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AIR TRANSPORT

Air Canada off the debt hook?
AIR CANADA will be relieved of
Can$600 million of its $l,000-million-
plus debt to the Canadian Govern-
ment under a bill to reorganise the
airline's finances. The bill has had its
first reading in the Canadian House of Commons and is now being studied in committee. Second reading is im-minent, with the required third read-ing due at the end of the month. The reorganisation would give Air Canada an authorised capital of $750 million and make provision for $750 million in guaranteed debt financing from the Canadian Government. This would give the airline the debt/ equity ratio of 50:50 that acting chairman M Pierre Taschereau asked for in the 1975 annual report.
Air Canada has a long-term debt

of more than $1,000 million, most of it owed to the Government of Canada. The current bill would allow the

government to convert up to $600 million of existing debt into state-held company shares, and Air Canada would be relieved of the debt.

The company's debt/equity ratio was 97:3 in 1975, when the company raised $158 million in long-term financing through the sale and lease-back of 13 aircraft. In 1975 Air Canada paid out more than over $65 million in interest, an expense that the financial reorganisation would cut substantially. Air Canada would be expected to pay dividends to the government on its shares, but only when it had become profitable.

Linjef lyg may stay at Bromma
SWEDISH domestic airline Linjeflyg
may be able to stay at Stockholm's
Bromma Airport, 8km from the city
centre. The former Swedish Socialist-
Democratic Government had decided
that the airline, which is to become one of the largest Fokker-VFW F.28 operators, would have to leave Brom-ma for the international airport at Arlanda, 41km from the city. The move had been demanded by the Stockholm Health Authority, but the Swedish Parliament voted in early December to reconsider its decision.

Linjeflyg took delivery of three new, high-density F.28 Mk 4000s last month, and the fourth and fifth of the ten aircraft on order will be de-livered in February and March. The rest will follow by the end of Decem-ber 1977. Each of the F.28s, Linjeflyg estimates, will be doing the work of three Convair 440 Metropolitans, the aircraft which they will replace on the airline's network. But six of the Metropolitans will remain in service through 1979 on newspaper and mail flights.

Aer Lingus to
manage Bahamasair
AN AER LINGUS team is to manage Bahamas flag carrier Bahamasair under an agreement reached in principle last month. Bahamas minis-ter of tourism Mr Clement T. Maynard said that the Aer Lingus team would run the airline for two to three years, after which the management would pass into the hands of nationals.
Bahamasair has received subsidies

totalling some $10 million since its formation three years ago, partly to cover the operation of inter-island public-service routes, which Maynard does not expect to make a profit. Bahamas-Florida services "just about break even," says Maynard.

Alaska ONA merger
deferred

ALASKA International Industries, owner of Alaska International Air, has indefinitely put off a plan to ac-quire Overseas National Airways, ac-cording to a report in Aviation Daily. Alaska International was unable to arrange financing and lender ap-proval for the acquisition.

The first BAC One-Eleven for Tarom was rolled out last month at Hum

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