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W rid news
Significant M X environmental
impact, says USAF report

No Government contact
on BCal A310 loan

BRITISH CALEDONIAN chairman
Adam Thomson tells Flight that his airline had "no contact" with the British Government over interest-rate support for the purchase of three Airbus A310s and options on three more (Flight, December 13, page 2154). Thomson confirms that BCal will pay 8!

2 per cent interest on its
A310 loan, a rate competitive with that which would have applied to a Boeing 767 purchase financed through the US Export-Import Bank.
Thomson explains that it was up to the competing manufacturers to offer attractiv e finance arrange-ments. BCal chose the deal which it considered best on technical and financial grounds. In this case Airbus won and was committed to arrang-ing loans at a competitive interest rate, and it was Airbus which approached the UK Government for interest-rate support. Similar arrange-ments have been made with the French and West German Govern-ments when those countries' airlines purchased from Airbus. As the French and German industries are full Airbus members, normal export credit arrangements are not available. Thomson is adamant that BCal made its choice on commercial grounds and that the desirability of buying European played a minor part in the decision. "There is no point in going out of business for the sake of patriotism," states Thomson. B.Cal's agreement is with Airbus alone—he adds—and the UK Government is not a party to the contract.

LOSSES by International Air Trans-port Association (lata) member air-lines for 1980 will amount to about £1,100 million, and forecasts for next year show little cause for optimism, lata director-general Knut Hammarsk-jold says of 1981 "The financial pic-ture should improve, although inter-national scheduled operations prob-ably will not show a profit, and the recently announced Opec price in-creases add a new element of uncer-tainty to the airlines' future."
With this year's record loss follow-ing the "year of profitless growth" in 1979, the airlines are poorly placed to finance the purchase of the new, fuel-efficient aircraft they need. Hammarskjold attributes the enor-mous 1980 losses to the economic recession, inflation, fuel costs and the

THE environmental impact of the MX missile system on the western United States will be significant but manageable, the US Air Force claims. During MX construction (1982-90) about 85,000 people will move into sparsely populated areas of Nevada and Utah. The states will have to absorb $1,200 million in 1986, the peak year. There will be significant increases in land values and shortages of housing, doctors and skilled con-struction labour. But the MX environ-mental impact statement does outline ways to soften the blow.
First-choice locations for the MX main bases employing 13,000-17,000 people are Coyote Spring (little more than a road junction in Nevada), and Utah's Milford (population 1,217). Once the MX shelter systems are built some 31,000 people will stay in

"haphazard regulatory approaches to aviation" by most Governments. He adds that the airlines have become "extremely vulnerable to external economic forces" because about two-thirds of their costs now are outside their direct control.
These external factors include fuel prices and, of increasing significance, airport and navigation charges set by Governments with political as well as economic aims- The airlines complain also that they are relatively free to reduce fares with immediate effect, but necessary increases are subject to scrutiny, occasional refusal, and inevitable regulatory delay.
During the past year the lata air-lines' international passenger traffic showed no growth at all for the first time ever. Freight and mail increased

the area, 24,600 at Coyote Spring and 13,600 at Milford. The areas selected for the 200 23-shelter roadbases are so sparsely populated, the USAF says, that only ten buildings would need relocating in Nevada and none in Utah.

The statement lists eight alterna-tive MX locations, six in Nevada and Utah, in case the first-choice sites are ruled out. In the seventh option the missiles would be based at Clovis, New Mexico, and Dalhart, Texas. The eighth, "split-base" alternative would use the Clovis and Coyote Spring sites. The $17-million, 1,900-page report is attacked by public organisa-tions who equate the MX to "un-paralleled environmental destruc-tion," calling on President-elect Reagan, who has reservations about the cost,, to cancel the programme.

by 5 per cent and 6 per cent, respec-tively, giving an overall traffic in-crease of 2 per cent—the worst figure since 1975. This performance, com-bined with cost increases, led to a loss on international scheduled services. Operating revenues increased by 19 per cent to £14,270 million, but costs have risen by 27 per cent to £15,360 million. The loss is 7-6 per cent of revenue after depreciation/interest. These operating figures take no account of financial provision for new equipment, taxation, depreciation, or the payment of dividends. The £276 million "negative cash flow" on mem-bers' scheduled international services alone equals the entire depreciation
allowance for half of 1979 and all of
1980 (cash flow is defined here as
allowances plus retained earnings).

Record loss for lata airlines

The Bristol cowboy is revealed (see Flight last week, page 2324). This picture of falsely registered Boeing 707 9Q-CRY was taken at Bristol's Lulsgote Airport in late September 1979. On October 11
the 707 took off, taking approach lights and shrubbery with it, and leaving behind flap components

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