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AI R COMMERC E . . .

names of foreign carriers who will be transporting at least a pro-
portion of their inclusive-tour passengers in 1962 have therefore
been asked whether this decision resulted from the refusal of
licences to British carriers; whether any other considerations had
prompted the decision; what proportion of their inclusive-tour traffic for the summer would "fly foreign"; and whether this was a greater or lesser proportion than in earlier years. Their answers to these questions, recorded in alphabetical order, were as follows:—

The Creative Tourist Agents' Conference We spoke to Mr J. Watson, the air travel manager of Thomas Cook & Son, who makes the Conference's air charter arrangements. CTAC use only national carriers for their IT traffic, so BEA were, as always, approached first; the corporation were unable to cover all CTAC's requirements and some series of flights were placed with other national carriers. BEA will undertake five series, SAM two, Swissair one, Air France two and Sabena one. The proportion of flights being undertaken by foreign carriers is somewhat greater than in previous years.

MUbanke Travel Mr D. Brice told us that Milbanke had origin-ally based their entire programme on Air Safaris and had been compelled to make fresh arrangements when that company sus-pended operations. Now 80 per cent of Milbanke IT traffic this summer will be carried by Air France, Alitalia, Aviaco, Braathens, SAM and' TAJ. This is a considerably higher proportion than in previous years.

Business for Aviaco

Flightways Mr P. F. Sinclair said that Flightways had intended to use the ITX facilities of BEA for all their IT traffic this summer; when they were told that the corporation could not cover their requirements it was already too late to apply with British independ-ent carriers for licences from the ATLB. The Board were therefore advised of the situation and arrangements made with Aviaco for the full programme; this will involve payment to the foreign operator of about £80,000. Foreign carriers had been used in the past, but to a lesser extent.

Lord Bros Mr C. Lord said that approximately 50 per cent of Lord tourists will be carried by British United Airways this summer, the other 50 per cent by Airnautic, Aviaco, Royal Air Maroc, SAM, Tunis Air and UAT. Originally Lord Bros had planned to use BUA and Tradair for 90 per cent of their requirements, but the delay in decisions from the Board had compelled them to prepare alternative arrangements. The shortage of British operators with four-engined aircraft available who were able to satisfy the require-ments of the Board under Section 2(2)(a) of the Act had necessitated recourse to foreign carriers when Tradair had to dispose of their Viscounts. In very round figures, the amount to be paid to foreign operators for the summer would be close to £200,000. The propor-tion of traffic to be carried by foreign airlines in 1962 would be greater than in the past; Lord Bros would apply with British operators again next year.

Mercury Travel, London Mr A. S. Kavanagh said that about 65 per cent of their inclusive-tour traffic this summer would be carried by Airnautic, SAM and UAT. Lack of British capacity, the rejection by the ATLB of the applications made by British carriers and the late decisions of the Board on the IT applications had all contributed to the decision to use foreign carriers to a greater extent than in previous years.

Poly Travel Most of this agency's air transport is arranged through the Creative Tourist Agents' Conference, and the proportion of their traffic on foreign carriers would therefore be the same as for CTAC. The Poly Travel policy was to employ only national carriers, and Air France, Sabena, SAM and Swissair would be used as well as BEA. As with CTAC, the proportion of traffic given to foreign carriers would be somewhat higher this year.

Swans Tours Mr H. Reisbach, the air travel manager, said that their policy was to charter only from IATA member-airlines and national companies. For 1962, all Swans Tours' IT traffic would be carried by Air France, Alitalia, Aviaco, Sabena, Swissair and

TAROM. Between them these carriers would deal with 11,0 passengers, 40 per cent more than Swans total for 1961 when O seas Aviation had operated on five routes for them.

Rentavilla Mr Symons, for the company, explained that all a travel arrangements this year are being made through H. Clark (Air and Shipping Services) Ltd. Mr T. M. Gullick, of the latter

concern, explained that all their 1961 air transport had been pvided by Air Safaris and Air Links. Air Safaris' difficulties this
year had made it necessary to take advantage of the week-end cap which Airnautic could provide. Of the 330 passengers travellin each week 90 would be carried by Airnautic and would represe expenditure of about £25,000 for the season.

Drawing Conclusions

Those are the facts; what conclusions can be drawn from the First of all, the comments made on behalf of CTAC, Poly Trav and Flightways indicate that BEA were unable to guarantee them all the capacity they wanted, so that it would seem to be safe assumption that, this year at least, there has been no mat diversion from the services of our own national carrier.
Has there, then, been diversion from British carriers as a who Again, for this year at least, it is unlikely that there has. The maj factor leading to the decision to use foreign carriers would appe to have been the week-end shortage of aircraft, of the types requ by the tour promoters, available from British operators able satisfy the ATLB that their financial resources are adequate.
It seems ironically possible that the rate-cutting into which th competition for IT business led many of the independent Britis operators left those with less substantial reserves in the posit where they were unable to satisfy the ATLB that they had t financial stability which the Board regarded as prerequisite to t granting of licences. That the survivors are committed for th summer to the limit of their capacity with the required types o aircraft seems certain.
Another suggestion which has been made is that tour promot are discouraged from associating themselves with applications to ATLB by the time-consuming procedures with which it is necessa to comply. Both the very large number of applications made f inclusive-tour licences and the substitute applications made w alternative British carriers after rejection on financial grounds ten to discount this suggestion; nor did any of the agencies consul give this reason, though Mercury Travel did include late decisio of the Board among the factors that had influenced their booki of foreign aircraft.
In any case, as has already been said, the Ministry of Aviati exercises control over the charter activities of foreign carriers this country and requires much the same evidence of need charter flights as the ATLB demand of British carriers.

Future of the "IT" Business

It is clear that the amount and the percentage of British inclusivtour charter traffic in the hands of foreign carriers this summer w
be more than in any previous season. But this can be a grow market, despite the pessimism expressed in some quarters ove future, and foreign national carriers to whose countries the traf is destined cannot be excluded from participation. Any attempt exclude them would inevitably lead to retaliatory restrictions o British carriers, who enjoy something of an advantageous positi in both scheduled and charter operations in Europe at present. The real problem, highlighted by the recent misfortunes of vario British independents, would seem rather to be the commerc viability of inclusive-tour charter traffic on its own. The volume of this traffic is far smaller in the winter than in the summer, and i both seasons it is largely concentrated on the week-ends. Both th imbalances mitigate against operational and economic efficienc which must depend to some extent on regular, adequate airc utilization.

The lengthening of the holiday season and the expansion of boundaries of the inclusive-tour territories may help the situatio But it does seem possible that recently rates for this type of flyi have been depressed by intensive competition to a level where t are realistic only if the charter flying is undertaken as an activit supplementary to the operation of regular scheduled services.