

## CIVIL AVIATION . . .

## B.E.A. 1957-1958

**C**OMING after the less informative and financially disappointing B.O.A.C. accounts for 1957-58 (reviewed in *Flight* for August 8), the latest report for B.E.A. should give all those interested in British air transport quite a few hours' happy reading. After allowing for all items, the Corporation's net profit has risen from under £½m on revenue of £24m to over £1m on revenue of £28m.

This heartening improvement can be largely ascribed to three factors: primarily, higher revenue rates (a combination of higher fares and a greater concentration on the more lucrative forms of traffic); secondly, a sharp rise in aircraft productivity (from 767 to 844 c.t.m.s. per hour) as the Viscount 800s replaced Elizabethans on international services; and, thirdly, internal economies, particularly in staff and engineering costs. These three factors have allowed the gap between revenue and cost to widen despite (1) a drop in load factor, from 64.5 to 63.7, resulting from a traffic short-fall in the latter half of the year, (2) a fall in average annual utilization from 1,867 hr to 1,731 hr, reflecting phasing-out of the Elizabethans, and (3) relatively higher charges for fuel, fleet amortization and sales promotion. The main points in the annual report may be summarized as follows:—

**Fares.** On international services fares were generally increased on May 1, 1957, by 5 per cent. Fares on inclusive tours already arranged for the summer were unchanged, so the average revenue rose by only 4 per cent from 6.14 to 6.4 pence per passenger mile. Domestic fares increased by an average of 5 per cent from 4.92 to 5.16 pence per passenger-mile, as a result of (a) the overall increase introduced in December 1956 at the time of Suez, (b) higher Isle of Man fares as from April 1957 and (c) higher fares between London and Glasgow, Edinburgh and Belfast as from November 1957. (Domestic fare increases ranging between 4 and 25 per cent were introduced in April 1958.)

Average freight-rates on international services increased by 4 per cent by reason of the general 5 per cent rise introduced in January 1957, a further 5 per cent increase introduced in March 1958 having little effect on last year's results. Domestic freight rates went up by 15 per cent in January 1958—the first basic change since 1951. Mail rates remained relatively unchanged. Of future fares-policy the Corporation says: "there is no need in Europe to offer more than two classes of service although present tourist standards should be simplified to allow for fare reductions," and "there should be a fare differential for jet aircraft, at least in their initial period, if existing aircraft types are to continue in service and airlines are to avoid an unnecessarily fast and expensive re-equipment programme which must ultimately result in a higher general level of fares than need be the case."

**Traffic.** Total load ton-miles rose by 14 per cent, the increase comprising a 17 per cent summer rise followed by a 9 per cent increase in the winter months. Of the total 102m load ton-miles, three-quarters (77m) were international traffic, and one-quarter (25m) was domestic. Passenger-mileage increased by 15.7 per cent from 809m to 936m (the number of passengers rose by 12.4 per cent from 2.5m to 2.8m), freight ton-miles increased 7.6 per cent from 9.2m to 9.9m and mail traffic at 3.6m l.t.m.s showed a marginal fall. Domestic routes accounted for a relatively high proportion of passenger traffic (1.2m passengers, 259m passenger-miles), but relatively little freight and mail (1.2m and 481,000 l.t.m.s respectively).

By far the most important routes are those between London and the Mediterranean (236m passenger-miles, equivalent to one-quarter of all B.E.A. traffic), the second most important area being Iberia and Western France (105m passenger-miles). Five other routes each yielded over 50m passenger-miles—three foreign (Austro-Swiss, 65m; Paris, 61m; Germany, 54m) and two domestic (Scotland, 79m; Channel Islands, 70m).

As a result of expansion by British independents, B.E.A.'s share of total U.K. - Europe traffic fell from 44 to 42 per cent, although on those routes operated in competition with Continental airlines its share rose from 57 to 58 per cent. The most seasonal foreign routes were those between the provinces and the Continent and those to southern France and Iberia, the least seasonal being those to the Eastern Mediterranean, Dublin and Germany and those within Germany.

French import restrictions and the loss of Air Ministry traffic led to freight increasing by only 7 per cent on B.E.A.'s international services while increased charges led to a slowing-down in the annual growth of domestic freight, from 34 to 10 per cent. Mail traffic fell slightly as a result of decreased military mail, increased postal charges and G.P.O. preference for surface transport (partly as an economy measure, partly because of weather delays).

**Traffic Services.** Various aspects of traffic handling are being studied in an effort to cut turn-round time. Forty separate projects are under way to improve terminal facilities in Europe. There has been further progress in the field of facilitation (including abolition of Britain's former requirement for passenger manifests on European flights). The West London Air Terminal and a new London cargo depot at Chelsea were opened in October. B.E.A.'s Cabin Services Unit was substantially re-organized. Over five million meals were served by the Corporation. The fleet of ground transport vehicles numbered 567 at the year end.

**Sales.** Travel agents accounted for 61 per cent of B.E.A.'s passenger revenue last year. Overseas traffic has been fostered by consultation with foreign tourist boards and by improved overseas representation. Fresh promotional and advertising ideas and methods, based on marketing research, are constantly being employed. Promotion of inclusive tours took a dominant position in the sales programme.

**Routes.** B.E.A.'s network now covers 78 points, new routes including those from London to Dublin, Valencia, Belgrade, Prague and Tel Aviv,

and from Manchester to Palma, Barcelona and Dublin. Plans were made for new services to Warsaw and Moscow. Viscounts replaced Elizabethans on many routes. Under new arrangements with Cyprus Airways and with B.O.A.C., B.E.A. was enabled to extend its services in the Eastern Mediterranean and to the Persian Gulf.

**Operations.** At the year-end the B.E.A. fixed-wing fleet numbered 119 aircraft (8 Viscount 806s, 22 Viscount 802s, 25 Viscount 701s, 13 Elizabethans, 44 DC-3s, two Herons, three D.H.89s). Overall annual utilization fell from 1,867 to 1,731 hr, that for V.701s falling from 2,409 hr to 2,383 hr and for Elizabethans from 2,221 hr to 1,696 hr; for V.802s it reached 1,943 hr. Crew utilization also fell (captains, 632 to 613 hr p.a.)—particularly for radio-officers, as a result of the introduction of the two-man-crew Viscount 806. Most of last year's 102 newly recruited pilots came from the R.A.F., but this source "will decrease quite seriously in the future." Last year also saw 69 pilots from other airlines receiving Viscount training, on a repayment basis. Operations control is now centralized in specially designed accommodation in Queen's Building at London Airport; and investigations are proceeding into improving the present system of using manual indicator tabs to show aircraft movements by substituting closed-circuit television.

**Engineering.** Check cycles were improved during the year; checks 4 for the V.701 and Elizabethan, for instance, were extended respectively from 1,500 to 3,000 hr and from 1,500 to 1,700 hr. Dart overhaul lives were also improved (the 506 from 1,050 to 1,600 hr, the 510 from 750 to 1,250 hr). These improvements led to a reduction in the number of Dart overhauls from 354 to 336, despite an increase in total flying hours. Modifications included work on V.701 flaps and spar booms, and on V.806s to allow increased take-off weight (thus improving on the original range characteristics). Development work included a 60-63 seat V.701 conversion for domestic routes in 1960; the D.H.121 project; three-crew control cabin for the Comet 4B; and various seating configurations.

**Helicopters.** During the year, says the report, greater emphasis was put on the charter side, but cessation of scheduled operations led flying hours to fall from 995 hr to 904 hr. Early in the year one Whirlwind was sold, leaving four aircraft—two W.S.55s, one Bristol 171 and one Bell 47. The Home Office civil defence contract was terminated in September. Looking ahead, the Bristol 192 should be useful "for the considerable development flying still to be undertaken by a two-engined aircraft" while either the Fairey Rotodyne or the Westland Westminster "may ultimately provide B.E.A. with the economic city-centre to city-centre vehicle which it requires. . . ."

**Personnel.** At the year end, total strength stood at 11,232 (as against 10,540 a year before) of which 9,993 persons were employed in the U.K. and 1,239 abroad. Staff turnover rate continued to fall, averaging 12 per cent. In October 1957, 119 staff were transferred to Air Terminals, Ltd. The scope of National Sectional Panels was extended to cover monthly paid administrative staff in the salary range £1,120-£1,600. Processes of joint consultation were extended. A general apprenticeship scheme was introduced in October to cover non-technical aspects of the Corporation's work.

**Organization and Methods.** The O and M Unit undertook 28 assignments last year, 12 of which were major studies including a review of working methods within particular sections of the Corporation. Development work has proceeded on the use of electronic data-processing equipment in reservations and space control, revenue accounting and traffic statistics, and operations control.

**Medical.** The major responsibility of B.E.A. Medical Services continued to be aircrew fitness. Other work included examination of candidates for employment, study of environmental working conditions, catering hygiene, analysis of health records, medical training and clearance of invalid passengers. B.E.A. continued to operate the Scottish Air Ambulance on behalf of the Department of Health for Scotland.

**Accidents.** The year was marred by three fatal accidents: an Elizabethan crashed at Munich on February 6 while on a charter flight from Belgrade; a Viscount 802 was lost at Nutts Corner, Belfast, on October 23; and a Heron crashed in Islay on September 18.

**The Future.** The Corporation "believes that there is a place in European air transport for higher-speed jet aircraft and for more economical turboprop aircraft. B.E.A. plans for the mid-1960s envisage using the D.H.121 on longer international routes where higher speeds show up to greatest advantage, and using the Vanguard on shorter international routes and the domestic trunk routes where operating flexibility is of primary importance. For the interim period there is a clear requirement for a limited jet operation to protect B.E.A.'s competitive position . . . for this reason B.E.A. signed a contract for six Comet 4B aircraft to be delivered in the winter of 1959."

The Report closes with words that should be made compulsory reading for all those responsible for the fortunes of the world's airlines: "It is the determination of the Board (to ensure) that the total level of costs per ton-mile continues to fall. We believe that the whole air transport industry will continue to face this problem of inadequate profit margins until it recognizes that its rate of re-equipment should be slowed down. We are urging the international airlines in I.A.T.A. to give serious thought to this problem. If, with the new generation of aircraft which the airlines of the world have on order, it were possible to extend commercial lives and thus depreciation periods substantially beyond the seven years which is now general practice, the future financial prospects of the whole airline industry would be improved."