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**FOR RELEASE** Immediate

American Airlines has announced plans to inaugurate the first scheduled low fare transcontinental air coach service between New York and Los Angeles. Subject to approval of the Civil Aeronautics Board, the service will be started on Dec. 27, 1949 with Douglas DC-4 airplanes seating 70 passengers. The DC-4 aircraft will be replaced in the spring of 1950 with converted DC-6s, also of 70-passenger capacity.

Fares as announced are New York-Los Angeles \$110, Chicago-Los Angeles \$85, and New York-Chicago \$35. One round trip per day will be operated between Newark Airport and Los Angeles International Airport with a stop for passengers in Chicago. While no meals will be furnished in flight, coffee will be available aboard each flight and the crew will include a stewardess. Time will be allowed on the ground for meals. Simplified reservations, ticketing and loading arrangements have been worked out for the new service. The fares announced for American's new transcontinental service average 25% less than present air fares between New York, Chicago and Los Angeles.

C. R. Smith, president of American, said that his company concurs in the policy announcement by the Civil Aeronautics Board last September 7 affecting air coach and promotional air services in which the Board said that airlines will be required to submit economic justification for low fare air services. In announcing the move, Mr. Smith pointed out that the Board declared the airlines can not afford to lower fares indiscriminately to the point of endangering the basic rate structure of the industry. He stated the economic justification for American's new service is that the converted 70-passenger airplanes can earn as

(more)



much revenue at the proposed lower fares as can the 50-passenger DC-6s at the regular fares.

American said it expects an increase in the number of first flight passengers who will be attracted to flying by the new low fares. It was pointed out that the company operates and will continue to operate six daily DC-6 Flagship flights between New York and Los Angeles as against the proposed one round trip daily for the new air coach service.

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