

# American Aviation DAILY

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INCLUDING INTERNATIONAL AVIATION

WAYNE W. PARRISH, Editor; ERIC BRAMLEY, Exec. Editor; CLIFFORD GUEST, Managing Editor.

PHONE—Sterling 5400

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## CAPITAL-NATIONAL EQUIPMENT INTERCHANGE CONDITIONALLY APPROVED

CAB today conditionally approved an agreement for interchange of equipment between Capital Airlines and National Airlines. (Docket 3291). Through service is provided by the agreement as approved between Capital cities on Routes 14, 34 and 46 on the one hand, and points south of Washington, D. C., on NAL's Route 31, with Washington as the interchange point. Majority voting for approval included O'Connell, Ryan, Lee and Adams. Harold A. Jones dissented.

Board found: (1) that interchange will give more convenient and expeditious handling to traffic now moving through connections at Norfolk and Washington; (2) that it will improve connecting service to cities not to be served directly by interchange; (3) that it will help to level out seasonal traffic changes for the two carriers; (4) that a better utilization of personnel and equipment should result; (5) that within limits, savings in operating costs may result as volume grows; (6) interchange of aircraft and crews should help provide each line with needed additional equipment during peak seasons; (7) that seasonal cut-backs in personnel will be minimized by the arrangement; and (8) that diversion from other carriers -- Eastern, Chicago and Southern and Northwest -- will be slight.

### Says Employes Will Benefit

It held that employes of each company would benefit rather than suffer adversely from the proposed operation. Board concluded: "There is no doubt that the nature and character of the operations of the two carriers concerned lend themselves to an equipment interchange."

Operation of the interchange was made contingent upon compliance by both carriers with provisions of the Railway Labor Act and existing bargaining agreements for the purpose of amending the bargaining agreements to resolve conflicts between their provisions and the interchange agreement. CAB retains jurisdiction to prescribe additional employe protection provisions should future developments require. Another condition imposed by the Board requires rendering adequate through service between interchange points and that such service may not be discontinued without prior CAB approval. Interchange scheduled other than the initially-approved operation between Minneapolis-St. Paul, Milwaukee, Detroit, Cleveland, Buffalo, Pittsburgh, Washington, Charleston, Jacksonville, Tampa and Miami must be filed 15 days in advance.

Because of the unusual financial terms of the interchange -- which were previously held to represent a form of pooling -- CAB may later require a change in these provisions if experience seems to require it. Supplemental and modifying agreements must be filed 20 days before their proposed effective dates. CAB retained general jurisdiction for imposing additional conditions if necessary.

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## COURT REFUSES INDEFINITE STAY AGAINST AOA, PAA MAIL PAY

The United States Court of Appeals today refused to issue the indefinite stay requested by Seaboard & Western Air Lines in connection with its appeal of

(Continued on Following Page)

## COURT REFUSES STAY (Cont.)

the American Overseas Airlines and Pan American Airways Mail Rate Cases. (DAILY, April 29) The temporary restraining order issued last week was dissolved, and S&W's appeal was set for hearing in June. AOA and PAA were authorized to intervene in the proceeding.

Meanwhile, CAB had issued orders putting into effect the mail pay awards totalling more than \$15,000,000 for the two trans-Atlantic carriers as proposed in show cause orders. (DAILY, April 20) This sum would have been tied up indefinitely had the Court issued the stay S&W was seeking. The orders on effectiveness each contained suitable provisions authorizing the mail pay awards only in the event that the Court did not issue an indefinite stay. AOA and PAA are thus able to begin necessary steps for collection of the mail pay through the Post Office Department. The appeal filed by Seaboard, which will be argued in June, deals with the rights of competing carriers to intervene in both temporary and permanent mail rate proceedings.

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## EASTERN AIR LINES AUTHORIZED TO SERVE PITTSBURGH

In a supplemental Middle Atlantic Area Case opinion, CAB today authorized Eastern Air Lines to serve Pittsburgh as a Route 6 intermediate point between Akron, Ohio, and Charleston, W. Va., subject to certain restrictions. (Docket 674 et al.)

These restrictions prohibit EAL from engaging in local air transportation between Pittsburgh, on the one hand, and Akron, Cleveland or Detroit on the other; and between Pittsburgh on the one hand, and Atlanta, Birmingham, Mobile or New Orleans on the other; and between Pittsburgh and Charleston, W. Va. EAL's proposal to add Elkins, Fairmont-Morgantown, Clarksburg and Wheeling, W. Va., and Youngstown, Ohio to Route 6 was denied. Majority opinion was signed by Vice Chairman Ryan and Members Jones and Adams. Chairman O'Connell and Member Lee dissented.

Majority found that EAL entry to Pittsburgh would offer direct single-carrier service to approximately 10,000 Pittsburgh passengers annually, about 8,600 of whom would move to and from Florida points alone. Admitting that some exposure to diversion from Capital Airlines would result, the Board said that this diversion would amount to approximately \$135,000 annually or less than 1% of Capital's passenger revenues of \$16,550,516 for 1946. Board said that its concurrent approval of the Capital-National interchange should minimize the amount of diversion that would actually take place.

"We are well aware of the difficulties surrounding closed door restrictions", the opinion stated, "however, it is only through their adoption that the needs of Pittsburgh for trunkline service to the Southeast could be met without affording Eastern a clear means of diverting Capital's historical traffic in areas where no compensating public interest advantage exists." It held that "no fatal or even serious impairment of Capital has been demonstrated," adding that "certainly, however, a carrier cannot be constantly protected at the continuing expense of factors of public interest and public convenience and necessity having a more compelling character. No carrier has a vested right in public inconvenience and we do not believe that the possible adverse effect on Capital is sufficient, on balance, to weight the decision in favor of the maintenance of the status quo for its benefit."

The dissenters pointed out that Eastern's application to serve Pittsburgh was denied on three previous occasions and held that "there is less justification for granting the application at this time than ever before."

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## STANDARD WINS POINT ON SUSPENSION IN APPEALS COURT DECISION

U.S. Court of Appeals for the District of Columbia, in a decision on an appeal filed against a CAB suspension order issued to Standard Air Lines (DAILY, Aug. 5, 13, 20, 1948), yesterday held that CAB has no legal authority to suspend a Letter of Registration without hearing. Legal sources indicate that the opinion bears on general administrative practice in the Government; that it holds that in cases where a property is involved a hearing must be held; and that an oral argument is an integral part of a hearing.

**SEN. JOHNSON THINKS P.O. RELUCTANT TO SEPARATE MAIL PAY, SUBSIDIES**

-The Senate Airline Inquiry-

Sen. Edwin C. Johnson (D., Colo.) told his airline investigating committee hearing today that members of the Appropriations Committees of Congress would be asked to testify on the question of separation of subsidy from air mail pay. He said he did not feel that the appropriation committees were opposed to airline subsidies but they were against disguising subsidies in air mail payments.

Later Johnson said he felt that the Post Office Department is reluctant to separate subsidies from air mail pay as "they like to have an alibi for deficits." He declined to elaborate on this statement, asserting the Post Office Department would be given an opportunity to speak for itself later in the hearings.

Johnson made this statement during the second appearance of Croil Hunter, president and general manager of Northwest Airlines, who was recalled to give his views on the separation question. Hunter said he believed separation of subsidy from service pay is desirable. "Whether it is practical or not will depend on whether they can arrive at a fair service pay," he stated.

Hunter said to arrive at a fair service pay will be a complicated procedure but he thought it could be done. He said there would be a wide variance between what would be a proper service rate for one airline compared with another. This difference he said might be as great as 40¢ a ton mile to \$150 a ton mile. However he added that it may be found that no subsidy is being paid to the industry and that it "may be determined that the government should pay more" to the airlines for carrying the mail.

**Hunter Shows Drop in Mail Pay Percentage**

Johnson said he felt it would be desirable to know what the subsidy is, identify those who are getting it and in what amount. He said it was unfair to airlines not receiving subsidies to be classed with those which are receiving them.

Hunter had testified yesterday that in 1938, the domestic air mail pay of Northwest Airlines was 58% of total revenues; in 1939 it was 53%; in 1940 it was 43%; in 1941 it was 40%; in 1947 it was only 6.85%; in 1948 it was 14.7%, and according to the company's forecast, it would be only 12% in 1949.

"These figures I believe prove that in spite of this temporary period of re-equipment and readjustment, our mail pay is becoming a less important part of our revenues," he stated.

The second witness today was George A. Hatzes, Jr., economist, who submitted a mathematical formula under which airlines were rated as to their efficiency by the number of personnel they employed per aircraft. He gave 47.5 as the average.

Robert M. Love, president of All American Airways is slated to testify Thursday at 10 a.m., and William A. Patterson, president of United, on next Monday.

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**BRANIFF PRESENTS CASE FOR SOUTHERN TRANSCONTINENTAL ROUTE**

Braniff Airways is presenting its case in the Southern Transcontinental Route Case hearings which got underway yesterday before CAB Examiner J. Earl Cox. Charles E. Beard, executive v.p. of Braniff, is the company's major policy witness. Braniff is applying for extensions of its present domestic operation from Houston to New Orleans and from Houston and Amarillo to San Francisco and Los Angeles via various intermediates, including Phoenix, Albuquerque and San Diego. Beard stressed the relationship of these proposed domestic extensions to Braniff's international route to South America. The carrier is expected to complete its presentation today and is to be followed by Delta Air Lines' witnesses. City witnesses are to be heard at the end of the sessions.

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**ATS PUBLISHES SUMMARY OF LEGISLATION**

The Aeronautical Training Society, 1025 Connecticut Ave., Washington, 6, D. C., has published a mimeographed summary of legislation now pending in Congress affecting flight training of veterans and aviation schools.

## SLOPE LINE LIGHTING APPROVED BY MUNITIONS BOARD COMMITTEE

The Aircraft Committee of the Munitions Board has approved the CAA-sponsored slope line system of approach lighting for airport runways in use by the Army, Navy, Air Force and commercial operators. The system consists of dual rows of lights, one on each side of the approach end of the runway, which are mounted in such a way that they provide guidance to the pilot during approaches in conditions of limited visibility.

The system was originally recommended by a sub-committee on visual aids to air navigation, following some 475 low visibility flight tests at the Landing Aid Experiment Station at Arcata, Calif. The system has been under strong opposition from the Air Line Pilots Association from early in the program's history. ALPA filed a minority report on the lighting recommendations when they were forwarded to the Munitions Board.

The CAA and the Navy have issued a joint bid invitation covering the purchase of slope line approach lighting and the tentative award has been made to the Northeastern Engineering, Inc., Manchester, N.H. Total price of the award was about \$78,000.

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## PIONEER PROPOSES 4¢ SKY COACH SERVICE

Pioneer Air Lines today filed tariffs proposing 4¢ a mile sky coach fares between five points in Texas and New Mexico, effective June 1 through Aug. 29. Fares, which are one-third less than standard, will apply only for travel on Pioneer's 24-passenger DC-3 equipment. In all other respects the conditions of carriage will be identical to those of other scheduled lines currently providing sky coach service. Tariff lists Amarillo, Clovis, El Paso, Las Cruces, and Roswell as points to which service will be provided.

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## AIR PARCEL POST TO SAUDI ARABIA MAY 15

Air parcel post service to Saudi Arabia will be inaugurated May 15, with rates of \$1.56 for first 4 oz. plus 77¢ for each additional 4 oz., the Post Office Dept. announced. For the present, service will be limited to parcels addressed to the post offices of Dhahran, Hassa, Khobar and Riyadh.

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## GILLETTE DECLINES COMMENT ON RAMSPECK'S CRITICISM OF NON-SKED RESOLUTION

Sen. Guy Gillette (D., Iowa), who last Thursday introduced a resolution in the Senate asking CAB to delay the so-called "death sentence" of the Large Irregular Carriers, said today he had "no comment" to make on the remark of Robert Ramspeck before the Senate Airline Investigating Committee that he (Ramspeck) was sure the Senators did not mean to ask CAB to permit the continuance of operations that were illegal.

Gillette said he had not seen Ramspeck's statement and hence was not in a position to comment on it.

Sen. Edwin C. Johnson (D., Colo.), chairman of the committee, took some exception to Ramspeck's remark. Ramspeck said he felt certain that Sen. Gillette, who was a close friend of his from House days, and the other senators who co-authored the resolution did not understand the situation or they would not have asked CAB to delay action.

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## PACIFIC AIR COMMAND UNITS WILL GO TO MATS

The Air Force has ordered the dissolution of its Pacific Air Command, effective June 1. All units, personnel and facilities will be turned over to MATS. The 1501st Air Transport Wing, MATS, located at Fairfield-Suisun AFB, Calif., will be inactivated. The 1500th Air Transport Group will be organized at Hickam AFB, Honolulu, T. H. Brig. Gen. Harold Q. Huglin, now commanding Fairfield-Suisun AFB, will be transferred to Hickam as deputy commander of MATS Pacific Division.

**CROIL HUNTER DESCRIBES GAINS WITH NWA COACH SERVICE**

Asserting that there is nothing new in coach service in the transportation field, Croil Hunter, president of Northwest Airlines, in his appearance before the Senate investigating committee, told of successful coach services which were inaugurated by Northwest as soon as equipment became available.

Hunter said his company had been operating the coach service from Seattle to Anchorage, Alaska, for the past six months and for the past month between Seattle and New York with DC-4 convertible equipment. He said passenger load factors were averaging 80% on some flights and would be higher except for reservation of space for freight on these flights. He said this service promised to be the answer to the back-haul problem. Light freight loads eastbound are augmented by passengers, light passenger loads westbound by freight.

The passenger fare is \$96 or 4¢ a mile, plus tax. He said this fare was higher than prewar fares and used the illustration of the popularity of the service to say the present passenger fares have put the airlines out of the mass travel market.

"Records of our coach passengers indicate that about 40% are new air travelers and would not have taken the trip if it had not been for the coach fares. For the first 15 days in April our regular service increased in passenger miles about 1% while the additional coach service brought our revenue passenger miles up to an increase of 26% over the same period in 1948," he declared. He said there was no reason why the airlines should not provide several classes of service with different fare levels.

Hunter told the DAILY that quick conversion of DC-4's from freight to passenger carriers is accomplished by an ingenious device which permits a folding type of regular airline passenger seat against the side of the plane.

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**UAL'S S.F. MAINTENANCE BASE COMPLETES SUCCESSFUL YEAR**

United Air Lines has completed its first year's operation at the San Francisco maintenance base with major accomplishments in production, economy and safety. Operating 143 airplanes, UAL has been able to overhaul 1,123 engines or 93.5 engines per month as compared to a former maximum of 40 per month. Aircraft were overhauled at a rate of 18.4 per month as contrasted with 10 in months prior to opening of the San Francisco base.

In electronic and instrument repair, a field of growing importance, 102,000 units were overhauled, of which 32,000 have been handled since the first of this year. Loss of man hours due to accidents was cut to a new low of one hour and 12 minutes for every 1,000 man hours, as compared to an industry average of two days per 1,000 man hours.

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**TRANSPORT MODIFICATION**

MID-CONTINENT AIRLINES is testing a new "baggage cocoon" consisting of a vinyl-plastic coating for forward cargo bin floors and companionways to provide a buffer between baggage and bin. The plastic coating may be removed, if necessary, by stripping it off like a masking tape.

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**HAWAIIAN AIRLINES ADOPTS EMPLOYEE PENSION PLAN**

A pension plan for Hawaiian Airlines employes 25 years of age or older with three years of service was adopted at the stockholders' meeting last weekend. Contributions to the fund covering past service of employes will be borne entirely by the company, and after June 1 contributions to the retirement fund will be made by employes and the company.

All officers and directors were re-elected.

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**AIRLINE PERSONNEL**

PAN AMERICAN AIRWAYS has awarded a 20-yr. service pin to Capt. Fred V. (Shorty) Clark, 58-yr.-old Master First Pilot, who has logged over 20,000 hrs. and 3,000,000 miles without an accident of any kind.