

AIR COMMERCE . . .

BRITISH UNITED'S JET CHALLENGE

"The Board shall consider in particular . . . the extent to which any air transport service proposed would be likely to result in wasteful duplication of, or in material diversion of, traffic from [existing] air transport services."—Civil Aviation Licensing Act.

SINCE facts and figures are (or should be) the basis upon which air transport is regulated, it is as well that the Air Transport Licensing Board should always be clear about the meaning of facts and figures produced by our airlines in support of applications for new routes. As we remarked a year ago (*Flight*, February 5, 1960), Britain's air transport industry has not hitherto been regulated "on the basis of really thorough independent analysis of the issues involved."

A recent statement made by British United Airways ran thus: "To carry out our plans in their entirety would involve no more than 20 per cent of the corporations' traffic growth for the years 1961-65." The plans to which BUA were referring are recent applications to operate an extensive new network of scheduled services in Europe and Africa—linked with which is a £20 million offer to buy five D.H. Tridents and four Vickers VC10s, though Britannias and Viscounts would be operated at first.

In a note in *Flight* for January 27, page 128, it was suggested that the diversion would in fact involve not 20 per cent, but more like a half of the corporation's traffic growth for the years 1961-65. This is challenged by British United in a letter from their executive director, Mr F. A. Laker, which appears on page 189 of this issue. It is therefore necessary for the basis of our suggestion to be sub-

stantiated—not to score off BUA, whose calculations appear to have been based on assumptions rather different from those suggested by the wording of their statement, but to provide an example of how necessary it is for the Air Transport Licensing Board to make an independent analysis of the figures that applicants will always be producing in support of their claims. In the following exercise it is not the figures that matter so much as the principle that the new Board must always assess for itself—regardless of what figures BUA, Cunard Eagle, BOAC, BEA or anyone else produces—the implications of every new route application.

The basis of the *Flight* calculation was the estimated seat-mileage represented by the BUA applications, as shown in the accompanying table. Total proposed seat-mileage in the first year (say 1961-62) is seen to be 395m. Assuming a passenger load factor of 60 per cent, then total annual passenger-mileage yielded by the applications if carried out in their entirety would be 237m. Thus total BUA passenger-mileage (assuming no annual traffic increases, though these are in fact applied for in certain of the applications) from 1961-62 to 1964-65 would be 948m.

Assuming that in the fifth year, 1965-66, Tridents and VC10s are operated, and assuming also a seat capacity of 100 for the Trident and 150 for the VC10, then total seat-mileage in the year 1965-66 yielded by the applications would be 727m or, at a 60 per cent load factor, 436m passenger-miles.

This produces a total yield from the proposed BUA routes for the years 1961-62 to 1965-66 of 1,384m—the figure which, it might reasonably be interpreted from the BUA statement, represents no more than 20 per cent of the corporations' traffic growth for the years 1961-65.

In fact, the figure is 53 per cent. BEA's passenger-mileage in 1961-62 will be about 1,500m, rising at 14 per cent per year (BUA's assumption) to 2,500m in 1965-66—a traffic growth of 1,000m passenger-miles. Likewise, BOAC's passenger-mileage in 1961-62 will be 2,380m passenger-miles, rising to 4,000m in 1965-66—a traffic growth of 1,620m. Thus the total combined traffic growth of the two corporations in the period under review would be 2,620m passenger-miles.

The upshot of all these figures is that BUA's plans, if carried out "in their entirety," would involve 53 per cent, and not 20 per cent, of the corporations' traffic growth.

It is of interest to see what percentage of BEA's growth the BUA plans would involve. Mr Laker gives a figure of 30.9 per cent; but total BUA passenger-mileage paralleling BEA routes would be 972m—which is no less than 97 per cent of BEA's growth in the period concerned.

British United says 20 per cent, we say 53 per cent. British United says 30 per cent, we say 97 per cent. What does the Air Transport Licensing Board say?

J. M. R.

Proposed BUA Services Paralleling BEA International Services

London (Gatwick) to:—	Stage distance, statute miles	Trips per year both ways	Annual seat-mileage* ×1,000,000
Paris ...	215	1,460	15.7
Genoa ...	630	730	23
Brussels ...	218	730	7.95
Frankfurt ...	406	312	6.34
Rome ...	908	416	18.9
Amsterdam ...	231	730	8.4
Milan ...	580	312	9.05
Turin ...	576	208	6.0
Zurich ...	489	312	7.64
Munich ...	588	312	9.18
Cologne ...	315	312	4.95
Dusseldorf ...	311	312	4.86
Dublin ...	279	1,460	20.4
Nicosia ...	2,028	78	7.92
Venice ...	722	36	1.3
Biarritz ...	540	88	2.38
Madeira ...	1,750	130	11.4
Naples ...	1,012	88	4.45
Palermo ...	1,150	52	3.0
Athens ...	1,500	60	4.5
Basle ...	446	88	1.96
Nice ...	646	300	9.7
Barcelona ...	700	72	2.52
Tarbes ...	560	180	5.04
Palma ...	834	208	8.68

... Paralleling BEA Domestic Services

Glasgow ...	360	1,460	26.3
Manchester ...	152	396	3.01
Edinburgh ...	360	1,460	26.3
Belfast ...	320	730	11.7

Total paralleling BEA (round figures): 270m

... Paralleling BOAC International Services

Luxor ...	2,370	12	1.4
Lagos ...	3,109	104	32.3
Johannesburg ...	5,650	104	58.8
Khartoum ...	3,073	104	32.0

Total paralleling BOAC (round figures): 125m

Grand total paralleling both corporations (round figures) 395m

*Assuming the use of 50-seat Viscounts and 100-seat Britannias until delivery of Tridents and VC10s, which could not be until 1964 (see text).

—AND CAN THEY BREAK THE POOL BARRIER?

ALTHOUGH British United are engaged with BOAC in a pool on the African routes, the independent will have to marshal strong anti-pool arguments if its new applications for licences to operate DC-6Cs or Britannias, and later VC10s, from Gatwick to Tokyo and Singapore are to be successful. This is because, as explained in *Flight* for June 3, 1960 (page 773), there is a stipulation in the Air-India/Qantas/BOAC pool agreement which would render the tripartite agreement invalid if a second British carrier were to be designated on the routes covered by the pool—which in fact include the routes now being applied for by BUA.

The new BUA applications, out last week, call for a twice-weekly service London Gatwick - Istanbul - Teheran - Karachi - Delhi - Calcutta - Bangkok - Singapore, to be extended once a week to Hong Kong and Tokyo. Fares would be IATA, except for "Skycoach" class to Singapore and Hong Kong, which would be 18 per cent below the equivalent IATA economy fare.

Tangible prospects of the forthcoming move from London Airport North's shantytown are seen here rising from the central area, where this picture of the new long-haul terminal was taken last week. BOAC are hoping to transfer during the autumn, followed by others in 1962

