

Corporations' Annual Reports

B.E.A. and B.S.A.A. Operations for the Year

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IN the previous issue of *Flight*, dated November 25th (pp. 634-5), a brief summary of the Corporations' annual reports and a more detailed examination of the report of B.O.A.C. was published. Summaries of the reports of the other two Corporations are now given below. It should be pointed out that the comparative figures for B.E.A. losses during the year under review and for 1946-7 have been widely stated as £3,573,989 for 1947-8 and £2,157,937 for 1946-7, giving the impression that the annual loss has increased considerably. However, the 1946-7 figure represents the loss for only eight months' operation, the increase is, therefore, quite small.

B.E.A.

BECAUSE B.E.A. did not operate as a separate Corporation for the whole of the year 1946-47, a direct comparison of the figures for the first and second years cannot be made. The loss for the year under review amounted to £3,284,282. The Corporation believes that in the main, the first two of three objectives—safety, efficiency and economy—have been achieved, and that considerable progress has been made towards economic operation of services. As an indication of the trend the loss per ton-mile carried in 1947-48 was half that for 1946-47, and expenditure per revenue ton-mile decreased by 40 per cent and was continuing to fall. During the twelve months under review, B.E.A. carried 511,522 passengers, 2,284 tons of freight, and 1,391 tons of mail.

On October 6th, 1947, eight uneconomical services were withdrawn: London-Helsinki; Belfast-Carlisle-Newcastle; Isle of Man-Carlisle; Bristol-Southampton; Cardiff-Bristol; Prestwick-London; Cardiff-Weston-super-Mare; Prestwick-Belfast. Three other Island services were withdrawn for the winter months. As Vikings became available four new Continental services were introduced: London-Geneva; London-Nicosia (in conjunction with Cyprus Airways); London-Malta; Glasgow-Copenhagen. The last-named was subsequently withdrawn. Continental services were considerably more remunerative than the internal services, which are expected to show continued substantial losses.

There was an increase in the volume of traffic in 1947-48, and on the Continental routes comparisons of corresponding periods are as follows:—

	1946-7	1947-8	Percentage increase or decrease
No. of passengers carried	58,618	99,514	+69.8
Tons of freight and excess baggage carried	661	1,481	+124.1
Tons of mail carried	414	389	-6.0
Load ton-miles performed	3,339,000	5,547,000	+66.1

There were also large increases in traffic on the internal routes, which were the direct responsibility of B.E.A., for practically the whole of 1947 and 1948.

	April 1946 to March 1947	April 1947 to March 1948	Percentage increase or decrease
No. of passengers carried	224,334	361,311	+61.1
Tons of freight and excess baggage carried	809	988	+22.1
Tons of mail carried	526	792	+50.6
Load ton-miles performed	2,433,000	4,137,000	+70.0

The overall load factor for the two years fell by 6.7 per cent, mainly as a result of the great increase in capacity offered, the use of which did not reach expectations. Regarding fares, in order to bring Continental fares more into line with route costs, 5 to 10 per cent increases were made on Paris, Mediterranean and Iberian routes. The average increase on internal fares, which are settled by B.E.A. with Ministry approval, was approximately 15 per cent. Monthly return fares at 15 per cent rebate were introduced, however, in addition to the existing 60-day return to 10 per cent. To increase the popularity of internal services the introduction of reduced fares to attract special classes of traffic is being considered.

In connection with the carriage of air mail, the Corporation regret that continued representations for higher rates on internal services have not been acceptable to the Post Office, and negotiations which have been carried on have so far been un-

successful. Freight rates on internal air services have been high. With the introduction of Dakotas, however, additional freight capacity became available, and a decrease in rates averaging 13 per cent was introduced in February this year.

Services in the past year have been mainly operated by Vikings, Dominies and Dakotas, while two uneconomical types, Avro XIXs and Jupiters, had been withdrawn. Technical difficulties experienced with the Vickers Viking are being progressively resolved, but the financial results, reflected in the high engineering costs, the difficulties which are inherent in the introduction of a new type. The licence to operate a Dakota fleet will probably extend on from 1950 to 1953, and it was proposed to equip the passenger versions with 28 seats in place of the present 21. The Dominie fleet had been reduced by approximately one half.

It has been decided to adopt the following new types: (a) the Miles Marathon, of which B.E.A. have agreed to accept seven if satisfactory terms can be arrived at; (b) the Ambassador, twenty of which are being negotiated for at present. An aircraft of simple design and construction to replace the Dominie is still being sought.

Satisfactory results of experimental carriage of mail with the aid of three Sikorsky S.51 and two Bell 47B3 helicopters are reported. A regularity of 96 per cent was achieved with Sikorsky aircraft over a 115-mile-long route with ten intermediate stops. The aircraft was seldom more than five minutes off schedule in spite of very high winds. The outcome of the successful experiments was that the G.P.O. made an arrangement with B.E.A. to carry out an experimental service with live mails in East Anglia during the summer months.

The two specially equipped Mosquitoes of the Gust Research Unit made frequent flights along various European routes at between 20,000 and 40,000ft. Cases of clear air turbulence had been encountered, but it was premature for clear-cut conclusions to be drawn. The cost of the experiments did not fall on B.E.A.

With the elimination of uneconomical types, the utilization of the Viking and Dakota was considerably increased. Comparative figures for the summers of 1947 and 1948 were 3.41 and 4.06 compared with 4.71 and 4.79 hours per day. One of the limiting factors continues to be the restricted maintenance facilities available at bases. The short stages of the internal routes mean relatively more time on the ground, and the average stage flight of the internal services is 103 miles as against 378 on the Continental services.

Aircraft maintenance and overhaul was the largest single item of expense absorbing approximately 40 per cent of the Corporation's gross revenue. This cost was excessive in relation to the revenue earned and could be ascribed to two main causes: the conditions under which the aircraft had to be serviced, and the types concerned. Jupiter aircraft, subsequently withdrawn, were included in the period under review, and their servicing costs were approximately three times what would be considered reasonable. Hercules engines fitted to the Viking had undergone overhauls at an average of 400 hours, whereas the fully-developed engine could be expected to run for 800 to 1,000 hours between overhauls.

The scale of landing fees had been unduly onerous on the internal services during the early part of the period, but since May 1st a new scale, giving substantial relief, had been in operation. It was regretted that no retrospective relief was possible. Analysis of the figure of £209,585 was as follows:

	Internal Services	Continental Services	Other Flights	Total
	£	£	£	£
Fees payable at M.C.A. airports	106,780	34,455	—	141,235
Fees payable at airports not under M.C.A. control	38,800	29,491	59	68,350
	<u>£145,580</u>	<u>£63,946</u>	<u>£59</u>	<u>£209,585</u>

It is significant that Continental services landing fees were equivalent to 2.3 per cent of the total revenue, but on internal services they amounted to 12.9 per cent.

On June 30th, 1948, priorities arrangements came to a final