

"This is Skycoach," says a British United Airways caption to this picture, which shows passengers inside the 62-seat Viscount 810 due to be introduced this month on the new low-fare services to British Africa in partnership with BOAC, EAA and CAA. Cunard Eagle will operate Britannia 310s on their Skycoach services to Bermuda and Nassau in partnership with BOAC. See story starting on this page

AIR COMMERCE

This is Skycoach

LAST Tuesday, October 4, Britain's airlines introduced the first of the special low cabotage air fares that have been talked about for so long—since November 1958 to be precise. It was in that month that Mr Harold Bamberg of Eagle Airways, followed in February 1959 by Airwork and Hunting-Clan, applied to operate very low fare (so-called VLF) services to British cabotage points. These moves led directly to two important events: the introduction, sooner than might otherwise have been the case, of new UK civil aviation legislation; and BOAC's challenge to IATA at Honolulu in September 1959 to extend economy fares beyond the North Atlantic.

The IATA fares machinery was sorely tried, but the outcome was that economy fares were more extensively applied, and British airlines got their low-fare cabotage services, now termed Skycoach.

The Skycoach fares actually being introduced are on the average 27 per cent below the old lowest IATA fares, though they are nothing like as low as the VLF fares, which averaged more than 40 per cent below. The table below, a *Flight* compilation, attempts to put the old-and-new fares picture into perspective.

It is not possible to draw the whole picture, in particular those portions of it that show how the new corporation-UK independent-Commonwealth-airline partnerships have been worked out. But it is possible to speculate on the general nature of the pool agreements that have been concluded among the parties concerned.

Let us look first at Africa. There are five airlines involved—BOAC, East African Airways, Central African Airways, British United Airways and South African Airways. The first problem that had to be solved was the future of Airwork and Hunting-Clan. These two independents had pioneered the low-fare "Safari" services to East Africa and Central Africa in July 1952 with Vikings. A price differential below BOAC of up to 15 per cent had always been maintained, but frequencies and cabin service had always been limited.

In the normal process of air transport evolution BOAC and the airlines in the territories concerned, EAA and CAA, wanted a share in this low-fare business. This desire was motivated partly by the "me-too" instinct, though not wholly, as the independents suggested. It was motivated also by the inevitable downward trend in air fares. It was this same trend, and their low cost levels, that prompted Eagle and the other two independents (though Airwork were never entirely happy about VLF themselves) to make the VLF challenge.

With little Ministerial pressure, Airwork and Hunting-Clan, between whom a bridge already existed in Africa, merged as British United Airways. This union meant the loss of many jobs, but the merger made the sharing of the cake an easier task.

British United Airways were given, as had been promised to the independents in 1957 by Mr Harold Watkinson (then Minister of Transport and Civil Aviation), a share of the lowest IATA fare traffic on the routes to East and Central Africa, though no share of the first-class business. BUA were also given a share of the new low-fare cabotage business, namely Skycoach. It is not easy, without the inside information that is not forthcoming,



to determine how all the pooled revenues from both kinds of business are to be shared with BOAC, EAA and CAA. It is possible that the economy-class revenues earned on the routes to East and Central Africa by BUA and BOAC are shared on the 30-70 basis suggested in 1957 by Mr Watkinson. How closely this share—whatever it is—relates to the actual amount of traffic carried by each partner cannot be deduced from timetables because so many of BOAC's services to the points concerned include South African traffic also—which is the subject of a pool between SAA and BOAC. It is said, indeed, that the BOAC/BUA agreement, which is a pool within a pool, is not known even to the other parties concerned, namely EAA, SAA and CAA.

The last-named airline is in a special position inasmuch as it no longer operates services between the UK and the Central African Federation. CAA's last Viscount *Zambezi* Colonial coach service was operated on October 1, and henceforth CAA becomes a regional carrier. As is well known, BOAC bought full rights to Federation traffic three years ago for £1¼m payable in ten-year instalments up to 1967.

The position so far as EAA is concerned is different. It will be recalled* that EAA has always claimed a right to a 50-50 share of traffic between the East African territories and the UK. And of course EAA operates jets on the routes concerned (Comet 4s partly financed by the UK Government through its agent the Colonial Development Corporation). Whether or not UK-East African traffic is in fact shared 50-50 between EAA on the one hand and the UK carriers BOAC/BUA on the other hand is not known.

Whatever the UK share is, it is re-shared between BOAC and BUA—possibly in the 70/30 ratio just mentioned. Thus if the UK share is *x*, BOAC would get 70 per cent of the economy-class and Skycoach part of *x*, and BUA the balance.

The timetables indicate only which services are being operated nominally by each carrier: they do not show which airline is physically operating the services. In actual fact, of 65 Skycoach services operated to East and Central Africa during the next year 46 will be physically operated by BUA 62-seat Viscount 810s and 19 by 92-seat BOAC Britannia 102s.

**Flight*, January 1, 1960, page 12, and April 29, 1960, page 609.

NEW BRITISH FARES FOR OLD

London to:	A Old IATA lowest tourist 2- way fare	B Old Colonial coach cabotage fare (%) cut on A)	C New IATA lowest 2-way economy fare (% cut on A)	D ("Skycoach") New Colonial coach cabotage 2-way fare (%) cut on A and C) 1	E Operators of Economy class	F Operators of Skycoach	G Frequency of Skycoach	H Old VLF 2-way fare (%) cut on A)
Aden ...	£217 16s	—	£183 12s (16%)	£153 (30%) (17%)	BOAC	BOAC	Four yearly ³	£107 (51%)
Bahamas ...	£231 10s	—	£189 15s (18%)	£162 (30%) (15%)	BOAC and C'Eagle	BOAC and C'Eagle	Monthly	£140 (40%)
Barbados ...	£268 3s	—	£232 15s (13%)	£187 4s (30%) (20%)	BOAC	BOAC	Monthly	£160 (40%)
Bermuda ...	£218 13s	—	£180 (17%)	£130 (40%) (28%)	BOAC and C'Eagle	BOAC and C'Eagle	Monthly	£124 (43%)
Hong Kong ...	£415 16s	—	£374 8s (10%)	£311 8s (25%) (17%)	BOAC ²	BOAC	Monthly	£246 (40%)
Jamaica (Kingston) ...	£252 15s	—	£212 5s (16%)	£176 8s (30%) (17%)	BOAC	BOAC	Monthly	£150 (40%)
Nairobi*	£234	£199 16s ⁴ (15%)	£196 4s (16%)	£165 12s (30%) (15%)	BOAC/BUA/EAA	BOAC/BUA/EAA	Fortnightly	£100 (57%)
Salisbury†	£264 12s	£228 12s ⁵ (14%)	£221 8s (16%)	£185 8s (30%) (16%)	BOAC/BUA/CAA	BOAC/BUA/CAA	Fortnightly	£145 (45%)
Singapore ...	£363 12s	—	£327 12s (10%)	£273 12s (25%) (11%)	BOAC ²	BOAC	Monthly	£199 (45%)
Trinidad ...	£283 10s	—	£242 8s (15%)	£198 (30%) (18%)	BOAC	BOAC	Monthly	£165 (42%)

*Via Entebbe. †Via Ndola and Lusaka. (1) Inaugurated Oct. 1960. (2) BOAC/Qantas/Air-India pool. (3) Still undecided. (4) Old Airwork/HCA "Safari" and EAA "Canadair Coach." (5) Old Airwork/HCA "Safari" and CAA "Zambezi." Note: BEA operates IATA-economy fares to Malta and Gibraltar in association with Skyways and BUA respectively. No Skycoach fares available on these routes.