The richest air route in the world, the North Atlantic has always been a test grounds for new economic ideas. Tourist- and economy-class fares, for instance, were first introduced on this route and have subsequently become the standard pattern throughout the world.

The most significant development on the North Atlantic in recent years is the increasing influence of the middleman—the professional consolidator, in regular air transport. It is certainly true that the industry is having a dispute about the modernization of the new outdated freight tariff on the North Atlantic. The major specialists, such as Seaboard, PanAm and TWA, who wish to develop a large-scale movement by a combination of specialized freighter aircraft with very low fares for bulk shipments, and the narrow-minded—principally the smaller European carriers who are primarily interested in utilizing their Boeing 707's and DC-8's in the most economical manner. This division, which is in the main being fixed, is nothing new. It is old hat that the two classic schools of rate-fixing theory: on the one hand, those who believe that rates should be based upon the long-term cost of providing the service (in this case of freighter aircraft); on the other hand, those who endeavour to charge what the market will bear.

But there are two reasons why this neat division of interest is so misleading. The first is the advent of consolidation, which would hold both rate-fixers to a common denominator. It contains the inherent suggestion that one group is pressing a disinterested, public-spirited way for reduced rates, only to be obstructed by a second group whose only object is to squeeze the last penny from the系统的 faith. In the North Atlantic freight conferences this situation just did not exist. Excluding the protectionist lunatic fringe which inhibits most such conferences all the North Atlantic airlines were agreed on the pressing need both to simplify the tarif and increase the volume of traffic to raise the rates. The basic problem was not one of ends but of means, with the middlemen such as did not exist when charter services were restricted to a few relatively weak charter companies. But as soon as passenger chartering became big business, the possibility of organization and consolidation becomes infinite, for hardly a person does not belong to some group or other. As long as the arrangement was in the hands of unpaid honorary secretaries, the chances of material diversion of traffic from scheduled services was remote. But once the arrangements are taken over by professional organizers who employ teams of salesmen working their smooth way steadily through university common-rooms, through the offices of learned societies, and into clubs of every description, then the diversion of traffic from normal rates to bulk rates is such as to cause headaches to airline managements.

1961 will probably go down as the year when the consolidation of freight and passenger traffic really became an issue on the North Atlantic. If in this case the consolidators win the day, it will not be long before they invade Europe.

This is the first impression released by Douglas of the DC-8F Jet Trader—the aircraft that the company are offering as a combined passenger/cargo transport, with accommodation for 34 passengers and 52,000 lb of freight. First flight is scheduled for August 1962. Details were published on these pages on April 20.