

# American Aviation **DAILY**

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## AIRLINE MOBILIZATION NOT DISCUSSED AT WHITE HOUSE CONFERENCE, RYAN STATES

Oswald Ryan, acting chairman of the Civil Aeronautics Board, stated today that a conference in which he participated at the White House yesterday had nothing whatever to do with any plans for mobilization of the nation's airlines.

Ryan said it was a conference to which the President called the heads of various quasi-judicial agencies such as CAB and the Interstate Commerce Commission for the purpose of ascertaining whether they would be able, in a period of national preparedness, to discharge their statutory functions without the necessity of having new agencies created and superimposed on them.

The acting chairman of the Board said he was to report back to the President within a week with a detailed statement of CAB's participation in a national emergency effort and its anticipated personnel and budgetary needs in connection therewith.

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## RYAN ONLY CAB MEMBER CURRENTLY AT BOARD'S OFFICES

Only one member of CAB, acting Chairman Oswald Ryan, has been on hand at the Board's offices this week. Members Harold A. Jones and Josh Lee are on vacation and Russell B. Adams underwent an emergency operation last week-end. Lee is expected back next Monday, Jones immediately after Labor Day, and Adams in approximately three weeks.

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## AIR FORCE ORDERS STEP-UP IN CESSNA L-19 PRODUCTION

Cessna Aircraft Co. has received orders from the Air Force to step up production of its L-19 liaison plane three months ahead of the original schedule. Cessna said the first L-19's will soon be rolling off the line.

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## COMMERCE TO PARTICIPATE FORMALLY IN CAB ECONOMIC CASES THROUGH CAA

The Department of Commerce, in a surprise move, has indicated to CAB that from now on it will participate formally as a party in CAB economic proceedings, apparently through the CAA Administrator. The move is considered part of the new Commerce re-organization plan under which the CAA Administrator is delegated authority to act in aviation matters for the Secretary of Commerce.

Tip-off on the plan came yesterday at the opening of CAB's hearing on a mail authorization application filed by Trans-Pacific Air Lines, an Hawaiian carrier. This relatively minor case was highlighted when CAA General Counsel R. E. Elwell filed a formal petition to intervene for the Administrator who, Elwell said, opposed TPA's application. When questioned by CAB Examiner Thomas L. Wrenn as to why, after 12 years, "it suddenly becomes an important matter of interest" to the Administrator, Elwell said he did not know precisely, but "that a policy has been determined to intervene in this case, and I assume without knowing that this policy will be carried forward."

(Continued on Following Page)

## COMMERCE PARTICIPATION (Cont.)

In the petition it was alleged that the Administrator is directed under the provisions of Section 301 of the Act with the duty of encouraging and fostering the development of civil aeronautics and air commerce in the U. S. and abroad, and shares with the CAB the duty of implementing the declaration of policy of Section 2 of the Act. The petition apparently had been hastily prepared and indications were that the decision to take a part in CAB proceedings was arrived at only the day before.

When asked why the request was made at such a late hour to intervene in this particular case, Elwell stated that it had not come to the attention of the Administrator until August 15. There was little testimony in support of CAA's opposition to the mail authorization sought by Trans-Pacific and all parties to the case were outwardly confused by the move.

It was not until minutes before noon recess that Elwell mentioned he was actually representing the Department of Commerce. He pointed out "to clarify the record" that the petition is in the name of the Administrator who is an official of Commerce and as such the petition was filed on behalf of the Secretary and the Department of Commerce. "I ask the examiner," he added, "to take judicial notice of the fact due to the reorganization plan and the redelegation from the Secretary the Administrator is properly authorized to file this petition...."

Wrenn refused to pass on the request himself and the document has been formally filed with the Board. Meanwhile, the hearing continued today to determine whether Trans-Pacific, now holding a passenger and property certificate, will be authorized to transport mail among the Hawaiian Islands. It was made clear by an official source that this particular case was not responsible for the surprise Commerce move. Indications were that it merely coincided with implementation of the new policy.

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## SENATE FINANCE COMMITTEE APPROVES DEFENSE TAX PROGRAM

A stopgap tax program that will raise nearly all of the \$5,000,000,000 in additional taxes requested by President Truman to meet defense needs was approved unanimously today by the Senate Finance Committee. The bill is expected to be ready for debate on the Senate floor by next Wednesday or Thursday. It would raise personal income taxes nearly \$3,000,000,000 a year and corporate income taxes about \$1,500,000,000 a year. It also closes several loopholes in the existing tax law.

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## OPEN RULE VOTED FOR BILL ON SECOND AIRPORT FOR CAPITAL

The House Rules Committee today voted an open rule with regard to S. 456, the bill calling for construction of a second major commercial airport for Washington. General debate will be limited to one hour under the ruling, which will permit some member of the House Interstate and Foreign Commerce Committee to call up the measure for a vote on the House floor next week. No action was taken by the Rules Committee with regard to S. 2875, the bill to extend the life of the Federal Airport Act for five years.

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## DANILOW RESIGNS TRANS-TEXAS POSITION

Stanton B. Danilow, director of public relations for Trans-Texas Airways for the past year and prior to that general traffic and sales manager for the feeder airline, has resigned his position. He has not announced his plans for the future, nor has the company made any announcement regarding the vacancy created by the resignation.

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## NEW ANTI-TANK ROCKET IN USE IN KOREA

A new six and one half inch high velocity anti-tank rocket has made its appearance in the Korean war. The new rocket is a variation of the five inch HVAR (high velocity aircraft rocket) now in service, using the same propellant. The rocket was developed by the Naval Ordnance Station, Inyokern, California.

## MERGER PLANS MOVING AHEAD; SERVICE PATTERN APPROVALS NECESSARY

Plans for implementing the Pan American - American Overseas merger agreement have begun moving ahead since TWA, apparently accepting the appellate court's refusal to stay CAB's decision, announced it would begin preparations immediately for serving the two new route points awarded to it in the decision.

The amended certificates of PAA and TWA become effective 60 days after their approval by the President, which would be the first week in September unless the Board should see fit to extend the effective dates. However, before inaugurating service to any new points not now included in the service plans of the U.S.-flag trans-Atlantic carriers, which would be Paris and Rome in the case of PAA and London and Frankfurt in the case of TWA, the carriers are required to prepare and submit for CAB approval their proposed initial service plans.

As of today, no such plans had been submitted to the Board, but both carriers were working on drafts of their own service patterns. After these have been prepared and submitted, CAB's staff will analyze them and make recommendations to the Board, which is charged with seeing that the proposed service patterns will be consistent with outstanding air transport agreements with the countries involved. This cannot happen for two to three weeks, since the Board apparently will not be able to muster a quorum of its members for a vote on this or any other matter inside of that time.

Meanwhile, PAA and AOA officials are consulting daily in an effort to complete the merger of the two companies in September. All bookings on AOA after the date of completion of the merger will be honored by Pan American, which expects to start flying AOA's routes on or before September 29. It apparently will be able to make that date with ease as pertains to Glasgow, Amsterdam, Stockholm, Oslo, Copenhagen and other points now served by AOA, but whether it will be able to inaugurate service to Paris and Rome by that date will depend on the complexity of its proposed service pattern. The same factor will affect TWA's inauguration of service to London and Frankfurt.

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## ACCELERATED DEPRECIATION PROVISION IN DEFENSE TAX BILL

The Senate Finance Committee has adopted as a part of its interim defense tax bill a depreciation speed-up provision permitting amortization of arms producing plants and related facilities at 20% a year for a five year period beginning in 1950. The accelerated depreciation plan, similar to the one in World War II, would apply to "any facility, land, building, machinery, or equipment, or any part thereof, the construction, reconstruction, erection, installation or acquisition of which was completed after December 31, 1949," and which had been certified by the government as essential for national defense.

As far as the aircraft manufacturing industry is concerned, the speed-up will apply chiefly to such new tooling as may be required to handle new military production orders. Present buildings, together with surplus World War II plants that might be retaken, are expected to be adequate for most of the industry's space needs for the foreseeable future.

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## DEFENSE OPPOSES EXPANDING MARINE CORPS TO FOUR WINGS, DIVISIONS

The Department of Defense has rejected a Congressional proposal that the Marine Corps be expanded to four full strength air wings and four divisions, it was learned. For the time being at least, the Department plans to adhere to its present mobilization goal of two nine-squadron air wings and two divisions. The Corps will have the 174,000 officers and men to man a force of this size by October 31.

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## HOUSE COMMITTEE SETS EXECUTIVE SESSION ON SEPARATION BILLS

The House Interstate and Foreign Commerce Committee will meet Monday in executive session to consider the several bills (H.R. 331, H.R. 2908, H.R. 9305 and H.R. 9184) relating to the separation of subsidy from air mail pay.

## ADMINISTRATOR TO BECOME GENERAL OFFICER UNDER CAA MILITARIZATION

Under the terms of the Civil Aeronautics Corps Act, proposed legislation which would militarize certain sections and personnel of CAA, the CAA Administrator would be given an appropriate rank in keeping with his position as Chief of the Civil Aeronautics Service. This would move Administrator D. W. Rentzel, or his successor in the event of the tentative Department of Commerce reorganization, "within the military echelon where he may establish command functions."

The legislation does not indicate what rank this might be but it would probably be general officer grade. One of the critical problems which will result internally in CAA will be the economic affect of militarization on employes. Rentzel, in a letter to all employes, has stated "serious and careful attention is being given to this problem." Actually the economic aspects could be controlled only by giving CAA employes rank with pay equivalent to the civilian pay. The proposed legislation does not suggest such a course, nor does the covering letter.

Instead the proposed bill establishes that the President, with prior approval of the Secretary of the Air Force and the Senate, will be responsible for appointing all commissioned officers within the corps. The Administrator will appoint warrant officers and enlisted men. Exact policies to be used in administering the bill have not been worked out and CAA officials indicate this would be a long and difficult process. Of immediate and critical importance is the fact that CAA personnel holding commissions in the reserves have a tendency to accept military service in order to insure their existing ratings before any freeze occurs.

Personnel Losses

Even without this tendency, CAA has lost a substantial number of radio-communications men and control tower operators in the last six weeks through the normal recall of reserve officers. The high percentage of CAA technical personnel in reserve positions is due to the fact that CAA is one of the few places where such military experience can be used in civil life. With the military now placing top priority on recall of these technical groups CAA is having a difficult time of it.

CAA officials indicate the military services have been most cooperative in deferring personnel, regardless of losses already experienced. But Rentzel told employes that he is working on a proposed interim policy, to be effective while the legislation is under consideration, which would minimize these losses. "I, therefore, must urge each of you not to seek calls to active duty, at least until official determination can be made of the kind of role CAA will play in an emergency," Rentzel said.

Under the terms of the Civil Aeronautics Corps Act, CAA employes assigned to the corps would have no military status until they were actually transferred to the Department of Defense. Within the Department of Defense they would be assigned to service in the corps under the Secretary of the Air Force. Prior to assignment they would have only "statutory protection" to prevent their induction. The bill specifically provides that "the function so transferred to the Department of Defense and assigned to the Civil Aeronautics Corps shall not be reassigned to other military operations."

Included in the bill is a provision requiring that the President demilitarize CAA "upon termination of the national emergency."

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## HOUSE GROUP REPORTS AIR SECURITY BILL FAVORABLY

The House Interstate and Foreign Commerce Committee today gave a favorable report to the air security bill (H.R. 9320) after hearing Civil Aeronautics Administrator Delos W. Rentzel testify that such legislation is "imperative" to prevent a Pearl Harbor type sneak air attack on this country. A similar bill was reported out by the Senate committee earlier this week (DAILY, August 15). Both chambers are expected to expedite action on the measure.

## AIRLINE FINANCIAL

AMERICAN AIRLINES' earned surplus increased sharply last year and in the first half of 1950, thus making it possible for the carrier to declare the 25¢ per share dividend to be paid on its common stock September 15. (DAILY, August 16).

Dividends on the stock were omitted in 1946, 1947, 1948 and 1949 because post-war financial losses reduced the company's earned surplus to the point where it was not possible to pay common dividends. Provisions of a \$40,000,000 debenture sale and a \$40,000,000 sale of preferred stock in 1946 restricted common dividends to that part of earned surplus in excess of \$10,641,000. Improvements in the financial picture brought American's earned surplus from \$4,586,911 at the close of 1948 to well above the \$10,641,000 figure, permitting the current dividend declaration.

EMERY AIR FREIGHT CORPORATION reports a net profit of \$86,377 through June 30, 1950, compared with \$34,280 in the first half of last year.

PIONEER AIR LINES' previously reported net profit of \$151,654.68 for the calendar year 1949 has been reduced to \$125,200.52 as a result of the CAB's recent revision (DAILY, July 25) of the feeder's mail rate, and a much heavier reduction was applied to Pioneer's mail revenues for the first six months of this year.

Under the new rate the feeder's mail revenues for the period August 1, 1949, to December 31, 1949, were reduced \$42,668 from the amount allowable under the previous mail rate, and this amount was charged to earned surplus. The resulting saving in Federal income taxes estimated at \$16,213.84, also was credited to earned surplus. The result of these adjustments was a reduction of \$26,454.16 in Pioneer's 1949 net profit.

Mail pay under the new rate for the first six months of 1950 amounted to \$676,448.47, or 36.78¢ per revenue plane mile flown, compared with \$851,523.06, or 45.67¢ per plane mile during the first six months of 1949.

Pioneer now has the lowest mail rate of any local service carrier in the country, with income from this source amounting to only 43% of total operating revenues for the first half of 1950. The company's new rate is comparable to rates paid to some domestic trunks.

WEST COAST AIRLINES reports a net loss of \$27,202 for the first six months of 1950, compared with a loss of \$44,302 for the like period last year.

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## NEW AND ADDITIONAL AIRLINE SERVICE

SOUTHERN AIRWAYS expects to inaugurate service about October 1 over its two new routes, from Memphis to New Orleans and from Columbus to Mobile, giving first scheduled air service to Clarksdale, Greenville, Vicksburg, Natchez and Laurel, Mississippi.

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## AIRLINE TRAFFIC

PAN AMERICAN WORLD AIRWAYS flew 324,485,000 passenger miles and 14,489,965 plane miles in the second quarter of 1950, compared with 323,533,000 passenger miles and 16,381,946 plane miles in the same quarter last year.

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## UAL PUBLISHING SERIES OF FOLDERS ON ROUTE POINTS

United Air Lines has inaugurated publication of a series of informative folders highlighting points of interest and unusual facts about major cities on its route system. First of the series, now being distributed, is on Denver. Approximately 50,000 of the pamphlets on each city will be distributed at intervals of about six weeks.

## MANUFACTURING

SPERRY CORP.'S BOARD OF DIRECTORS have voted a quarterly dividend of 50 cents a share payable September 25 to stockholders of record September 8. The dividend is the first under Sperry's new policy of declaring quarterly dividends; previously the company paid semi-annual dividends, the most recent being a \$1 payment on July 14.

FRANK N. PIASECKI, chairman of the board of Piasecki Helicopter Corp., has been elected to the chairmanship of the Helicopter Council, Aircraft Industries Association. He succeeds Agnew E. Larsen of The Glenn L. Martin Co.

THE GARRETT CORP. REPORTS unaudited sales of approximately \$22,000,000 for the fiscal year ended June 30, 1950, compared with \$18,150,000 for the previous year. Last quarter sales were approximately \$6,000,000.

THE RUNWAY AT BOEING FIELD, Seattle, Wash., will be lengthened to 10,000 feet for flight testing of the Boeing XB-52 jet bomber now in development. The cost of the runway extension is estimated at \$800,000 to \$900,000, of which the Government will pay \$400,000 to \$500,000 and King County, Wash., the remainder. CAA has approved the runway extension.

AERO SUPPLIES OF LOS ANGELES, INC., manufacturers of machine parts for the aircraft industry, has started construction on a new plant adjacent to the Los Angeles Airport. The new facility, scheduled to be completed about November 1, will represent a total investment of about \$75,000.

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## MAINTENANCE — OVERHAUL

PACIFIC AIRMOTIVE CORP. has taken a lease on the former Cal Aero Airport near Chino, Calif., 35 miles southeast of Los Angeles, and is re-naming it the Pacific Airmotive Airport. The acquisition will enable PAC to contract for overhaul or repair of the largest type aircraft. Present facilities include large hangars together with administration, service and manufacturing buildings covering 140,000 square feet plus 18 other buildings which furnished housing, recreation and classroom facilities sufficient for 700 students during World War II when the airport was a major training base for pilots. Runways are approximately 4,900 feet in length. Thomas Wolfe, PAC president, said the agreement made with San Bernardino County calls for an expanded program covering a 30 year period. An immediate hiring program is to be instituted.

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## AIRCRAFT AND COMPONENTS

THE TEMCO YT-35 BUCKAROO TRAINER being developed by Texas Engineering and Manufacturing Company, Inc., Grand Prairie, Texas, has passed the structural requirements of the acrobatic category, CAR Part 03. Flight and service tests remain to be completed.

BENDIX AVIATION CORP.'S BENDIX PRODUCTS DIVISION has developed a new device for spinning aircraft wheels up to 150 mph ground speed to replace older and heavier pre-rotation equipment used in drop-testing landing gear. The new device consists of two hydraulic motors, which develop about 12 horsepower, connected by a shaft upon which is mounted a drive wheel. In operation, the strut and wheel assembly is raised to make the required drop. The spinner is moved into position with the drive wheel in contact with the tire. Speed is gradually built up until the simulated ground speed is obtained, when the equipment moves back out of the way and the drop is made. The entire assembly is mounted on an arm which can be swung to remove the equipment during the drop. Struts having dual wheel installations require the use of a co-rotating shaft with suitable shear pin protection.

# SUMMARY OF U. S. DOMESTIC AIRLINE TRAFFIC FOR JUNE, 1950

American Aviation Daily  
August 25, 1950

Compiled by American Aviation Publications from Official C.A.B. Data.

AIRLINES	REVENUE PASSENGERS	REVENUE PASSENGER MILES	AVAILABLE SEAT MILES	PASSENGER LOAD FACTOR	MAIL TON-MILES **	EXPRESS TON-MILES	FREIGHT TON-MILES	TOTAL TON-MILES REV. TRAFFIC	AVAILABLE TON-MILES FLOWN	% AVAILABLE TON-MILES USED	REVENUE PLANE-MILES	SCHEDULED MILES	% SCHEDULED MILES COMPLETED
American	351,084	177,330,000	229,346,000	77.32	744,108	579,996	2,915,985	21,217,109	30,096,867	70.50	5,254,488	5,072,432	99.64
Braniff	57,643	19,517,000	33,102,000	58.96	104,647	74,085	208,292	2,257,055	4,298,188	52.51	939,556	927,807	99.89
Capital	135,297	41,182,000	66,372,000	62.05	121,041	190,989	816,505	5,074,279	9,035,570	56.16	1,815,236	1,756,700	99.37
Caribbean	5,756	453,000	1,128,000	41.31	731	. . . .	2,072	39,260	117,040	33.54	45,347	45,100	99.91
C & S	28,709	10,343,000	17,743,000	58.29	43,285	55,130	70,278	1,161,149	2,069,398	56.11	643,825	637,846	99.69
Colonial	18,983	4,839,000	9,731,000	49.73	7,391	7,753	9,283	499,863	1,140,816	43.82	324,149	325,562	99.45
Continental	19,626	7,021,000	14,035,000	50.02	15,298	8,673	43,105	740,142	1,457,854	50.77	492,735	487,875	99.96
Delta	53,328	22,013,000	37,490,000	58.71	88,776	81,299	242,832	2,529,965	4,957,691	51.03	1,155,072	1,137,246	99.95
Eastern	223,849	102,978,000	159,786,000	64.45	381,914	235,184	1,167,161	12,204,418	23,057,473	52.93	4,400,630	4,283,919	99.88
Hawaiian	35,622	5,213,000	7,058,000	73.86	4,874	9,398	40,165	486,386	754,723	64.45	314,621	209,297	98.69
Inland*	9,249	3,796,000	6,894,000	55.06	11,496	6,681	16,215	399,004	806,555	49.47	288,828	292,200	98.77
MCA	34,121	10,112,000	18,530,000	54.57	27,773	20,942	52,572	1,071,101	2,019,773	53.03	739,832	720,000	99.72
National	29,473	17,768,000	36,254,000	49.01	40,443	53,521	163,609	2,062,971	4,863,447	42.42	889,915	874,320	98.93
Northeast	36,316	6,971,000	13,803,000	50.50	8,862	16,184	32,935	688,355	1,390,250	49.51	406,322	421,656	93.86
Northwest	92,756	62,570,000	90,086,000	69.46	185,344	165,070	561,330	6,906,476	11,559,841	59.75	1,912,912	1,681,312	99.34
Trans Pac.	14,571	2,216,000	3,319,000	66.76	. . . .	82	1,268	164,849	256,532	64.26	118,552	63,362	100.00
TWA	156,403	115,979,000	147,868,000	78.43	689,212	496,891	1,040,279	13,361,836	19,179,233	69.67	3,992,228	3,939,531	99.35
United	252,130	145,922,000	183,678,000	79.44	960,079	650,271	2,280,468	17,878,356	28,078,814	63.67	4,716,643	4,553,530	99.80
Western*	47,875	18,489,000	30,287,000	61.05	68,775	48,741	58,439	1,942,791	3,280,829	59.22	768,181	756,468	99.04
<b>TOTALS</b>	<b>1,602,791</b>	<b>774,712,000</b>	<b>1,106,510,000</b>	<b>70.01</b>	<b>3,504,049</b>	<b>2,700,890</b>	<b>9,722,793</b>	<b>90,685,365</b>	<b>148,420,894</b>	<b>61.10</b>	<b>29,219,072</b>	<b>28,186,163</b>	<b>99.51</b>

\* Operations of Western and its subsidiary, Inland, should be considered as consolidated, although reports are filed separately as shown here.  
 \*\* Includes air parcel post.