-18, 3 B-18A<br>2 B-18, 7 B-18A, 1 A-17,<br>4 P-36A<br>2 B-18A<br>1 P-36A                        | 10th B.S.<br>27th Rec. Sq.<br>40th B.G.<br>5th Rec. Sq.<br>HQ. Sq., 6th B.G.                 | Vega Baja, Puerto Rico                            | 5 P-39D                               | 22nd P.S. Det.                             |
|                                   |                                                                                                                                |                                                                                              | Zanderij Fd., Surinam                             | 6 B-18A                               | 99th B.S.                                  |
| Bourne Fd., St. Thomas,<br>B.W.I. | 6 P-40<br>8 P-39D, 8-P-40C & E,<br>3 P-36A, 1 AT-6                                                                             | 36th P.G.<br>23rd P.S. Det.                                                                  | *P.I.C. — Panama Interceptor Command              |                                       |                                            |
|                                   |                                                                                                                                |                                                                                              | 0 Detachment of Patrol Wing 3 under Army control. |                                       |                                            |

We have seldom been compelled to report on the publication schedule during the past since most of our deadlines have been met or followed within a few days. However, the schedule, published in NEWSLETTER No. 29, Page 2, is revised slightly: The Spring issue of the *JOURNAL* is coming to the mails on approximately April 30th, but the 2nd Quarter NEWSLETTER comes earlier than planned, on approximately April 24th instead of May 13th. The schedule for the balance of the year should remain as previously stated. We noted in N/L 29 that we would compress the schedule this year to bring out the Winter issue well before the Thanksgiving Holiday.

Guide." The Museum Book was to be mailed in late March, but our compiler, Bruce Orriss, has been delayed because of late receipt of material from military and naval installations, and the Editorial Staff has also been behind in commitment to the *JOURNAL*. The *Warbird Location Guide* is an accurate, up-to-date-minute report on the location and ownership of all ex-military aircraft in the United States, compiled by Gougou with the assistance of numerous other devotees of the Warbirds. It will be available at a price to be determined as of this writing, but will be copiously illustrated, well worth the nominal sum.

We have exhausted, again, the supply of Volume 6 (bound issues). The reproduction negatives for this, and Volumes 1-5, are available but need to be re-assembled into larger "signatures" for printing on larger press. As soon as this can be accomplished we will be in a position to announce a publication date for reprints. Watch for future announcement in the Newsletter.