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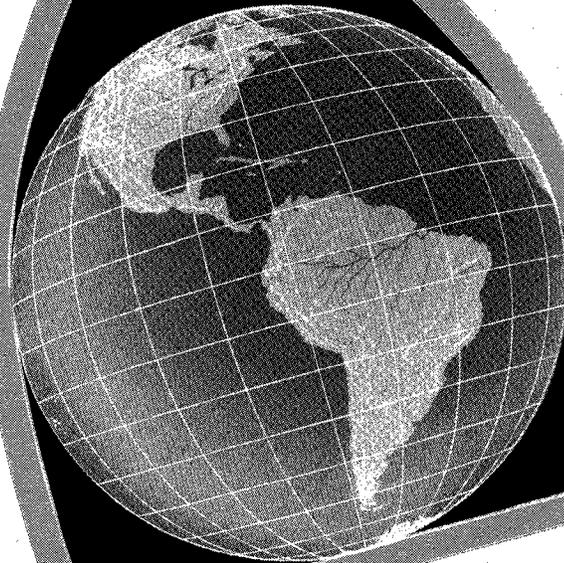
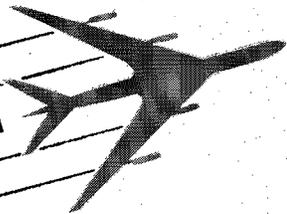
AIR TRANSPORT



FACTS AND FIGURES

OFFICIAL PUBLICATION of the

AIR TRANSPORT ASSOCIATION of America



The Standard Reference of United States Scheduled Air Transportation



The President's Message

THE FIRST TWENTY YEARS

This year's report on the status of the scheduled airlines is both a record of the year just past, and a summing up of two decades of progress.

Because it looks to the past, it can also be called a history. The airline industry, however, has never had time to look into the past. The face of the industry from the very beginning has been firmly fixed to the future.

And what a future lies ahead!

With the inauguration of jet airline service expected late in 1958, the airlines find themselves today at the dawn of an age that will make all previous growth seem almost insignificant by comparison.

It has been the custom of late to refer to the introduction of these new planes as the "Jet Revolution." This is not an apt phrase because the advent of the jets will not come all at once to find the industry unprepared.

Rather, it will be the logical climax to a series of studies that began years ago, long before the first commercial jet prototype took to the air.

The equipment has been studied, and re-studied, for a total of hundreds of thousands of man hours. This enormous amount of research has been carried out by the airlines, acting individually and in close co-operation with each other. Not only has the plane itself, and the power plants, been placed under the most detailed scrutiny, the airlines have also examined all of the supporting facilities that will be needed when the planes go into regular service.

Working in close partnership with the military, the airlines have received great assistance due to the wealth of experience that the Air Force has accumulated in jet operations.

The great expansion that lies ahead will provide many benefits for all of the segments of

the airline public: the passenger, the shipper, and the postal user.

But more than that, the greatly increased airlift capability that will be made available with the new equipment will form a strong link in the nation's defense. More and more, military strategists point out, civil air power is becoming an inseparable adjunct to the concept of total air power.

Twenty years ago, a brief time by historians' reckonings, the rules of our industry were set out in the Civil Aeronautics Act. The Act also embraced, in addition to the rules, a philosophy that is even more meaningful today than it was in 1938. It called for the "encouragement and development of an air transportation system properly adapted to the present and future needs of the foreign and domestic commerce of the United States, of the postal service and of the national defense."

This was an unusual mandate to give a regulatory agency. The ever growing public usefulness of the air transport industry since that time, however, has demonstrated the wisdom of the Act's authors many times over.

By taking the lead in this expansion—a capital program equal to three times their net worth—the airlines are maintaining the great tradition of this dynamic industry. They are carrying out the national policy so clearly set forth by the Congress. Government now must do its part. The real character of the airlines' dramatic advance in technology must be recognized as must the national interest in their success. The wisdom of measures affecting the airlines should be judged against this standard. Facts and Figures for future years will show whether this has been done.

The first twenty years have now been completed. We look forward to the next twenty years, certain that they will contribute an even prouder chapter to aviation history.



FACTS AND FIGURES

19th Edition, 1958

Definition of Terms

Passenger Miles and Ton Miles

AVAILABLE SEAT MILES FLOWN. Total seat miles available for sale in scheduled service.

AVAILABLE TON MILES. Total ton miles of lift capacity available for sale in scheduled and charter service.

CHARTER FLIGHT. Transportation of passengers or property on other than scheduled and designated extra section flights.

EXPRESS TON MILE. A ton of express flown one mile.

FREIGHT TON MILE. A ton of freight flown one mile.

PASSENGER MILE. One passenger flown one mile.

PASSENGER LOAD FACTOR. The percentage of available seat miles actually sold in scheduled service.

PASSENGER TON MILES. Passenger miles converted to ton miles. (See definition of revenue ton miles.)

REVENUE PASSENGER MILES. The number of fare paying passengers flown times the length of trip in miles. This is the amount of available seat miles sold.

REVENUE PLANE MILES. Aircraft miles flown in scheduled service.

REVENUE TON MILES. The ton miles sold in scheduled and charter service. In the construction of this traffic measure passenger miles are converted to ton miles on the basis of about 10 to 1. That is, ten passengers with allowable free baggage are accepted as equalling one ton.

SEAT MILE. One passenger seat, filled or unfilled, flown one mile.

TON MILE LOAD FACTOR. Percentage of available ton miles sold in scheduled and charter service.

U. S. MAIL TON MILE. A ton of mail flown one mile. The mail figures are in two categories. These are defined as Priority and Non-Priority. Priority mail includes air mail and air parcel post. Non-priority mail is first class mail that moves in air service. At present non-priority mail is being flown on an experimental basis between certain selected cities.

Revenues and Profit and Loss

EXPRESS REVENUE. Revenues accrued from the carriage of express.

FREIGHT REVENUE. Revenues accrued from the carriage of freight.

INCOME TAXES. Federal income taxes.

NET OPERATING INCOME. The total operating revenue from air transportation services less the operating expenses (see definition of Operating Expenses). Net Operating Income is before taxes and interest charges and does not include non-operating items.

NET PROFIT OR LOSS. Net income after Federal income taxes—the amount available for dividends or investment in the business. This figure is subject to change because of the later adjustment of some accounting transactions and through revision of mail rates and subsidy by regulatory action.

OPERATING EXPENSES. The expenses incurred in the conduct of the business except for such items as debt financing and other non-operating items.

RATE OF RETURN ON INVESTMENT. Total return, i.e. net profit plus interest paid on long term debt, as percent of average investment. Investment is the average of total net worth (stockholders equity) plus long term debt at the beginning and end of the year.

PROFIT MARGIN ON SALES. Net profit after interest and after taxes as per cent of operating revenues.

OTHER REVENUE. All other revenues, including excess baggage, chartered services, foreign mails, penalties for failure to cancel reservations, service charges on non-revenue transportation of employees and special services such as photography and crop dusting.

PASSENGER REVENUES. Passenger revenues from scheduled operations.

PUBLIC SERVICE REVENUES. Payments by the Federal Government to insure air service to communities in the United States and its territories which could not otherwise afford it; to maintain essential international air routes which are not yet self-supporting; and to develop helicopter service.

U. S. MAIL REVENUE. Service revenue for the transportation of mail. This is the amount paid by the Post Office to purchase air transportation for mail, and is not subsidy.

The year 1958 marks the 20th Anniversary of U. S. scheduled air transportation under the Civil Aeronautics Act. To show the vast growth of the industry in these two decades, the tables in this issue of Facts and Figures show the first year under the Act, 1938, then the post-war years of 1946, 1948, and 1950, and then six consecutive years through 1957. Revised data filed by the scheduled air carriers with the Civil Aeronautics Board and the records of the Interstate Commerce Commission served as the major sources of the statistics.

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WHAT THE INDUSTRY DID IN 1957

The scheduled airlines set new traffic highs in 1957. They carried more people, and more property, more places and for longer distances than ever before.

1957 was a year in which the airlines flew:

- 49,339,000 passengers,
- 31,243,100,000 revenue passenger miles,
- 160,689,000 ton miles of U. S. mail, and
- 507,678,000 ton miles of freight.

Operating revenues were also at all-time highs. But operating expenses were up at an even higher rate, cutting sharply into the overall net profits of the industry. When the year was over, the airlines found that they had:

- Taken in \$2,116,380,000 in operating revenues,
- Spent \$2,051,339,000 for operating expenses, and
- Kept \$42,477,000 as net profit after taxes and interest.

Air Transportation—Still a Bargain Buy

In spite of the relentless upward trend of prices over the last twenty years, the airlines have held the fares to 1938 levels. In that year, for example, the average revenue per passenger mile for the domestic trunklines was 5.32 cents. For twenty years it hovered about that figure until today, including the recently authorized increase of 4 per cent with a \$1.00 service charge per ticket, the average passenger revenue is only 5.42 cents based on carrier estimates for 1958, a gain of 1.9 per cent over 1938.

While air fares have gone up only slightly, service has improved markedly. Flying time between many cities has been cut in half, there is a greater selection of flights, cabin and meal service has improved, and planes are more comfortable, more dependable, and safer.

Decreasing Dependence on Government Aid

Over the last two decades, the scheduled airlines have continually progressed toward self-sufficiency.

20 YEARS OF EVER-INCREASING SERVICE

All classes of Certified Air Carriers	1938	1957	percent increase
 Number of Airlines	23	53	130
 Cities Served¹	286	706	147
 Airplanes in Service	345	1,829	430
 Seats Available (Daily)	4,800	94,200	1,863
 Cruising Speed of Fastest Transport	220	360	64
 Number of Passengers Carried	1,306,000	49,339,000	3,678
 Number of People Employed	13,300	138,000 ²	938
 Total Airline Payrolls	\$27,396,000	\$706,000,000 ³	2,477
 Air Mail Ton Miles	7,449,000	160,689,000	2,057
 Average Fare⁴	5.32	5.25	-1.3

¹ These figures include international cities as well as domestic points and 10 Hawaiian cities; in addition 241 Alaskan points were served in 1957 and 12 in 1938, making a total of 947 cities in 1957 compared to 298 in 1938.

² Data for year 1956.

³ Year ending June 30, 1957.

⁴ Domestic trunk. (Average revenue passenger mile).

In 1938, the airlines received 42.1 per cent of their revenue from the government in the form of mail pay, which included both subsidy and payment for carrying the mail.

Today, the payments have been separated into service mail pay and public service revenues. Although the airlines have carried increasingly larger amounts of mail, by 1957 their dependency on this revenue had been reduced

to the point where only 3.1 per cent of airline revenues came from mail service.

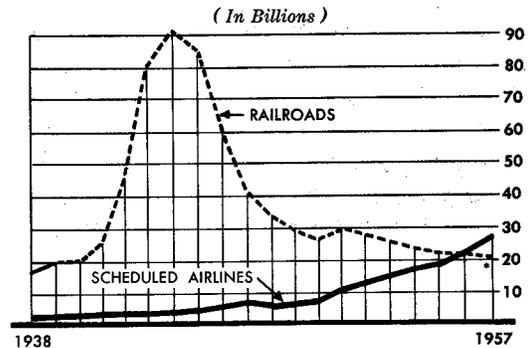
Subsidy also continues to play a lessening role in airline income. In 1957, only 1.9 per cent of the airlines' total revenues came from the government through these public service revenues.

The last of the domestic trunk lines went off subsidy during 1957. Today, the local service airlines receive the majority of public service revenues, a guarantee that smaller communities will receive the benefits of air transport service.

The other public service revenues are used for the development of helicopter service and for the development and maintenance of national interest routes in Alaska, Hawaii and Latin America.

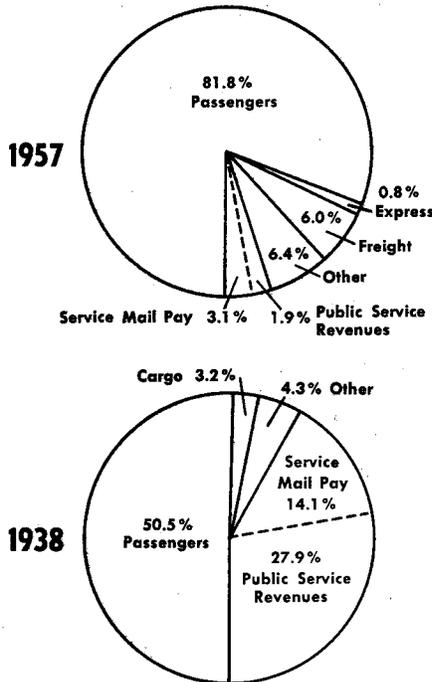
For the year, the airlines flew more than 25 billion passenger miles while the railroads operated approximately 21 billion. The buses, during the period, operated about 16 billion passenger miles.

AIRLINES TAKE LEAD IN DOMESTIC INTERCITY PASSENGER TRAFFIC MILES



*Partly estimated. Rail figures are as reported to ICC and include intercity passenger traffic of the Class 1, 2 & 3 railroads but do not include commutation. Air figures include domestic trunk, local service, and helicopter lines. First-Class and coach included in both Rail and Air figures.

THE SOURCE OF THE AIRLINE DOLLAR



Airlines Safety Record Outstanding

In 1957, the combined U. S. scheduled domestic and international airlines achieved a safety record almost unparalleled in airline history.

Today, it is more than four times as safe to travel by domestic scheduled airline than by automobile. During 1956, the latest period available, there were 26,100 auto and taxi passenger fatalities, a rate of 2.7 fatalities per 100 million passenger miles.

The airline rate was two-tenths of a passenger fatality per 100 million passenger miles in 1957, as compared with five-tenths of a fatality per 100 million passenger miles in 1956. This record was made during a year when scheduled carriers flew an all-time high of more than 31 billion passenger miles.

Airlines Now No. 1 Common Carrier

During 1957, the air transport industry took over first place among the common carriers competing for intercity passenger traffic.

Since the mid-1800's when the railroads first assumed the leadership from the barge lines and stage coaches, the Iron Horse had been the leader.

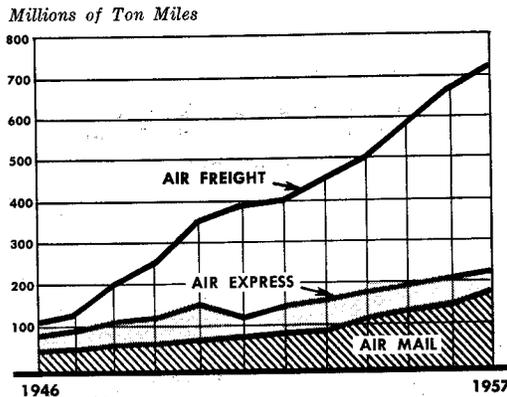
Cargo Business At New Peaks

Last year, the air cargo business leaped to new highs with the operation of more than 714,437,000 ton miles of U. S. mail, express and freight, an 8.83 per cent gain over 1956.

The scheduled airlines also achieved new levels of revenues from their cargo business.

DOMESTIC TRUNKLINES

AIRLINES' CARGO HITS NEW HIGHS



Where \$191 million came from the flying of cargo in 1956, more than \$209,211,000 in revenues were realized in 1957, a gain of 9.5 per cent.

U. S. mail ton miles were up 5.38 per cent, freight was up 12.49 per cent, but air express was down 12.57 per cent, due in part to a strike of Railway Express personnel in seven major cities from April to July.

Domestically, air freight rates have become in many cases, comparable with, and in some cases, lower than, the fastest surface transportation rate.

No Show Problem Reduced

With the co-operation of the public, the domestic airlines' program to reduce the number of no shows made notable gains during the year.

The airlines' three-point program was completed last September when a \$3 penalty was initiated. Previously, the industry had instituted a ticket pick-up time-limit provision and a reconfirmation rule.

Surveys conducted during two one-week periods showed that only about one half of one per cent of the industry's passengers were assessed the no show penalty.

The survey also indicated that the number of no shows has been reduced from 14 per cent of passengers boarded to about six per cent.

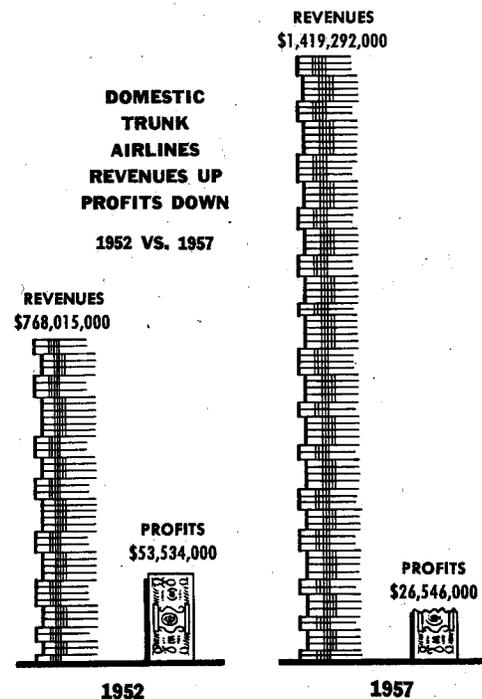
Public service revenues—commonly referred to as subsidy—dropped to zero for the domestic trunkline operations by the end of the year.

At the same time, it was a year when trunkline commitments to purchase pure jet and prop-jet aircraft and related ground equipment reached a figure of about \$2 billion, representing a capital investment of approximately three times the value of present flight property.

As the domestic trunklines geared for the jet age during 1957, traffic continued to rise in all categories except one.

Revenue passenger miles showed an increase of 13.2 per cent, climbing from 21,643,141,000 in 1956 to 24,499,510,000 in 1957. This increase is a slight improvement over the previous year's gain of 12.6 per cent. The trunklines accounted for 78 per cent of the scheduled airline industry's total passenger mileage in 1957.

Mail volume rose 6.0 per cent to 97,194,000 ton miles. Air express showed a drop of 14.0 per cent to 42,752,000 ton miles—attributable primarily to the Railway Express Agency strike.



Meanwhile, air freight volume totaled 218,432,000 ton miles for the year, representing a sharp increase of 14.6 per cent compared to the 9.5 per cent gain recorded in the previous year.

Although the trunklines handled a record volume of passenger and cargo business in 1957, earnings were seriously pinched by a mounting expense level that jumped 18.6 per cent over 1956. Net profit for the industry tumbled from \$57.7 million for 1956 to \$26.5 million in 1957—a drop of 54 per cent.

INTERNATIONAL AIRLINES

There is a critical need for improving our ties with peoples from all parts of the world. In this age of advanced technology the world has become smaller and countries find themselves next door to one another. It thus becomes essential that the people of the world come to understand one another in order to maintain or develop the status of friendly neighbors.

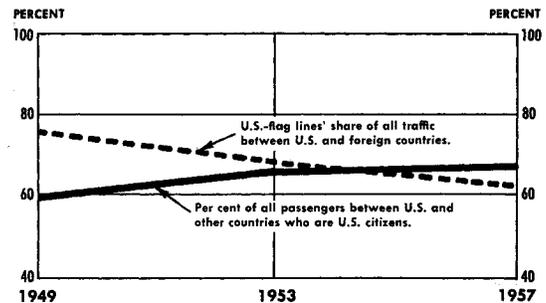
The best way to understand one another is to know one another. Toward this end, U. S. international airlines have made much progress over the years in helping to remove international travel barriers. Customs, immigration and public health facilities have been streamlined in the interest of quick entry into the United States of returning citizens and foreign visitors. The United States now compares favorably with respect to border-crossing formalities with most of the nations of the world.

These efforts are reflected in the increasing volume of international airline traffic. During 1957, U. S. international carriers flew 5,751,669,000 revenue passenger miles, as compared with 5,113,212,000 during the previous year. Cargo ton miles reached a new high of 123,280,000—an increase of 12.9 per cent over 1956, while mail ton miles jumped from 55,156,000 in 1956 to 57,265,000 ton miles in 1957.

The year was marked, however, by the unjustified grant of valuable air routes to foreign flag competitors—KLM and QANTAS—without exacting in return rights for U.S.-flag airlines of comparable economic value. These grants were contrary to the spirit of the United States' bi-partisan air transport policy.

FOREIGN AIRLINES TAKING BIGGER SHARE OF U.S. MARKET

As foreign airlines are given more U.S. routes, the U.S.-flag lines' share of the market dwindles despite ever increasing number of U.S. citizens flying between U.S. and other countries. Since 1949, the number of foreign airlines sharing the U.S. market has risen from 22 to 39. In addition, many of these carriers have been awarded additional routes in the U.S. market.



LOCAL SERVICE AIRLINES

The local service airline industry rounded out its twelfth full year of operations in 1957 by carrying 3,949,000 revenue passengers, for a 12-year total of 20,305,000.

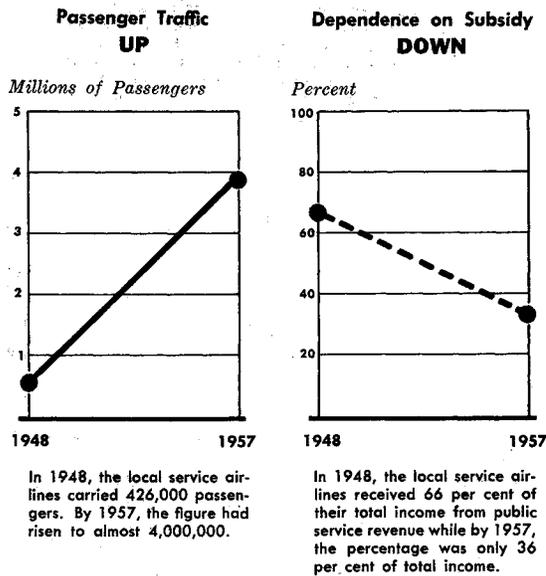
Created directly after World War II to link the intermediate cities of the nation with one another and with metropolitan centers, the local airline industry carried only 25,000 passengers in 1946, first full year of service.

Pursuing a program of constantly increasing public usefulness, the 13 local service carriers today operate a fleet of 225 transports over a system that measures 24,425 unduplicated route miles and reaches into all but four of the 48 states.

It is particularly significant that more than one half of all the cities served by the local airlines would have no direct scheduled airline passenger, mail or cargo service if it were not for the local carriers.

In the past 10 years the local airline industry has increased its passenger load factor from 27 per cent to 45 per cent and has increased passenger revenues ten-fold and total operating revenues five-fold. Accordingly, the percentage of public service revenues has declined—from 66 per cent of the industry's total income down to 36 per cent. Since 1952 the industry has increased its traffic over 100 per cent.

THE LOCAL SERVICE STORY



In 1957 Congress passed two bills designed to encourage airlines to re-equip. One guarantees loans that the local airlines and certain other carriers may secure for purchase of improved flight equipment and the other makes certain equipment trust provisions applicable to aircraft and aircraft equipment. Also, a bill was proposed which would permit local service carriers to apply the capital gains from the sale of obsolete aircraft to the purchase of more modern planes instead of having the proceeds deducted from their public service revenues.

HELICOPTER CARRIERS

One-hundred and forty-five per cent more passengers flew scheduled helicopter in 1957 than in 1956, testifying to the growing popularity and usefulness of scheduled helicopter service.

Serving greater Los Angeles, Chicago and New York, the helicopter airways carried 152,000 revenue passengers in 1957, compared to only 62,000 in 1956. Revenue passenger miles totaled 3,273,000 in 1957, an increase of 106 per cent.

Largely through the introduction of additional and larger rotorcraft during the year, the helicopter airlines provided, in terms of

seat miles available, 126 per cent more service than in 1956.

Air freight tonnage spiraled in 1957—a gain of 100 per cent to 14,000 ton miles. Air express tonnage increased at a faster rate than during the preceding year: 35,000 ton miles in 1957 for an increase of 13 per cent. The helicopter airlines flew 91,000 ton miles of mail, a gain of two per cent.

The three helicopter lines altogether operate 26 aircraft over 545 route miles serving 24 certificated points.

THE ALASKAN CARRIERS

In 1957 permanent certification for carriers operating between points in the United States and Alaska was authorized, permitting these airlines the same permanent operating rights that were authorized in 1956 for carriers operating within Alaska.

During 1957 the Alaskan carriers improved their scheduled traffic figures in the movement of passengers and mail, but showed a drop in cargo.

Revenue passenger miles went up 10.9 per cent to a 1957 figure of 151,886,000. U. S. mail ton miles went up from 2,383,000 to 2,702,000, a gain of 13.4 per cent. Cargo ton miles dropped 9.3 per cent with a haul of 7,208,000 compared to 1956 when 7,948,000 ton miles were flown.

Revenue ton miles showed a drop of 26.6 per cent with a 1957 total of 32,900,000 compared to 44,800,000 the year before. The fall-off was due largely to a reduction in the number of military charters, more than offsetting the gains in scheduled service.

TERRITORIAL CARRIERS

Last year the territorial lines achieved a gain in revenue passenger miles of 6.7 per cent over 1956 with 89,500,000 as compared to 83,900,000. U. S. mail ton miles increased slightly from 65,000 to 66,000.

In the freight-carrying field, the territorial lines increased ton-mile carriage from 1,475,000 in 1956 to 1,536,000 last year—a gain of 4.1 per cent.

Overall, the revenue ton miles of the territorial carriers went up 5.5 per cent, from 8,503,000 to 8,968,000.

THE ALL-CARGO LINES

The all-cargo airlines registered impressive gains in all categories last year. Their overall ton-mile haul was up 35.4 per cent over 1956, rising from 248,781,000 to 336,862,000.

Most spectacular increase was in air express which increased 29.4 per cent—from 1,266,000 ton miles in 1956 to 1,638,000 in 1957.

U. S. mail ton miles increased from 1,569,000 to 1,849,000—up 17.8 per cent while freight ton miles went up 10.5 per cent—from 140,420,000 to 155,126,000.

IMPROVING SERVICE TO POSTAL USERS

The year 1958 will see three anniversaries marked—all significant milestones in the history of air mail service and the story of its growth and usefulness to the postal service and the public.

They are: The 40th Anniversary of Air Mail, the 20th Anniversary of the Civil Aeronautics Act, and the 10th Anniversary of Air Parcel Post.

Air mail came into being on May 15, 1918 when World War I Army pilots flew mail between Washington, Philadelphia and New York. During that first year of air mail operations about 96 tons of mail were carried to produce \$159,700 in "aeroplane" postage revenue. Today, air mail produces some \$180 million annually in revenue for the Post Office Department.

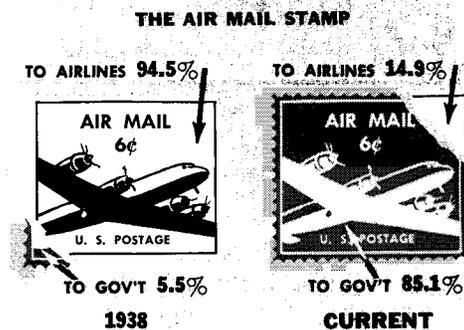
On June 23, 1938 the Civil Aeronautics Act was passed which placed an obligation on the scheduled airlines to serve the postal system of the United States. Since then, public use of air mail has increased more than a thousand fold.

At least two other additions to mail movements by air have added to the usefulness and versatility of air mail. On September 1, 1948, parcel post gained wings and in September of 1953 the Post Office began what is known as the "Three-Cent Air Mail Experiment" under which domestic airlines carry first-class letters daily between certain cities on a space available basis.

When the airlines first began to carry the mail and fulfill their obligations under the Civil

Aeronautics Act, public service revenues were an important source of income for the young industry. In 1938, 94.5 per cent of stamp revenues went to the airlines while the Post Office kept 5.5 per cent. Today, airlines receive only about 15 per cent and the remainder goes to the Post Office. "We save money every time we use air," the Postmaster General said recently.

Increasing usefulness of air mail is reflected in air transport industry figures for 1957. A total of 143,794,000 ton miles of letters, cards and parcel post were flown—an increase of 4.9 per cent over 1956. Parcel post—lusty young



member of the air mail family, is growing steadily. Air parcel post shipments increased by 83.6 per cent over a six year period.

Three-cent mail carried by air increased, too. During 1957 this mail totaled 16,895,000 ton miles, up over 1956 by 9.53 per cent. This service benefits the public by making mail deliveries possible 12 to 48 hours sooner than if it had moved by surface, and a Post Office spokesman has said that studies of the experiment showed "that costs were not greater, in fact, they were running a bit less than when we were using surface transportation."

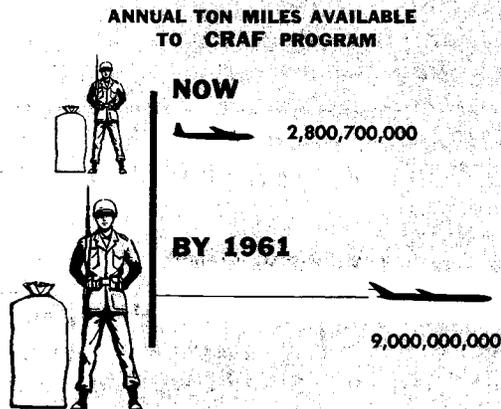
NATIONAL DEFENSE

While the airlines are dedicated to the public service, to the nation's commerce and postal service, they are dedicated also to the national defense.

As part of defense planning, the airlines—in cooperation with the Department of Defense and other government agencies—have established the Civil Reserve Air Fleet (CRAF) and

the War Air Service Pattern (WASP) for maximum domestic and global military airlift in time of national emergency.

The CRAF—composed of 368 long-range four-engine airliners, including 314 from the scheduled airline fleets—would operate on a



global basis, carrying troops, supplies and equipment in support of the military effort. All remaining four- and twin-engine aircraft in the civil fleets would make up the WASP to provide an intensive system of priority airlift in support of defense production at home.

The machinery has been set up whereby the airlines can swing all or part of their operation into military service immediately should an emergency arise and be fully operational within 48 hours.

The advent of the jet age promises even greater benefits to the national security. Most of the turbine-powered aircraft on order are the types most desirable for wartime military support operations. When delivered, the civil capability under wartime conditions will be more than 9 billion ton miles annually, compared to the 2.8 billion of the present piston CRAF. The airlift capacity will be nearly 15 times more than the average annual airlift provided by the airlines during World War II in military and civilian service.

During 1957, the Air Force emphasized that it will depend upon the scheduled airlines for normal jet air transport lift in time of emergency. Secretary of the Air Force James H. Douglas said: "We have not ordered any turbo-jet transport aircraft for the Military Air

Transport Service such as the airlines have on order in large number and which we count on the airlines making a part of the Civil Reserve Air Fleet."

In an unusual move, the Defense Department intervened in the General Passenger Fare Investigation hearings last year. The Department stated that "it recognizes as a matter of the greatest urgency the necessity for maintaining a strong, modern and economically sound air carrier industry to meet the requirements of national defense during peace time and national emergencies."

The airline defense role represents substantial saving to the American taxpayers. It would cost the government an estimated \$550 million initially just to acquire the present piston CRAF, plus \$350 million annually to maintain its readiness. Since most of the aircraft on order will be suitable for military airlift, most of the \$2.5 billion investment being made by the airlines constitutes further substantial saving to the taxpayers.

Airlines as Military Partners

This unique capability of the airlines stands out as one of America's finest examples of military-industry partnership—a close, working relationship that serves the nation in peacetime as well as in time of emergency.

Every hour of every day the scheduled airlines serve the Department of Defense through the Military Bureau of the Air Transport Association and its field offices. To better serve the various branches of the armed forces, the scheduled airlines have established Joint Airline Military Traffic Offices (JAMTO's) at 68 military installations throughout the country. Under the jurisdiction of local military committees of the industry, these JAMTO's assist in making arrangements for movement of both cargo and personnel.

It is estimated that some 22 million man hours were saved during fiscal 1957 by the use of scheduled air transportation.

AIR NAVIGATION AND TRAFFIC CONTROL

One of the pressing needs for the orderly growth of civil aviation is a modern navigation and traffic control system. Such a system does

not now exist but the government is encouraging its development.

A positive step toward this end was taken in May when the Special Assistant to the President for Aviation Facilities Planning, General Edward P. Curtis, made his report.

The report called for the setting up of the Airways Modernization Board, an independent agency "responsible for developing and consolidating the requirements for future systems which are needed to provide the necessary communications, navigational aids, and control needed to accommodate the future air traffic in the United States. It would be responsible as well for the systems engineering, the evaluation, and the selection of such aids as will best serve the needs of aviation."

It is clear that a revamped system will require considerable expenditure. The scheduled airline industry believes that the principle of payments for the use of such federally furnished facilities within the U. S. is a sound one. The airlines have been paying a fair share of the cost and they expect to do so in the future.

Increase in Fuel Tax Proposed

Any allocation of costs that is made, however, must take into consideration the degree to which the airways are used by the three components of aviation: military, air transport, and private and business flying. At year's end, the air transport industry was operating 1,829 planes, the military 40,000 and private and business interests, 60,000 planes.

Before assessing a higher fuel tax, as the government recently proposed, there should be a thorough study which will determine the actual use of the airways. According to the Administrator of the Civil Aeronautics Administration, the military makes use of the airways system 45 per cent of the time. Since the military also has an overriding, and understandable, priority call on the exclusive use of the airways, this fact should also be taken into account.

The vanishing air space remained a critical problem at year's end. As the Curtis report pointed out, "The American airspace is a natural resource that is on the verge of exhaustion in terms of the capacity of the system now in

place for managing our free and safe access to this resource."

A start on the problem was made when the Civil Aeronautics Board delegated to the Civil Aeronautics Administrator final authority in the designation of restricted areas.

Prior to this action, the air space had been controlled by the Administrator with the assistance of the Air Space Panel of the Air Coordinating Committee. Because unanimous consent of the panel members was needed however, some of the compromises that resulted were in conflict with the public interest, the Board noted.

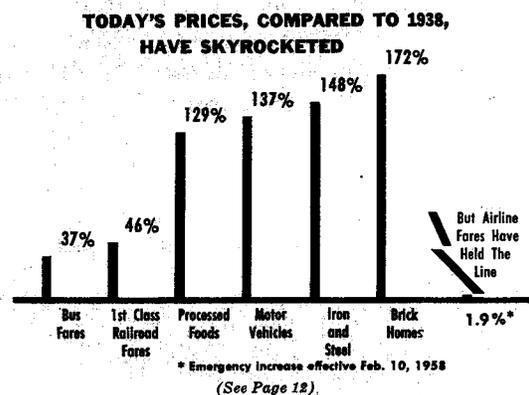
The airlines strongly support the new procedure and are in accord with the Civil Aeronautics Board's position that it is a "major forward step in determining how air space will be used," and that it "will resolve the conflicts that arise between the various users of air space."

Airport Rentals and Landing Fees

For the last ten years, the airlines have been paying steadily increasing landing fees to airports. At one large city, they have gone up in that period from 4.4 cents to 16 cents per 1,000 pounds; at a medium size city, from 3.3 cents to 8.8 cents, and at a smaller city, from 3.3 cents to 9.4 cents.

In 1957, the domestic trunk and local service airlines paid out an estimated \$14 million in landing charges.

To this figure must be added an estimated \$10 million representing rental payments made by the airlines during 1957. This total of \$24 million paid to airports is just about equal to



the net profit of the domestic industry for the year.

JET PROGRAM THREATENED BY FINANCIAL SQUEEZE

At the end of the year, the scheduled airlines had on order 474 new aircraft for delivery between 1958 and 1961.

Making up the airline order were 230 pure jet planes, 167 turbo-props, 70 piston aircraft and seven helicopters.

The equipment orders represent an investment of more than \$2.5 billion. This investment became all the more important when the end of 1957 saw the beginning of a recession that forced many industries to cut back on capital expenditures.

The airlines' re-equipment program will go a long way toward the priming of the pump of American industry, providing new jobs, creating new skills, and spreading its revitalizing energy throughout the whole economy.

Airline estimates indicate that 30 per cent of all traffic will be flying in turbine-powered aircraft by the end of 1959 and that the new jets will be the basic airline aircraft by 1961. The Civil Aeronautics Administration predicts that by 1965, domestic volume will reach 93 million passengers, almost twice the amount carried in 1957.

With the introduction of the jets, the public will be able to fly faster and more comfortably than ever before. The world will be shrunk to a little more than half its present size and time will be reckoned not in hours, but in minutes.

Shippers will see their goods being moved across the country and over oceans in half the time. The enormous lift capacity of the new jets will open up new dimensions for cargo movement that have only been hinted at so far. The mail will move faster, more often, and in greater quantity.

At the same time that the airlines were placing this bet on the future of their industry, they were beset by a financial squeeze that grew increasingly severe.

The profit margin for domestic trunk lines was 1.9 per cent in 1957, compared to 7 per

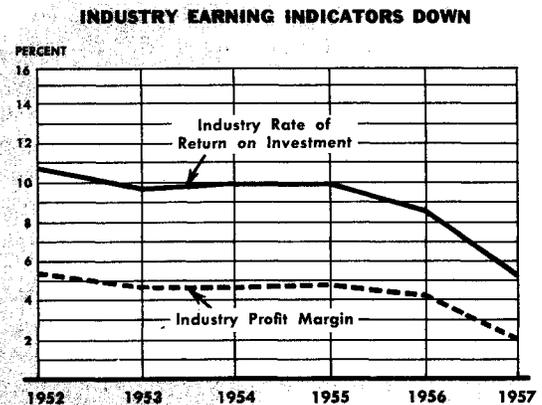
cent in 1952. The operating profit margin was 5.4 cents per available ton mile for 1951 but it had dipped to .8 cents by 1957. Operating margin per revenue ton mile was 8.9 cents for 1951, compared to 1.5 cents for last year.

Since 1938, the average revenue per passenger mile has gone down from 5.32 cents to 5.25. During that same time, the overall cost of living went up 98 per cent, bus tickets went up 37 per cent and rail freight rates went up 46 per cent.

Despite the fact that virtually every trunk airline filed requests for fare increases ranging from 12 to 17 per cent, the Civil Aeronautics Board granted, in early 1958, only a 4 per cent increase with a \$1 service charge per ticket.

The inadequacy of the increase can be seen in the comparison of profit margins over recent years. Last year, as noted, the profit margin was 1.9. With the recent increase, it is estimated that the profit margin for 1958 will be only 2.61, a long way down from the 4.6 per cent of 1956, or the 7 per cent of 1952. The estimated gross revenues for 1958 will more than double those of 1952, but the profit margin will be a good deal less than half.

The earnings decline has affected not only the domestic trunk lines, but the entire industry as well. The rate of return on investment for the scheduled airlines dipped from 10.9 per cent in 1952 to a low of 5.1 for 1957. Industry profit margins fell off similarly, going from 5.3 per cent in 1952 to a dangerously low level of 2.0 per cent for 1957.



AVAILABLE SERVICE AND UTILIZATION

U. S. Scheduled Airline Industry

(For Selected Years, In Millions)

THIS TABLE SHOWS THE EVER INCREASING GROWTH IN THE SERVICES THE SCHEDULED AIRLINES ARE OFFERING TO THE PUBLIC AND THE INCREASING USE OF THIS SERVICE BY THE PEOPLE, THE GOVERNMENT AND SHIPPERS.

LOAD FACTOR IS THE PERCENTAGE OF CAPACITY WHICH IS SOLD.

	Available Ton Miles Flown	Revenue Ton Miles Flown	Ton Mile Load Factor (%)	Available Seat Miles Flown	Revenue Passenger Miles Flown	Passenger Load Factor (%)	Revenue Plane Miles Flown
Domestic Trunk Airlines							
1938.....	N.A.	53.5	.....	908.4	457.3	50.35	65.4
1946.....	982.2	637.9	64.95	7,490.4	5,903.1	78.81	304.5
1948.....	1,357.9	700.7	51.60	9,980.2	5,822.4	58.34	316.3
1950.....	1,684.1	953.5	56.62	12,385.6	7,766.0	62.70	327.1
1952.....	2,399.3	1,397.4	58.24	18,068.1	12,120.8	67.08	411.4
1953.....	2,893.4	1,624.9	56.16	22,114.8	14,297.6	64.65	467.0
1954.....	3,314.1	1,832.6	55.30	25,646.5	16,246.3	63.35	497.2
1955.....	3,882.7	2,160.1	55.63	30,001.3	19,217.2	64.05	564.0
1956.....	4,393.2	2,417.0	55.02	33,752.6	21,643.1	64.12	622.1
1957.....	5,150.4	2,720.0	52.81	39,838.2	24,499.5	61.50	711.1
Local Service Airlines							
1938 ¹.....	.....	.....	.....	.....	.....	.....	.....
1946.....	1.8	.7	41.71	18.0	6.8	37.92	3.0
1948.....	31.5	9.3	29.46	323.9	87.9	27.14	18.0
1950.....	62.4	20.6	33.02	599.2	188.8	31.51	33.0
1952.....	96.2	36.0	37.37	905.4	339.2	37.46	41.1
1953.....	109.3	41.1	37.61	1,013.6	390.9	38.56	45.6
1954.....	112.9	47.5	42.04	1,069.7	449.5	42.02	47.7
1955.....	121.9	55.3	45.36	1,161.4	523.3	45.06	50.9
1956.....	145.6	66.8	45.91	1,385.0	633.2	45.72	59.5
1957.....	170.7	78.4	45.95	1,653.8	747.3	45.19	67.3
Territorial Airlines							
1938.....	N.A.	.4	.....	6.7	4.2	63.07	.6
1946.....	6.1	3.7	60.59	48.1	38.0	79.04	2.3
1948.....	9.1	5.1	56.24	81.0	52.9	65.28	3.6
1950.....	10.9	5.7	52.20	100.1	57.7	57.66	4.3
1952.....	14.2	7.1	50.03	124.1	67.9	54.72	5.4
1953.....	15.9	7.4	46.34	134.6	71.8	53.37	4.9
1954.....	15.7	7.6	48.46	134.5	72.7	54.04	4.7
1955.....	16.1	8.4	52.10	134.7	78.1	57.99	4.6
1956.....	16.0	8.5	53.03	147.9	83.9	56.70	4.6
1957.....	15.9	9.0	56.31	154.9	89.5	57.78	4.7
Helicopter Airlines (in thousands)							
1938 ¹.....	.....	.....	.....	.....	.....	.....	.....
1946 ¹.....	.....	.....	.....	.....	.....	.....	.....
1948.....	108	28	25.93	.....	.....	.....	284
1950.....	189	63	33.33	.....	.....	.....	668
1952.....	181	75	41.44	.....	.....	.....	631
1953.....	350	129	36.86	191	26	13.61	1,006
1954.....	388	152	39.18	716	183	25.56	1,071
1955.....	434	195	44.93	1,708	628	36.77	1,148
1956.....	567	277	49.03	3,561	1,588	44.59	1,315
1957.....	1,056	450	42.61	8,049	3,273	40.66	1,604

See Footnotes at Bottom of Page 14

Available Service and Utilization

(continued)

	Available Ton Miles Flown	Revenue Ton Miles Flown	Ton Mile Load Factor (%)	Available Seat Miles Flown	Revenue Passenger Miles Flown	Passenger Load Factor (%)	Revenue Plane Miles Flown
International and Overseas Airlines							
1938.....	.....	57.2 ²	.....	116.1	53.2	45.83	7.0
1946.....	211.7	145.1	68.55	1,553.7	1,100.7	70.85	59.4
1948.....	480.8	282.2	58.69	3,292.3	1,888.9	57.37	98.1
1950.....	554.2	334.5	60.35	3,695.4	2,206.4	59.71	93.8
1952.....	693.7	434.2	62.59	4,848.8	3,019.8	62.28	103.4
1953.....	760.5	474.4	62.38	5,462.2	3,381.1	61.90	109.6
1954.....	856.1	534.2	62.40	6,284.9	3,743.3	59.56	116.1
1955.....	984.6	633.8	64.37	7,012.1	4,410.8	62.90	130.7
1956.....	1,143.4	741.2	64.82	8,073.1	5,113.2	63.34	146.0
1957.....	1,292.9	854.7	66.10	9,038.1	5,751.7	63.64	155.7
Alaskan Airlines							
1938 ¹.....	.....	.....	.....	.....	.....	.....	.....
1946 ¹.....	.....	.....	.....	.....	.....	.....	.....
1948.....	20.1	13.0	64.37	42.6	19.6	46.10	4.6
1950.....	19.7	10.2	51.79	54.0	22.4	41.60	5.4
1952.....	26.7	14.6	54.51	168.8	71.2	42.18	9.3
1953.....	34.1	19.6	57.49	209.2	92.4	44.15	10.4
1954.....	34.4	19.6	56.91	206.3	87.0	42.15	9.6
1955.....	46.0	29.4	63.87	233.9	110.4	47.20	10.5
1956.....	66.9	44.8	66.98	284.1	137.0	48.21	11.3
1957.....	59.0	32.9	55.68	329.7	151.9	46.07	11.5
All-Cargo Airlines							
1938 ¹.....	.....	.....	.....	.....	.....	.....	.....
1946 ¹.....	.....	.....	.....	.....	.....	.....	.....
1948 ¹.....	.....	.....	.....	.....	.....	.....	.....
1950.....	80.2	59.5	74.20	.....	.....	.....	13.0
1952.....	118.6	97.0	81.82	.....	.....	.....	17.8
1953.....	121.9	99.3	81.51	.....	.....	.....	17.6
1954.....	108.8	88.6	81.48	.....	.....	.....	12.6
1955.....	184.0	135.1	73.41	.....	.....	.....	17.1
1956.....	321.5	248.8	77.38	.....	.....	.....	23.5
1957.....	431.7	336.9	78.04	.....	.....	.....	23.3
CONSOLIDATED INDUSTRY							
1938.....	.....	111.1 ²	.....	1,031.2	514.8	49.92	73.0
1946.....	1,201.7	787.4	65.53	9,110.2	7,048.7	77.37	369.3
1948.....	1,899.4	1,010.2	53.18	13,720.0	7,871.7	57.38	440.9
1950.....	2,411.7	1,384.1	57.39	16,834.3	10,241.4	60.84	477.2
1952.....	3,349.0	1,986.3	59.31	24,115.2	15,618.9	64.77	589.1
1953.....	3,935.3	2,266.8	57.60	28,934.5	18,233.8	63.02	656.1
1954.....	4,442.5	2,530.3	56.96	33,342.7	20,599.0	61.78	688.9
1955.....	5,235.7	3,022.2	57.72	38,545.1	24,340.4	63.15	779.0
1956.....	6,087.1	3,527.4	57.95	43,646.3	27,612.0	63.26	868.4
1957.....	7,121.7	4,032.3	56.62	51,022.6	31,243.1	61.23	975.3

¹ Data not available for Alaskan airlines in 1938 and 1946. Local Service operations initiated in 1945. Helicopter operations started in 1947, passenger service began in 1953. All-Cargo Airlines began operations in fourth quarter of 1949.

N.A. Not available.

² Revenue Ton Mile data for items other than passenger ton miles for International and Overseas carriers not available for 1938, hence total does not reflect these items.

Note: Available Ton Miles and Revenue Ton Miles includes charter operations; all other items are for scheduled service only.

REVENUE TON MILES OF TRAFFIC CARRIED

U. S. Scheduled Airline Industry

(For Selected Years, In Thousands of Revenue Ton Miles)

THIS TABLE SHOWS, BY CATEGORIES, THE EVER INCREASING USE OF THE SCHEDULED AIRLINES BY PASSENGERS AND COMMERCE

	Passenger ⁴	Priority U. S. Mail	Non Priority ⁵ U. S. Mail	Express	Freight	Charter Flights	Excess Baggage	Total
Domestic Trunklines								
1938	43,447	7,446	.....	.....	2,089 ²	n.a.	473	53,455
1946	560,796	32,878	.....	23,652	14,433	n.a.	6,128	637,887
1948	553,127	37,510	.....	29,769	70,438	3,158	6,657	700,659
1950	737,771	46,315	.....	36,538	112,861	8,203	11,782	953,470
1952	1,151,475	68,296	.....	40,375	117,128	8,593	11,512	1,397,379
1953	1,358,270	69,936	1,789	42,514	131,778	6,874	13,706	1,624,867
1954	1,543,399	69,098	11,103	40,122	144,276	8,317	16,288	1,832,603
1955	1,825,631	71,859	14,175	49,603	174,017	5,737	19,046	2,160,068
1956	2,056,098	77,788	13,891	49,709	190,592	5,911	23,055	2,417,044
1957	2,327,334	82,057	15,137	42,752	218,432	6,335	27,983	2,720,030
Local Service Airlines								
1938 ¹ .....	.....	.....	.....	.....	.....	.....	.....	.....
1946	647	60	.....	24	.....	n.a.	4	735
1948	8,353	334	.....	190	265	90	39	9,271
1950	17,934	566	.....	623	696	653	118	20,590
1952	32,223	912	.....	894	1,116	653	168	35,966
1953	37,131	951	49	954	1,179	649	198	41,111
1954	42,703	976	250	1,043	1,158	1,108	224	47,462
1955	49,713	928	328	1,403	1,355	1,338	245	55,310
1956	60,156	1,192	344	1,687	1,624	1,520	320	66,843
1957	70,990	1,174	348	1,645	2,082	1,719	471	78,429
Territorial Airlines								
1938	403	3	.....	.....	9 ²	n.a.	3	418
1946	3,043	34	.....	112	389	n.a.	98	3,676
1948	4,229	53	.....	134	581	39	68	5,104
1950	4,620	65	.....	119	529	304	56	5,693
1952	5,431	50	.....	55	1,258	272	49	7,115
1953	5,748	57	.....	n.a.	1,503	27	46	7,381
1954	5,817	58	.....	n.a.	1,657	45	34	7,611
1955	6,250	59	.....	n.a.	1,646	436	20	8,411
1956	6,710	63	2	.....	1,475	236	17	8,503
1957	7,159	65	1	.....	1,536	170	37	8,968
Helicopter Airlines								
1938 ¹ .....	.....	.....	.....	.....	.....	.....	.....	.....
1946 ¹ .....	.....	.....	.....	.....	.....	.....	.....	.....
1948 .....	.....	28	.....	.....	.....	.....	.....	28
1950 .....	.....	63	.....	.....	.....	.....	.....	63
1952 .....	.....	75	.....	.....	.....	.....	.....	75
1953	2	123	.....	.....	2	.....	2	129
1954	17	115	.....	13	5	.....	2	152
1955	60	96	.....	31	5	.....	3	195
1956	149	89	.....	31	7	.....	1	277
1957	309	91	.....	35	14	.....	1	450

See Footnotes at Bottom of Page 16

Revenue Ton Miles of Traffic Carried

(continued)

	Passenger ⁴	Priority U. S. Mail	Non Priority ⁵ U. S. Mail	Express	Freight	Charter Flights	Excess Baggage	Total
International and Overseas Airlines⁴								
1938	57,199	n.a.	.....	n.a.	n.a.	n.a.	n.a.	57,199 ³
1946	118,330	6,141	.....	15,090	n.a.	n.a.	5,557	145,118
1948	203,062	17,203	.....	41,581	4,012	7,990	8,314	282,162
1950	237,188	21,188	.....	44,513	16,050	5,730	9,825	334,494
1952	318,608	22,068	.....	281	72,346	7,846	13,051	434,200
1953	352,963	24,466	.....	219	74,427	7,700	14,583	474,358
1954	386,868	35,323	.....	217	81,886	13,790	16,136	534,220
1955	453,195	52,409	.....	243	90,598	19,701	17,648	633,794
1956	524,369	55,158	.....	.....	109,235	32,652	19,757	741,171
1957	589,510	57,265	.....	.....	123,280	63,833	20,771	854,659
Alaskan Airlines²								
1938 ¹ .....	.....	.....	.....	.....	.....	.....	.....	.....
1946 ¹ .....	.....	.....	.....	.....	.....	.....	.....	.....
1948	2,109	281	.....	.....	1,027	9,509	40	12,966
1950	2,413	741	.....	.....	882	6,095	90	10,221
1952	7,654	1,591	.....	.....	4,252	955	99	14,551
1953	9,928	1,987	.....	.....	5,908	1,640	114	19,577
1954	9,350	2,058	.....	.....	5,998	2,086	114	19,606
1955	11,868	2,279	.....	.....	7,300	7,773	152	29,372
1956	14,719	2,383	.....	.....	7,948	19,527	241	44,818
1957	16,328	2,702	.....	.....	7,208	6,348	279	32,865
All-Cargo Airlines								
1938 ¹ .....	.....	.....	.....	.....	.....	.....	.....	.....
1946 ¹ .....	.....	.....	.....	.....	.....	.....	.....	.....
1948 ¹ .....	.....	.....	.....	.....	.....	.....	.....	.....
1950 .....	.....	.....	.....	.....	58,420	1,125	.....	59,545
1952 .....	.....	.....	.....	.....	92,367	4,670	.....	97,037
1953 .....	.....	.....	.....	.....	88,812	10,517	.....	99,329
1954 .....	.....	.....	.....	.....	76,653	11,988	.....	88,641
1955 .....	.....	.....	318	.....	107,945	26,796	.....	135,059
1956 .....	.....	381	1,188	1,266	140,420	105,526	.....	248,781
1957 .....	.....	440	1,409	1,638	155,126	178,249	.....	336,862
CONSOLIDATED INDUSTRY⁴								
1938 ¹	101,049	7,449	.....	.....	2,098 ²	.....	476	111,072 ³
1946 ¹	682,816	39,113	.....	38,878	14,822	.....	11,787	787,416
1948 ¹	770,880	55,409	.....	71,674	76,323	20,786	15,118	1,010,190
1950	999,926	68,938	.....	81,793	189,438	22,110	21,871	1,384,076
1952	1,515,391	92,992	.....	41,605	288,467	22,989	24,879	1,986,323
1953	1,764,042	97,520	1,838	43,687	303,609	27,407	28,649	2,266,752
1954	1,988,154	107,628	11,353	41,395	311,633	37,334	32,798	2,530,295
1955	2,346,717	127,630	14,821	51,280	382,866	61,781	37,114	3,022,209
1956	2,662,201	137,054	15,425	52,693	451,301	165,372	43,391	3,527,437
1957	3,011,630	143,794	16,895	46,070	507,678	256,654	49,542	4,032,263

N.A. Not available.

¹ Data not available for Alaskan airlines in 1938 and 1946. All-Cargo airlines began operations in fourth quarter of 1949.

Local Service operations initiated in 1945. Helicopter operations started in 1947.

² Express and Freight combined.

³ Revenue Ton Mile data for items other than passenger ton miles for International and Overseas carriers not available for 1938, hence total does not reflect these items.

⁴ Foreign mail carried by International and Overseas airlines is included in Excess Baggage. Therefore, it is also reflected in Consolidated Industry Excess Baggage data.

Express and Freight figures of Alaskan carriers are combined, and thus reflected in Consolidated Industry freight figures.

⁵ See definitions, p. 3.

⁶ Passenger ton miles were revised to conform with "standard" passenger weights as prescribed by the CAB effective Jan. 1, 1957.

OPERATING REVENUES

U. S. Scheduled Airline Industry

(For Selected Years, In Thousands of Dollars)

THIS TABLE SHOWS THE DOLLARS OF SALES THE SCHEDULED AIRLINES EARNED FOR THE VARIOUS SERVICES THEY RENDER

	1938	1946	1948	1950	1952	1953	1954	1955	1956	1957 P
Domestic Trunk Airlines										
Passenger	\$ 24,336	272,573	334,736	430,098	671,257	775,782	872,834	1,021,855	1,142,197	1,286,722
U. S. Mail										
Priority	\$ 15,751	20,274	47,838	46,311	35,910	32,955	31,137	24,230	28,937	30,916
Non-Priority .....	\$ .....	.....	.....	.....	.....	342	2,096	2,708	2,654	2,855
Public Service Revenue ³ .....	\$ .....	.....	.....	.....	.....	3,156	4,081	3,192	2,609	1,127
Express	\$	9,185	9,964	12,569	15,853	16,829	15,107	19,405	18,101	14,667
Freight	\$ 1,261 ²	4,085	13,825	21,698	25,529	29,341	33,009	39,605	42,173	49,911
Other	\$ 903	5,776	6,990	13,433	19,466	20,388	19,954	22,353	26,160	33,094
Total	\$ 42,251	311,893	413,353	524,109	768,015	878,793	978,218	1,133,348	1,262,831	1,419,292
Local Service Airlines¹										
Passenger	\$	315	4,667	10,303	19,766	23,306	27,673	32,840	40,166	47,464
U. S. Mail										
Priority	\$	1,559	10,911	16,581	21,177	1,223	1,178	1,084	1,004	1,108
Non-Priority .....	\$ .....	.....	.....	.....	.....	16	77	101	102	103
Public Service Revenue ³ .....	\$ .....	.....	.....	.....	.....	23,117	23,639	20,923	23,211	29,560
Express	\$	13	72	230	417	463	496	665	775	725
Freight	\$	N.A.	76	212	405	462	502	556	750	1,061
Other	\$	44	195	544	614	771	1,150	1,281	1,704	1,997
Total	\$	1,931	15,921	27,870	42,379	49,358	54,715	57,450	67,712	82,018
Territorial Airlines³										
Passenger	\$ 525	2,706	3,888	4,105	4,433	4,771	5,270	5,686	6,042	6,938
U. S. Mail										
Priority	\$ 47	122	189	285	768	46	46	48	51	52
Non-Priority .....	\$ .....	.....	.....	.....	.....	.....	.....	.....	1	.....
Public Service Revenue ³ .....	\$ .....	.....	.....	.....	.....	1,082	594	291	288	72
Express	\$	112	134	125	63	N.A.	N.A.	.....	.....	.....
Freight	\$ 17 ²	225	302	288	562	692	732	752	782	771
Other	\$ 5	216	137	410	420	135	148	337	266	481
Total	\$ 594	3,381	4,650	5,213	6,246	6,726	6,790	7,114	7,430	8,314
Helicopter Airlines¹										
Passenger .....	\$ .....	.....	.....	.....	.....	10	63	208	438	968
U. S. Mail										
Priority .....	\$ .....	.....	372	791	1,033	1,892	296	250	234	237
Non-Priority .....	\$ .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Public Service Revenue ³ .....	\$ .....	.....	.....	.....	.....	655	2,582	2,710	2,833	3,567
Express .....	\$ .....	.....	.....	.....	.....	.....	35	100	115	101
Freight .....	\$ .....	.....	.....	.....	.....	.....	4	16	23	36
Other .....	\$ .....	.....	.....	7	13	44	78	64	63	123
Total .....	\$ .....	.....	372	798	1,046	2,605	3,070	3,355	3,711	5,032

See Footnotes at Bottom of Page 18

Operating Revenues
(continued)

	1938	1946	1948	1950	1952	1953	1954	1955	1956	1957 ^P
International and Overseas Airlines										
Passenger	\$ 4,435	91,417	151,338	160,673	212,458	232,539	254,234	294,828	342,553	377,563
U. S. Mail (Priority).....	\$ 8,599	25,061	57,332	55,689	51,533	18,037	20,681	25,639	26,926	28,353
Public Service Revenue ².....	\$ .....	.....	.....	.....	.....	35,709	28,511	1,583	8,308	568
Express	\$	11,413	19,438	15,783	87	74	70	77	82	80
Freight	\$ 562 ²	N.A.	1,370	5,881	26,730	27,257	29,614	31,853	36,683	41,434
Other	\$ 1,557	18,863	19,756	22,105	24,110	23,670	25,739	30,324	38,113	39,824
Total	\$ 15,153	146,754	249,234	260,131	314,918	337,286	358,849	384,304	452,665	487,822

Alaskan Airlines¹

Passenger .....	\$ .....	.....	2,492	2,758	5,857	6,815	6,479	8,162	10,200	11,064
U. S. Mail .....	\$ .....	.....	1,530	2,939	7,524	9,060	2,099	2,333	2,477	2,559
Public Service Revenue ².....	\$ .....	.....	.....	.....	.....	.....	7,127	5,618	6,241	5,791
Cargo ² .....	\$ .....	.....	529	639	1,474	1,851	1,837	2,464	2,754	2,599
Other .....	\$ .....	.....	3,798	3,102	1,106	1,574	1,662	3,747	7,680	4,221
Total .....	\$ .....	.....	8,349	9,438	15,961	19,300	19,204	22,324	29,352	26,234

All-Cargo Airlines¹

Passenger .....	\$ .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
U. S. Mail										
Priority .....	\$ .....	.....	.....	.....	.....	.....	.....	60	144	203
Non-Priority .....	\$ .....	.....	.....	.....	.....	.....	.....	.....	220	279
Public Service Revenue.....	\$ .....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Express .....	\$ .....	.....	.....	.....	.....	.....	.....	.....	447	640
Freight .....	\$ .....	.....	.....	8,850	14,498	14,825	13,958	18,640	25,564	30,521
Other .....	\$ .....	.....	.....	3,511	2,549	4,391	3,001	8,335	26,485	56,025
Total .....	\$ .....	.....	.....	12,361	17,047	19,216	16,959	27,035	52,860	87,668

CONSOLIDATED INDUSTRY¹

Passenger	\$ 29,296	367,011	497,121	607,937	913,771	1,043,223	1,166,553	1,363,579	1,541,596	1,730,719
U. S. Mail										
Priority	\$ 24,397	47,016	118,172	122,596	117,945	63,213	55,437	53,644	59,773	63,428
Non-Priority .....	\$ .....	.....	.....	.....	.....	358	2,173	2,809	2,977	3,237
Public Service Revenues ³.....	\$ .....	.....	.....	.....	.....	63,719	66,534	34,317	43,490	40,685
Express	\$	20,723	29,608	28,707	16,420	17,366	15,708	20,247	19,520	16,213
Freight ²	\$ 1,840	4,310	16,102	37,568	69,198	74,432	79,668	93,893	108,734	126,333
Other	\$ 2,465	24,899	30,876	43,112	48,278	50,973	51,732	66,441	100,471	135,765
Total	\$ 57,998	463,959	691,879	839,920	1,165,612	1,313,284	1,437,805	1,634,930	1,876,561	2,116,380

^P Preliminary.

N.A. Not Available.

¹ Data not available for Alaskan airlines in 1938 and 1946. All-Cargo airlines began operations in fourth quarter of 1949. Local Service operations initiated in 1945. Helicopter operations started in 1947.

² Express and Freight combined and are reflected in Consolidated Industry freight totals.

³ Prior to October 1, 1953, public service revenues were not segregated from service mail payments.

DISTRIBUTION OF OPERATING EXPENSES

U. S. Scheduled Airline Industry (For Selected Years, In Thousands of Dollars)

THIS TABLE SHOWS HOW THE AIRLINES SPEND THEIR DOLLARS TO INSURE
FAST, SAFE, ECONOMICAL FLYING OPERATIONS AND EFFICIENT PASSENGER
AND CARGO HANDLING

Explanation of New Classification of Operating Expenses

The classification of operating expenses is different from that used in prior years. Owing to a revision of the form on which the carriers report to CAB it is not feasible to bring forward beyond 1956 the expense tables previously published in Facts and Figures. For this reason the data shown herein for years prior to 1956 were recast for this publication into the format of the new reporting system—insofar as it was feasible to do so. The data shown for 1957 are as reported by the carriers. Although the "matching" of prior years' data with 1957 is not perfect, it is considered adequate for general use where precision is not required.

The classifications of expenses employed in past issues of "Facts and Figures" were grouped as follows to fit the new format:

NEW CLASSIFICATION	OLD CLASSIFICATION
Flying operations	Flying operations
Maintenance	Direct maintenance—flight equipment Ground and indirect maintenance
Passenger service	Passenger service
Aircraft and traffic servicing	Ground operations

NEW CLASSIFICATION	OLD CLASSIFICATION
Promotion and sales	Traffic and sales Advertising and publicity
General and administrative	General and administrative
Depreciation and amortization	Depreciation—flight equipment Depreciation—ground equipment

As pointed out above, this method of matching accounts is not perfect. The figures for 1957 differ in the following respects from those shown for 1956 and earlier:

- 1) "Amortization of other deferred charges," dispersed throughout the accounts for 1956 and before, is grouped in "Depreciation and amortization" in 1957.
- 2) "Legal fees and expenses," dispersed in several accounts prior to 1957 is all in "General and administrative."
- 3) Payroll taxes and employee welfare insurance, included in "General and administrative" before 1957 are distributed to other appropriate accounts.
- 4) Airport ticket office expenses, included in "Promotion and Sales" for earlier years is under "Aircraft and Traffic Servicing."
- 5) Route extension and development expenses, not classified as operating expense in prior years, are included in "Depreciation and Amortization," in 1957.

	1938	1946	1948	1950	1952	1953	1954	1955	1956	1957 ^P
Domestic Trunk Airlines										
Flying Operations	\$ 14,579	69,730	104,164	132,060	193,384	234,928	260,234	302,591	340,670	435,012
Maintenance	\$ 7,495	60,388	79,608	87,400	137,308	151,756	164,435	196,320	239,530	270,092
General Services & Administration										
Passenger Service	\$	26,895	29,151	30,870	47,045	53,115	58,235	72,996	83,953	95,519
Aircraft & Traffic Servicing..	\$	59,854	64,915	68,541	94,606	107,044	119,207	133,274	152,928	217,125
Promotion & Sales	\$	43,231	55,011	62,645	89,133	103,499	114,149	134,706	159,366	157,662
General & Administrative ..	\$	28,250	31,217	33,651	46,874	52,259	57,744	68,473	79,462	55,529
Total G.S. & A.....	\$ 15,577 ²	158,230	180,294	195,707	277,658	315,917	349,335	409,449	475,709	525,835
Depreciation and amortization..	\$ 5,666	28,773	47,212	46,371	64,542	87,820	104,755	101,709	106,321	146,932
Total Operating Expenses	\$ 43,317	317,121	411,278	461,538	672,892	790,421	878,759	1,010,069	1,162,230	1,377,871

See Footnotes at Bottom of Page 21

Distribution of Operating Expenses (continued)

	1938 ¹	1946 ¹	1948	1950	1952	1953	1954	1955	1956	1957 ^P
Local Service Airlines¹										
Flying Operations		497	4,433	8,330	13,394	15,748	17,246	18,080	21,616	26,487
Maintenance		568	3,403	5,256	8,601	10,075	9,615	10,384	12,610	16,604
General Services & Administration										
Passenger Service		30	510	1,090	1,944	2,218	2,389	2,687	3,385	4,009
Aircraft & Traffic Servicing.....		461	2,682	4,969	7,254	8,406	8,753	9,563	11,187	20,887
Promotion & Sales		125	1,439	3,241	6,040	7,439	8,344	9,287	11,399	6,076
General & Administrative		198	1,436	2,484	3,682	4,028	4,330	4,485	5,382	4,899
Total G.S. & A.....		814	6,097	11,784	18,920	22,091	23,816	26,022	31,353	35,871
Depreciation & Amortization		181	1,645	1,836	2,582	2,989	2,428	2,278	2,714	3,749
Total Operating Expenses		2,060	15,578	27,206	43,497	50,903	53,105	56,764	68,293	82,711
Territorial Airlines										
Flying Operations	159	579	946	1,221	1,623	1,875	1,908	1,942	2,033	2,204
Maintenance	117	697	960	942	964	1,107	1,245	1,278	1,259	1,379
General Services & Administration										
Passenger Service		98	140	190	213	210	198	245	252	274
Aircraft & Traffic Servicing.....		699	904	906	1,001	1,212	1,269	1,258	1,317	1,506
Promotion & Sales		259	483	832	1,048	911	909	1,045	1,182	1,257
General & Administrative.....		407	567	743	899	953	955	964	848	867
Total G.S. & A.....	142 ²	1,463	2,094	2,671	3,161	3,286	3,331	3,512	3,599	3,904
Depreciation & Amortization.....	127	298	433	452	224	489	596	603	416	496
Total Operating Expenses	545	3,037	4,433	5,286	5,972	6,757	7,080	7,335	7,307	7,983
Helicopter Airlines¹										
Flying Operations			94	205	264	541	583	614	697	1,108
Maintenance			89	182	337	701	808	871	981	1,381
General Services & Administration										
Passenger Service						11	15	21	21	
Aircraft & Traffic Servicing.....			33	98	138	278	334	425	544	
Promotion & Sales			2	2	3	43	107	180	312	
General & Administrative.....			43	112	164	306	365	393	496	
Total G.S. & A.....			78	212	305	638	821	1,019	1,373	1,765 ²
Depreciation & Amortization.....			85	133	144	487	426	451	605	911
Total Operating Expenses.....			346	732	1,050	2,367	2,638	2,955	3,656	5,165
International and Overseas Airlines										
Flying Operations		32,447	67,163	70,980	87,368	91,489	98,755	108,501	125,613	143,195
Maintenance		24,838	44,460	43,440	54,231	55,027	53,113	58,975	72,069	72,467
General Services & Administration										
Passenger Service		9,255	14,034	14,589	19,554	20,027	22,372	26,773	31,053	32,519
Aircraft & Traffic Servicing.....		27,757	31,005	31,618	39,726	42,189	43,397	46,990	51,583	67,007
Promotion & Sales		18,598	33,211	36,514	47,486	51,419	54,846	61,980	70,822	70,765
General & Administrative.....		16,365	22,887	22,170	26,754	27,931	28,970	31,291	33,808	24,427
Total G.S. & A.....		71,975	101,137	104,891	133,520	141,566	149,585	167,034	187,266	194,718
Depreciation & Amortization.....		10,583	22,527	29,012	29,148	29,825	31,233	31,094	34,593	50,365
Total Operating Expenses.....	14,303 ²	139,843	235,287	248,323	304,267	317,907	332,686	365,604	419,541	460,745

See Footnotes at Bottom of Page 21

Distribution of Operating Expenses (continued)

	1938 ¹	1946 ¹	1948 ¹	1950	1952	1953	1954	1955	1956	1957 ^P	
Alaskan Airlines¹											
Flying Operations	\$		3,138	3,020	4,634	5,479	5,224	7,191	9,959	8,982	
Maintenance	\$		1,448	2,365	4,667	4,592	4,577	5,273	5,744	6,013	
General Services & Administration											
Passenger Service	\$		268	358	694	797	696	773	964	874	
Aircraft & Traffic Servicing.....	\$		845	966	2,182	2,449	2,612	2,701	3,702	3,058	
Promotion & Sales	\$		537	634	1,379	1,661	1,649	1,593	1,831	1,027	
General & Administrative.....	\$		903	1,332	1,767	2,100	1,952	1,519	1,894	1,140	
Total G.S. & A.....	\$		2,553	3,290	6,022	7,007	6,909	6,586	8,391	9,958 ³	
Depreciation & Amortization.....	\$		931	1,028	1,005	1,165	1,395	1,120	1,364	1,600	
Total Operating Expenses.....	\$		8,070	9,703	16,328	18,243	18,105	21,706 ³	27,166 ³	26,553	
All-Cargo Airlines¹											
Flying Operations	\$			4,633	6,752	8,062	7,834	10,635	21,677	35,908	
Maintenance	\$			1,769	3,683	3,921	3,806	5,287	11,662	19,519	
General Services & Administration											
Passenger Service	\$					23	209	267	1,614	3,913	
Aircraft & Traffic Servicing.....	\$			1,033	2,383	2,844	2,812	3,896	6,353	12,712	
Promotion & Sales	\$			1,979	1,313	1,482	1,015	2,081	3,883	4,518	
General & Administrative.....	\$			1,047	1,182	1,760	1,969	2,103	3,454	5,193	
Total G.S. & A.....	\$			4,059	4,878	6,109	6,005	8,347	15,304	26,336	
Depreciation & Amortization.....	\$			329	604	999	2,128	2,074	3,155	8,548	
Total Operating Expenses.....	\$			10,790	15,917	19,091	19,773	26,343	53,879 ³	90,311	
TOTAL Scheduled Airline Industry											
Flying Operations	\$	14,738	103,253	179,938	220,449	307,419	358,122	391,784	449,554	522,265	652,896
Maintenance	\$	7,612	86,491	129,968	141,354	209,791	227,179	237,599	278,388	343,855	387,455
General Services and Administration											
Passenger Service	\$		36,278	44,133	47,097	69,450	76,401	84,114	103,762	121,242	137,108
Aircraft & Traffic Servicing.....	\$		88,771	100,384	108,131	147,290	164,422	178,384	198,107	227,614	322,295
Promotion & Sales	\$		62,213	90,683	105,847	146,402	166,454	181,019	210,872	248,795	241,305
General & Administrative.....	\$		45,220	57,053	61,539	81,322	89,337	96,285	109,228	125,344	92,055
Total G.S. & A.....	\$	15,719 ²	232,482	292,253	322,614	444,464	496,614	539,802	621,969	722,995	798,387 ³
Depreciation & Amortization.....	\$	5,793	39,835	72,833	79,161	98,249	123,774	142,961	139,329	149,168	212,601
Total Operating Expenses.....	\$	58,165 ²	462,061	674,992	763,578	1,059,923	1,205,689	1,312,146	1,490,776 ³	1,742,072 ³	2,051,339

^P Preliminary.

¹ Data not available for Alaskan airlines in 1938 and 1946. All-Cargo airlines began operations in fourth quarter of 1949. Local Service operations initiated in 1945. Helicopter operations started in 1947.

² Detailed expense breakdown not available. 1938.

³ Total is greater than sum of individual expense categories since segregation of expenses was not reported by some of the carriers.

SUMMARY OF PROFIT OR LOSS

U. S. Scheduled Airline Industry

(For Selected Years, In Thousands of Dollars)

THIS TABLE SHOWS THE AMOUNT OF DOLLARS THE AIRLINES WERE ABLE TO KEEP FOR PURCHASE OF NEW AIRCRAFT AND PAYMENT OF DIVIDENDS TO STOCKHOLDERS. IT ALSO SHOWS THESE DOLLARS AS A PER CENT OF SALES AND THE RATIO OF TOTAL RETURN TO INVESTMENT

	1938	1946	1948	1950	1952	1953	1954	1955	1956	1957 P
Domestic Trunk Airlines										
Total Operating Revenues.....\$	42,251	311,893	413,353	524,109	768,015	878,793	978,218	1,133,348	1,262,831	1,419,292
Total Operating Expenses.....\$	43,317	317,121	411,278	461,538	672,892	790,421	878,759	1,010,069	1,162,230	1,377,871
Net Operating Income.....\$	(1,066)	(5,228)	2,075	62,571	95,123	88,372	99,459	123,279	100,601	41,421
Interest on Long-Term Debt.....\$	N.A.	N.A.	4,246	4,331	5,162	6,555	6,808	6,540	9,964	16,201
Net Other Non-Operating Income.....\$	N.A.	N.A.	758	1,065	12,853	14,187	9,509	16,388	23,917	24,372
Income Taxes.....\$	N.A.	(513)	3,583	28,940	49,280	47,624	50,670	70,024	56,842	23,046
Net Profit or Loss.....\$	N.A.	(5,627)	(4,996)	30,365	53,534	48,380	51,490	63,103	57,712	26,546
Rate of Return on Investment ² (%)...\$	.....	.....	.....	.....	14.1	11.5	11.2	11.8	9.4	4.8
Profit Margin on Sales ³ (%).....\$	.....	.....	.....	.....	7.0	5.5	5.3	5.6	4.6	1.9
Local Service Airlines¹										
Total Operating Revenues.....\$	.....	1,931	15,921	27,870	42,379	49,358	54,715	57,450	67,712	82,018
Total Operating Expenses.....\$	.....	2,060	15,578	27,206	43,497	50,903	53,105	56,764	68,293	82,711
Net Operating Income.....\$	.....	(129)	343	664	(1,118)	(1,545)	1,610	686	(581)	(693)
Interest on Long-Term Debt.....\$	.....	N.A.	97	86	157	252	145	219	376	224
Net Other Non-Operating Income.....\$	.....	N.A.	(732)	(754)	930	(283)	(252)	369	106	(106)
Income Taxes.....\$	.....	12	94	390	141	(47)	255	484	(50)	7
Net Profit or Loss.....\$	.....	(257)	(580)	(566)	(486)	(2,033)	958	352	(801)	(1,030)
Rate of Return on Investment ² (%)...\$	.....	.....	.....	.....	.....	.....	11.1	2.7	.....	.....
Profit Margin on Sales ³ (%).....\$	.....	.....	.....	.....	.....	.....	1.8	0.6	.....	.....
Territorial Airlines										
Total Operating Revenues.....\$	594	3,381	4,650	5,213	6,246	6,726	6,790	7,114	7,430	8,314
Total Operating Expenses.....\$	545	3,037	4,433	5,286	5,972	6,757	7,080	7,335	7,307	7,983
Net Operating Income.....\$	49	344	217	(73)	274	(31)	(290)	(221)	123	331
Interest on Long-Term Debt.....\$	N.A.	N.A.	.....	1	5	117	129	106	97	109
Net Other Non-Operating Income.....\$	N.A.	N.A.	(50)	(61)	(15)	138	(35)	210	(14)	37
Income Taxes.....\$	N.A.	142	65	3	88	(51)	(27)	8	.....	19
Net Profit or Loss.....\$	N.A.	151	102	(138)	166	41	(427)	(125)	12	240
Rate of Return on Investment ² (%)...\$	.....	.....	.....	.....	5.7	3.9	.....	.....	3.3	10.5
Profit Margin on Sales ³ (%).....\$	.....	.....	.....	.....	2.7	0.6	.....	.....	0.2	2.9
Helicopter Airlines¹										
Total Operating Revenues.....\$	.....	.....	372	798	1,046	2,605	3,070	3,355	3,711	5,032
Total Operating Expenses.....\$	.....	.....	346	732	1,050	2,367	2,638	2,955	3,656	5,165
Net Operating Income.....\$	.....	.....	26	66	(4)	238	432	400	55	(133)
Interest on Long-Term Debt.....\$	.....	.....	1	.....	4	9	11	11	23	64
Net Other Non-Operating Income.....\$	.....	.....	(29)	(30)	(42)	(61)	(68)	155	(63)	34
Income Taxes.....\$	.....	.....	.....	8	31	68	165	202	8	(51)
Net Profit or Loss.....\$	.....	.....	(4)	28	(81)	100	188	342	(39)	(112)
Rate of Return on Investment ² (%)...\$	.....	.....	.....	.....	.....	4.2	6.0	10.0	.....	.....
Profit Margin on Sales ³ (%).....\$	.....	.....	.....	.....	.....	3.8	6.1	10.2	.....	.....

See Footnotes at Bottom of Page 23

Summary of Profit or Loss

(continued)

	1938	1946	1948	1950	1952	1953	1954	1955	1956	1957 P
International and Overseas Airlines										
Total Operating Revenues.....	\$ 15,153	146,754	249,234	260,131	314,918	337,286	358,849	384,304	452,665	487,822
Total Operating Expenses.....	\$ 14,303	139,843	235,287	248,323	304,267	317,907	332,686	365,604	419,541	460,745
Net Operating Income.....	\$ 850	6,911	13,947	11,808	10,651	19,379	26,163	18,700	33,124	27,077
Interest on Long-Term Debt.....	\$ N.A.	N.A.	797	2,524	1,816	2,359	2,689	1,700	3,000	4,882
Net Other Non-Operating Income.....	\$ N.A.	N.A.	(4,370)	4,347	5,545	6,373	6,250	6,754	8,169	9,947
Income Taxes.....	\$ N.A.	2,634	2,415	3,623	6,651	10,865	12,924	10,320	17,792	13,474
Net Profit or Loss.....	\$ N.A.	(4,353)	6,365	10,008	7,729	12,528	16,800	13,434	20,501	18,668
Rate of Return on Investment ² (%).....	\$ .....	.....	.....	.....	4.9	7.0	8.8	6.3	8.2	7.6
Profit Margin on Sales ³ (%).....	\$ .....	.....	.....	.....	2.5	3.7	4.7	3.5	4.5	3.8
Alaskan Airlines¹										
Total Operating Revenues.....	\$ .....	.....	8,349	9,438	15,961	19,300	19,204	22,324	29,352	26,234
Total Operating Expenses.....	\$ .....	.....	8,070	9,703	16,328	18,243	18,105	21,706	27,166	26,553
Net Operating Income.....	\$ .....	.....	279	(265)	(367)	1,057	1,099	618	2,186	(319)
Interest on Long-Term Debt.....	\$ .....	.....	32	35	90	105	100	76	222	362
Net Other Non-Operating Income.....	\$ .....	.....	(17)	(96)	379	(79)	125	228	(98)	573
Income Taxes.....	\$ .....	.....	45	37	373	113	231	334	870	470
Net Profit or Loss.....	\$ .....	.....	185	(433)	(451)	760	893	436	996	(578)
Rate of Return on Investment ² (%).....	\$ .....	.....	.....	.....	.....	18.9	16.3	8.3	15.1	.....
Profit Margin on Sales ³ (%).....	\$ .....	.....	.....	.....	.....	3.9	4.7	2.0	3.4	.....
All-Cargo Airlines¹										
Total Operating Revenues.....	\$ .....	.....	.....	12,361	17,047	19,216	16,959	27,035	52,860	87,668
Total Operating Expenses.....	\$ .....	.....	.....	10,790	15,917	19,091	19,773	26,343	53,879	90,311
Net Operating Income.....	\$ .....	.....	.....	1,571	1,130	125	(2,814)	692	(1,019)	(2,643)
Interest on Long-Term Debt.....	\$ .....	.....	.....	.....	154	298	405	561	488	1,526
Net Other Non-Operating Income.....	\$ .....	.....	.....	224	1,423	3,799	(185)	1,132	4,539	1,632
Income Taxes.....	\$ .....	.....	.....	591	709	1,357	(1,624)	80	1,210	1,280
Net Profit or Loss.....	\$ .....	.....	.....	1,204	1,690	2,269	(1,780)	1,183	1,822	(1,257)
Rate of Return on Investment ² (%).....	\$ .....	.....	.....	.....	16.7	17.4	.....	9.4	7.0	0.5
Profit Margin on Sales ³ (%).....	\$ .....	.....	.....	.....	9.9	11.8	.....	4.4	3.4	.....
CONSOLIDATED INDUSTRY										
Total Operating Revenues.....	\$ 57,998	463,959	691,879	839,920	1,165,612	1,313,284	1,437,805	1,634,930	1,876,561	2,116,380
Total Operating Expenses.....	\$ 58,165	462,061	674,992	763,578	1,059,923	1,205,689	1,312,146	1,490,776	1,742,072	2,051,339
Net Operating Income.....	\$ (167)	1,898	16,887	76,342	105,689	107,595	125,659	144,154	134,489	65,041
Interest on Long-Term Debt.....	\$ N.A.	N.A.	5,173	6,977	7,388	9,695	10,287	9,213	14,170	23,368
Net Other Non-Operating Income.....	\$ N.A.	N.A.	(4,440)	4,695	21,073	24,074	15,344	25,236	36,556	36,489
Income Taxes.....	\$ N.A.	2,275	6,202	33,592	57,273	59,929	62,594	81,452	76,672	38,245
Net Profit or Loss.....	\$ N.A.	(10,086)	1,072	40,468	62,101	62,045	68,122	78,725	80,203	42,477
Rate of Return on Investment ² (%).....	\$ .....	.....	.....	.....	10.9	9.9	10.0	10.0	8.8	5.1
Profit Margin on Sales ³ (%).....	\$ .....	.....	.....	.....	5.3	4.7	4.7	4.8	4.3	2.0

N.A. Not Available.

¹ Data not available for Alaskan airlines in 1938 and 1946. All-Cargo airlines began operations in fourth quarter of 1949. Local Service operations initiated in 1945. Helicopter operations started in 1947.

() Denotes reverse item.

² Net income before interest and after taxes as percent of average net worth and long-term debt.

³ Profit as percent of revenues.

P Preliminary.

ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY

U. S. Scheduled Airline Industry (For Selected Years, In Thousands of Dollars)

THIS TABLE SHOWS THE FINANCIAL SITUATION
OF THE SCHEDULED AIRLINES

	1938	1946	1950	1954	1956	(Sept. 30) 1957
Domestic Trunk Airlines^d						
<i>Assets</i>						
Current Assets	\$ 15,008	152,382	204,018	358,375	439,827	392,408
Investments and Special Funds	\$ 2,363	51,140	60,080	36,818	146,147	139,140
Flight Equipment	\$ 32,308	176,453	374,803	782,816	1,097,044	1,283,959
Reserve for Depreciation and Maintenance	\$ 16,473	58,569	173,183	394,292	553,793	612,018
Ground Property and Equipment	\$ b	46,636	94,476	143,166	180,613	197,051
Reserve for Depreciation	\$ b	16,042	40,947	68,926	89,217	98,247
Other Property	\$ 331	19,648	5,736	16,131	41,359	40,282
Deferred Charges	\$ 1,791	15,323	16,361	9,211	13,264	25,036
Other Assets	\$ 704	129	1,195	1,217	6,308	.....
Total Assets	\$ 36,032	387,100	542,539	884,516	1,281,552	1,367,611
<i>Liabilities and Equity</i>						
Current Liabilities	\$ 4,507	105,661	130,107	241,942	333,876	303,139
Long-Term Debt	\$ 3,758	89,837	135,842	185,093	324,071	360,687
Other Non-current Liabilities	\$ c	260	.....	.....	.....	1,169
Operating Reserves	\$ 228	1,139	3,971	5,796	10,490	.....
Deferred Credits	\$ 1,105	9,298	17,327	12,533	37,646	52,127
Preferred Stock	\$ 630	40,000	60,499	71,000	16,592	15,960
Common Stock	\$ 20,196	52,897	62,970	68,360	88,555	107,391
Other Paid-in Capital	\$ 11,782	46,990	64,644	91,845	178,058	212,255
Retained Earnings	\$ (6,174)	41,018	67,179	207,947	291,872	315,182
Stockholders' Equity—Net	\$ 26,434	180,905	255,292	439,152	575,469	650,489
Total Liabilities and Equity	\$ 36,032	387,100	542,539	884,516	1,281,552	1,367,611
Local Service Airlines						
<i>Assets</i>						
Current Assets	\$	1,926	7,446	11,927	14,873	14,722
Investments and Special Funds	\$	917	549	559	1,438	2,297
Flight Equipment	\$	2,321	10,055	17,693	26,105	31,780
Reserve for Depreciation and Maintenance	\$	325	5,021	9,873	12,628	16,112
Ground Property and Equipment	\$	445	2,666	4,763	5,795	6,355
Reserve for Depreciation	\$	102	1,020	2,432	2,949	3,456
Other Property	\$	492	235	404	3,692	1,294
Deferred Charges	\$	574	1,884	1,018	1,564	1,976
Other Assets	\$	190	(28)	14	35	.....
Total Assets	\$	6,438	16,766	24,073	37,925	38,856
<i>Liabilities and Equity</i>						
Current Liabilities	\$	1,988	6,527	10,666	17,431	20,007
Long-Term Debt	\$	500	1,485	1,931	7,800	8,408
Other Non-current Liabilities .....	\$ .....	.....	.....	.....	.....	179
Operating Reserves	\$	52	287	616	1,138	.....
Deferred Credits	\$	236	148	42	303	194
Preferred Stock .....	\$ .....	.....	440	300	920	163
Common Stock	\$	1,409	6,500	6,420	5,871	6,775
Other Paid-in Capital	\$	2,785	4,193	4,654	4,891	4,975
Retained Earnings	\$	(532)	(2,814)	(556)	(429)	(1,733)
Stockholders' Equity—Net	\$	3,662	8,319	10,818	11,253	10,068
Total Liabilities and Equity	\$	6,438	16,766	24,073	37,925	38,856

- a. PAA reported net property and equipment only.
- b. Property and equipment not segregated from flight equipment.
- c. Other non-current liabilities not segregated from long-term debt.
- d. Balance sheet data for domestic trunk airlines reflects international as well as domestic operations.

Note: Owing to a change in the reporting requirements, effective January 1, 1957, data for 1957 are not strictly comparable with other years. However, the data have been aligned so as to make them generally comparable.

Assets, Liabilities and Stockholders' Equity

(continued)

(Sept. 30)
1957

	1938	1946	1950	1954	1956	1957
Territorial Airlines						
<i>Assets</i>						
Current Assets	\$ 135	477	1,743	1,084	1,241	2,021
Investment and Special Funds	\$ 72	206	228	8	15	15
Flight Equipment	\$ 748	1,791	2,724	5,866	6,057	5,831
Reserve for Depreciation and Maintenance	\$ 478	683	1,858	2,562	2,930	3,170
Ground Property and Equipment	\$ b	750	1,008	1,227	1,276	1,328
Reserve for Depreciation	\$ b	282	486	737	847	918
Other Property	\$	122	69	21	17	110
Deferred Charges	\$ 29	63	228	157	169	121
Other Assets	\$ 32		5			
Total Assets	\$ 538	2,444	3,661	5,064	4,998	5,338
<i>Liabilities and Equity</i>						
Current Liabilities	\$ 35	649	921	1,468	1,520	1,816
Long-Term Debt	\$ 2	83		1,725	1,702	1,703
Other Non-Current Liabilities	\$ c					
Operating Reserves	\$ 25	15	61	15	41	
Deferred Credits	\$	73	91	1	68	17
Preferred Stock	\$					
Common Stock	\$ 448	932	2,768	2,681	1,981	1,981
Other Paid-In Capital	\$	360	372	132	832	832
Retained Earnings	\$ 28	332	(552)	(958)	(1,146)	(1,011)
Stockholders' Equity—Net	\$ 476	1,624	2,588	1,855	1,667	1,802
Total Liabilities and Equity	\$ 538	2,444	3,661	5,064	4,998	5,338

Helicopter Airlines

Assets

Current Assets	\$		263	2,659	2,307	2,124
Investment and Special Funds	\$		10	20	290	27
Flight Equipment	\$		528	2,285	3,878	5,158
Reserve for Depreciation and Maintenance	\$		286	1,176	1,645	2,185
Ground Property and Equipment	\$		49	235	576	741
Reserve for Depreciation	\$		21	105	197	279
Other Property	\$		5	28	71	67
Deferred Charges	\$		123	145	196	208
Other Assets	\$		61	22		
Total Assets	\$		732	4,113	5,476	5,861

Liabilities and Equity

Current Liabilities	\$		69	657	735	1,069
Long-Term Debt	\$			204	817	1,136
Other Non-Current Liabilities	\$					
Operating Reserves	\$			33	45	
Deferred Credits	\$			14	69	92
Preferred Stock	\$		320	256		
Common Stock	\$		375	643	702	734
Other Paid-In Capital	\$			1,996	2,435	2,546
Retained Earnings	\$		(32)	310	673	284
Stockholders' Equity—Net	\$		663	3,205	3,810	3,564
Total Liabilities and Equity	\$		732	4,113	5,476	5,861

International and Overseas Airlines ^d

Assets

Current Assets	\$ 3,368	98,283	94,012	100,188	111,560	117,935
Investment and Special Funds	\$ 3,915	19,576	8,632	21,274	37,987	43,727
Flight Equipment	\$ 16,514 ^a	59,626	133,488	194,286	265,785	281,907
Reserve for Depreciation and Maintenance	\$ 1,150	15,315	55,495	91,398	114,074	132,220
Ground Property and Equipment	\$ b	14,915	22,677	27,763	31,813	33,453
Reserve for Depreciation	\$	7,024	11,738	16,751	18,614	20,232
Other Property	\$ 268	8,542	1,297	2,487	2,450	3,360
Deferred Charges	\$ 272	8,753	25,688	4,689	4,440	4,447
Other Assets	\$ 5,829		562			
Total Assets	\$ 29,016	187,356	219,123	242,538	321,347	332,377

(International and Overseas Airlines
continued on next page)

See Footnotes at Bottom of Page 24

**Assets, Liabilities and
Stockholders' Equity**

(continued)

	1938	1946	1950	1954	1956	(Sept. 30) 1957
International and Overseas Airlines						
<i>Liabilities and Capital</i>						
Current Liabilities	\$ 4,005	39,401	52,647	81,624	92,352	97,703
Long-Term Debt	\$ 1,000	.....	41,250	29,575	83,406	85,351
Other Non-Current Liabilities	\$ 122	69,308	224	.....	.....	2,723
Operating Reserves	\$	16,999	5,784	3,706	3,584	.....
Deferred Credits	\$ 368	10,660	19,803	4,089	6,058	6,102
Preferred Stock	\$	150	150	.....	.....	.....
Common Stock	\$ 9,534	16,515	10,910	13,747	13,792	13,802
Other Paid-In Capital	\$ 10,886	21,518	62,829	63,120	63,460	63,529
Total Retained Earnings	\$ 2,851	12,805	25,655	47,261	59,119	63,591
Stockholders' Equity—Net	\$ 23,521	50,988	99,415	123,544	135,947	140,498
Total Liabilities and Capital	\$ 29,016	187,356	219,123	242,538	321,347	332,377

Alaskan Airlines' 2

Assets

Current Assets .....	\$ .....	.....	2,705	4,592	7,129	7,514
Investment and Special Funds .....	\$ .....	.....	91	186	532	908
Flight Equipment .....	\$ .....	.....	4,630	8,251	11,126	13,046
Reserve for Depreciation and Maintenance .....	\$ .....	.....	3,127	5,307	5,539	6,161
Ground Property and Equipment .....	\$ .....	.....	1,611	3,418	4,201	4,491
Reserve for Depreciation .....	\$ .....	.....	635	1,335	1,808	2,070
Other Property .....	\$ .....	.....	150	144	400	624
Deferred Charges .....	\$ .....	.....	226	171	422	572
Other Assets .....	\$ .....	.....	190	161	134	.....
Total Assets .....	\$ .....	.....	5,841	10,281	16,597	18,924

Liabilities and Equity

Current Liabilities .....	\$ .....	.....	2,532	3,471	6,170	7,669
Long-Term Debt .....	\$ .....	.....	486	1,420	3,360	4,534
Other Non-Current Liabilities .....	\$ .....	.....	.....	.....	.....	19
Operating Reserves .....	\$ .....	.....	314	371	276	.....
Deferred Credits .....	\$ .....	.....	56	157	42	60
Preferred Stock .....	\$ .....	.....	84	.....	.....	168
Common Stock .....	\$ .....	.....	2,036	2,886	3,152	3,034
Other Paid-In Capital .....	\$ .....	.....	2,960	3,588	3,613	3,615
Retained Earnings .....	\$ .....	.....	(2,627)	(1,612)	(16)	(156)
Stockholders' Equity—Net .....	\$ .....	.....	2,453	4,862	6,749	6,642
Total Liabilities and Equity .....	\$ .....	.....	5,841	10,281	16,597	18,924

All-Cargo Airlines

Assets

Current Assets .....	\$ .....	.....	5,822	7,683	21,224	20,610
Investment and Special Funds .....	\$ .....	.....	379	248	17,244	4,547
Flight Equipment .....	\$ .....	.....	2,631	20,496	31,540	61,623
Reserve for Depreciation and Maintenance .....	\$ .....	.....	833	6,153	9,188	13,840
Ground Property and Equipment .....	\$ .....	.....	1,049	2,341	4,666	5,306
Reserve for Depreciation .....	\$ .....	.....	561	1,110	1,833	2,261
Other Property .....	\$ .....	.....	16	103	3,028	2,928
Deferred Charges .....	\$ .....	.....	423	271	2,706	5,188
Other Assets .....	\$ .....	.....	.....	.....	281	.....
Total Assets .....	\$ .....	.....	8,926	23,879	69,668	84,101

Liabilities and Equity

Current Liabilities .....	\$ .....	.....	3,682	5,594	19,301	25,054
Long-Term Debt .....	\$ .....	.....	1,531	7,262	16,813	26,173
Other Non-Current Liabilities .....	\$ .....	.....	.....	.....	.....	747
Operating Reserves .....	\$ .....	.....	321	1,598	2,311	.....
Deferred Credits .....	\$ .....	.....	45	52	2,277	2,972
Preferred Stock .....	\$ .....	.....	.....	992	1,441	1,437
Common Stock .....	\$ .....	.....	4,183	5,117	6,863	7,558
Other Paid-In Capital .....	\$ .....	.....	3,135	2,352	14,341	15,916
Retained Earnings .....	\$ .....	.....	(3,971)	912	6,321	4,498
Stockholders' Equity—Net .....	\$ .....	.....	3,347	9,373	28,966	29,155
Total Liabilities and Equity .....	\$ .....	.....	8,926	23,879	69,668	84,101

See Footnotes at Bottom of Page 24

Assets, Liabilities and Stockholders' Equity

(continued)

	1938	1946	1950	1954	1956	(Sept. 30) 1957
CONSOLIDATED INDUSTRY						
<i>Assets</i>						
Current Assets	\$ 18,511	253,068	316,069	486,508	598,161	557,334
Investment and Special Funds	\$ 6,350	71,839	69,969	59,113	203,653	190,661
Flight Equipment	\$ 49,570	240,191	528,859	1,031,693	1,441,535	1,683,304
Reserve for Depreciation and Maintenance	\$ 18,101	74,892	239,803	510,761	699,797	785,706
Ground Property and Equipment	\$	62,746	123,536	182,913	228,940	248,725
Reserve for Depreciation	\$	23,450	55,408	91,396	115,465	127,463
Other Property	\$ 599	28,804	7,508	19,318	51,017	48,665
Deferred Charges	\$ 2,092	24,713	44,933	15,662	22,761	37,548
Other Assets	\$ 6,565	319	1,985	1,414	6,758	.....
Total Assets	\$ 65,586	583,338	797,588	1,194,464	1,737,563	1,853,068
<i>Liabilities and Equity</i>						
Current Liabilities	\$ 8,547	147,699	196,485	345,422	471,385	456,457
Long-Term Debt	\$ 4,760	90,420	180,594	227,210	437,969	487,992
Other Non-Current Liabilities	\$ 122	69,568	224	.....	.....	4,837
Operating Reserves	\$ 253	18,205	10,738	12,135	17,885	.....
Deferred Credits	\$ 1,473	20,267	37,470	16,888	46,463	61,564
Preferred Stock	\$ 630	40,150	61,493	72,548	18,953	17,728
Common Stock	\$ 30,178	71,753	89,742	99,854	120,916	141,275
Other Paid-In Capital	\$ 22,668	71,653	138,133	167,687	267,630	303,668
Retained Earnings	\$ (3,295)	53,623	82,838	253,304	356,394	380,655
Stockholders' Equity—Net	\$ 50,431	237,179	372,077	592,809	763,861	842,218
Total Liabilities and Equity	\$ 65,586	583,338	797,588	1,194,464	1,737,563	1,853,068

See Footnotes at Bottom of Page 24

DOMESTIC INTERCITY PASSENGER MILE MARKET

(For Selected Years, In Millions)

	1938	1946	1948	1950	1952	1953	1954	1955	1956	1957 ^a
Pullman and Air Travel										
Rail Pullman (Class I) ¹	7,354	19,801	11,015	9,338	9,504	7,950	6,850	6,440	6,275	5,349
Air—First Class ²	457	5,910	5,905	6,898	10,105	10,970	11,375	13,025	14,202	15,740
Air—Coach ² .....	.....	.....	5	1,057	2,356	3,718	5,321	6,716	8,074	9,510
Total Air	457	5,910	5,910	7,955	12,461	14,688	16,696	19,741	22,276	25,250
Pullman and Air Combined	7,811	25,711	16,925	17,293	21,965	22,638	23,546	26,181	28,551	30,599
% Airline of Combined Total	5.85	22.99	34.92	46.00	56.73	64.88	70.91	75.40	78.02	82.52
Other Common Carriers										
Rail Coach (Class I, II, III) ³	10,240	39,119	24,360	17,473	19,781	18,979	17,710	17,329	17,105	16,365
Intercity Motor Bus (Class I, II, III) ⁴	8,800 ^b	26,293	23,529	21,254	21,223	19,634	16,934	16,562	16,409 ⁷	16,023
Total	19,040	65,412	47,889	38,727	41,004	38,613	34,644	33,891	33,514	32,388
Total Common Carrier	26,851	91,123	64,814	56,020	62,969	61,251	58,190	60,072	62,065	62,987
% Airline of Common Carrier	1.70	6.49	9.12	14.20	19.79	23.98	28.69	32.86	35.89	40.09
Private Intercity Automobile ⁵	226,279	253,570	287,400	402,843	495,547	529,194	548,763	585,800	617,700	655,400
Total Common and Auto Carrier	253,130	344,693	352,214	458,863	558,516	590,445	606,953	645,872	679,765	718,387
% Airline of Total Intercity Travel .....	.18	1.71	1.68	1.73	2.23	2.49	2.75	3.06	3.28	3.51
Passenger Miles per Capita ⁶	1,950	2,461	2,411	3,045	3,568	3,730	3,765	3,931	4,064	4,218

¹ 1938-1954 from Railroad Transportation 12/56 AAR, p. 19. 1955-1956 from Transport Economics May 1957, p. 14.

² 1938 CAB Annual Airline Statistics, 1938-44 Revised to Airport to Airport Mileages, 1946-1952 CAB Handbook, 1953-56 CAB Monthly Report Air Carrier Traffic.

³ Rail Coach Class I. Same as No. 1. Excludes commutation. Rail Coach Class II & III, 1938-56 Statistics of Railways of United States, ICC.

⁴ 1946-1956 from Transport Economics, December 1957, p. 9.

⁵ 1950-1956 Transport Economics May 1956, October 1957. 1938-48 from Exhibit 915, ICC Docket M-C-550 not comparable with 1950-57 Data.

⁶ Based on mid-year population estimate by Census Bureau.

⁷ Preliminary.

^a Partially Estimated.

REVENUE PASSENGERS CARRIED

U. S. Scheduled Airline Industry (For Selected Years, In Thousands of Passengers)

	1938	1946	1948	1950	1952	1953	1954	1955	1956	1957 ²
Domestic Trunk Airlines	1,168	11,890	12,324	15,978	22,759	26,137	29,526	34,511	37,598	40,275
Local Service Airlines		25	426	969	1,736	2,032	2,423	2,897	3,453	3,949
Territorial Airlines	29	299	418	477	515	553	561	591	627	589
Helicopter Airlines						1	9	29	62	152
International and Overseas Airlines	109	1,041	1,373	1,675	2,362	2,682	2,888	3,376	3,888	4,065
Alaskan Airlines¹			111	144	194	220	225	264	315	309
TOTAL SCHEDULED AIRLINE INDUSTRY	1,306	13,255	14,652	19,243	27,566	31,625	35,632	41,623	45,943	49,339

¹ Alaskan data for 1948 thru 1950 includes charter flights. Data prior to 1948 not available.

² Passengers reported on a different basis for 1957 from prior years, hence data not entirely comparable with prior years.

AVERAGE REVENUE PER PASSENGER MILE

Intercity Common Carriers (For Selected Years, In Cents per Mile)

	1938	1946	1948	1950	1952	1953	1954	1955	1956	1957 ²
Domestic Scheduled Airlines¹										
Coach or Tourist				4.10	4.18	4.13	4.34	4.32	4.29	4.25
All Services	5.32	4.62	5.75	5.54	5.54	5.43	5.37	5.32	5.28	5.25
International Scheduled Airlines										
Coach or Tourist						5.77	5.83	n.a.	n.a.	5.77
All Services	8.34	8.31	8.01	7.28	7.04	6.88	6.79	6.68	6.70	6.56
Railroads, Class I										
First Class ³	2.37	2.45	3.01	3.25	3.35	3.38	3.35	3.31	3.39	3.68
Coach	1.86	1.82	2.29	2.47	2.53	2.53	2.50	2.47	2.56	2.71
Intercity Motor Busses	1.56 ⁴	1.66	1.74	1.88	2.02	2.05	2.07	2.06	2.12	2.15

¹ Trunk airlines.

² Partly estimated.

³ Does not include payments to Pullman Company for seat, berth, etc.

⁴ 1939—first year available.

N.A. Not available.

Note: Average passenger fare is derived by dividing passenger revenue by passenger miles.

AIRCRAFT OWNED

By U. S. Scheduled Airline Industry

(For Selected Years)

THIS TABLE SHOWS HOW THE SIZE AND TYPE OF AIRCRAFT USED
BY THE SCHEDULED AIRLINES HAS IMPROVED OVER THE YEARS

Aircraft	Type	1938	1946	1952	1954	1956	(Feb 6) 1958
Boeing:	247D, 307B	39	12	---	---	---	---
	377	---	---	44	48	34	33
Convair:	240	---	---	113	102	100	100
	340	---	---	8	121	123	134
	440	---	---	---	---	19	31
Curtiss:	C46	---	n.a.	75	60	94	75
Douglas:	pre DC-3	88	---	---	---	---	---
	DC-3	75	538	419	339	356	330
	DC-4	---	200	185	155	143	93
	DC-6	---	---	195	251	299	345
	DC-7	---	---	---	61	132	207
Lockheed:	Electra	40	3	---	---	---	---
	Lodestar	---	11	11	11	10	10
	Other early models	14	n.a.	---	---	---	---
	Constellation	---	35	115	111	117	121
	Super Constellation	---	---	24	39	79	128
Martin:	130	2	---	---	---	---	---
	202	---	---	21	25	23	25
	404	---	---	96	100	97	85
Sikorsky:	(series)	26	---	---	---	---	---
Vickers:	Viscount	---	---	---	---	54	59
Other		33	n.a.	17	20	25	27
Total Fixed Wing		317	799	1323	1443	1705	1803
Helicopters:							
Bell	B-47	---	---	6	6	7	6
Sikorsky	S-51	---	---	3	3	2	2
	S-55	---	---	5	11	8	12
	S-58	---	---	---	---	3	6
Total Helicopters		---	---	14	20	20	26

AIRCRAFT ON ORDER

U. S. Scheduled Airlines

(As of January 1, 1958)

THIS TABLE SHOWS HOW THE SCHEDULED AIRLINES WILL CONTINUE TO ADD NEW
AND FASTER AIRCRAFT TO INSURE IMPROVED SERVICE FOR THEIR CUSTOMERS

Aircraft Type	Total on Order	Year of Delivery			
		1958	1959	1960	1961
Jet:					
Boeing 707	70	5	55	10	---
Boeing 720	11	---	---	11	---
Convair 880	49	---	2	41	6
Douglas DC-8	100	---	13	83	4
Prop Jet:					
Bristol Britannia	5	5	---	---	---
Fairchild Friendship	31	24	7	---	---
Lockheed Electra	116	14	76	26	---
Vickers Viscount	15	15	---	---	---
Piston:					
Douglas DC-6A, B	28	28	---	---	---
Douglas DC-7	38	38	---	---	---
Lockheed 1049H	4	4	---	---	---
Helicopter:					
Vertol 44B	5	5	---	---	---
S-58C	2	2	---	---	---

COMPARATIVE TRANSPORT SAFETY RECORD

*Passenger Fatality Rate per 100,000,000 Passenger Miles
(For Selected Years)*

	1938	1946	1948	1950	1952	1953	1954	1955	1956	1957
Domestic Scheduled Airlines										
Fatalities	25	75	83	96	46	86	16	156	143	30
Rate	5.47	1.27	1.40	1.21	.37	.59	.10	.79	.64	.12
International and Overseas Scheduled Airlines¹										
Fatalities	7	40	20	48	94	2	0	2	9	40
Rate .....	.13	3.51	1.02	2.10	2.98	.06	.....	.04	.17	.67
Motor Buses										
Fatalities	²	140	120	100	100	70	60	100	80	n.a.
Rate	²	0.19	.18	.17	.16	.13	.11	.19	.16	n.a.
Railroad Passenger Trains										
Fatalities	79	115	52	184	14	50	23	19	57	16 ³
Rate	0.36	0.18	.13	.58	.04	.16	.08	.07	.20	.06 ³
Passenger Autos and Taxis										
Fatalities	16,000	15,400	15,200	17,600	22,600	23,500	22,500	24,700	26,100	n.a.
Rate	3.9	2.5	2.1	2.2	2.8	2.9	2.6	2.7	2.7	n.a.

¹ Alaska data not included prior to 1948.

² Motor Bus statistics included in Passenger Autos and Taxis.

³ Preliminary
n.a. Not Available.

COMPARISON OF RAIL AND AIR FARES WITH TRAVEL TIMES

CITY—PAIR	FARES				TIME ⁴	
	Coach		First Class ¹		Air	Rail
	Air	Rail	Air	Rail		
Boston—New York	\$ 10.80	9.42	13.65	16.60	:55	4:15
Detroit—Boston	\$ 32.35	29.56	42.30	54.28 ²	2:25	15:30
Chicago—New York	\$ 34.10 ²	35.55	47.95	61.72	2:25	15:30
New York—Miami	\$ 46.80 ²	42.92	80.80	77.66	3:50	24:15
New York—Washington	\$ 12.55	8.78	16.00	18.46	1:05	3:50
Los Angeles—New York	\$ 104.00	89.87	166.25	161.60	7:42	56:05
Philadelphia—Atlanta	\$ 30.35 ²	24.41	48.10	43.75	2:38	20:07
Chicago—Washington	\$ 28.60 ²	30.00	40.35	52.98	2:05	15:20
Washington—New Orleans	\$ 45.00 ²	34.49	67.55	61.59	3:11	24:10
Atlanta—Chicago	\$ 28.05 ²	22.03	43.75	40.01	2:27	19:15
Atlanta—Dallas	\$ 33.15 ²	24.99	53.45	44.84	2:28	26:40
Cincinnati—Miami	\$ 42.95 ²	36.46	68.10	73.95	3:25	18:45
Cincinnati—Pittsburgh	\$ 15.90	12.02	20.45	23.18	1:18	7:20
Chicago—Houston	\$ 48.85 ²	32.97	71.35	59.67	4:15	22:55
Chicago—St. Louis	\$ 14.25 ²	5.80	18.25	17.06	1:13	5:30
Los Angeles—Chicago	\$ 80.05	85.56	120.35	109.76	5:25	39:30
St. Louis—New Orleans	\$ 30.15 ²	19.43	42.85	36.41	2:45	14:30
Chicago—Kansas City	\$ 20.80	12.66	28.20	24.02	1:35	8:40
Denver—Dallas	\$ 38.05	23.03	50.00	42.41	4:45	17:20
Denver—San Francisco	\$ 48.85	37.63	68.75	70.38	3:15	33:10
Dallas—San Francisco	\$ 70.70	50.65	102.85	91.06	4:45	43:15
St. Louis—Los Angeles	\$ 76.95	56.18	109.15	101.77	4:55	47:45
St. Louis—Phoenix	\$ 66.55	47.68	89.40	86.49	5:17	32:50
Los Angeles—San Francisco	\$ 15.05	14.35	23.95	25.90	1:32	9:45
Portland—Seattle	\$ 8.15	6.05	10.75	12.86	:44	4:00
Salt Lake City—Portland	\$ 34.50	24.39	45.30	45.61	4:01	25:05

¹ Rail fare includes price of lower berth.

² Roomette, where no berth charge is shown on timetable.

³ Night coach, all other air-coach fares are day-coach rates.

⁴ Representative scheduled times as taken from Official Airline Guide and The Official Guide of the Railways, March, 1958.

CLASSES OF UNITED STATES COMMERCIAL AIR CARRIERS

At the present time there are seven recognized classes of air carriers in the air transport industry of the United States. This classification is used by the Civil Aeronautics Board in connection with the economic regulation of the industry and under the Civil Aeronautics Act is based largely on the scope of operations authorized or allowed by that Act. Classes One to Six have certificates of convenience and necessity and conduct regularly scheduled services.

- 1. The Domestic Trunk Lines** include those carriers which presently have permanent operating rights within the continental United States. These rights derive largely from operations by present or predecessor companies antedating the Civil Aeronautics Act of 1938 which granted them "grandfather rights." There are currently twelve trunk lines, most of which operate high-density traffic routes between the principal traffic centers of the United States.

American	Continental	National	Trans World
Braniff	Delta	Northeast	United
Capital	Eastern	Northwest	Western

- 2. The Domestic Local Service Lines** have, with one exception, been certificated since 1945. These carriers operate routes of lesser traffic density between the smaller traffic centers and between these centers and principal centers. The thirteen local service lines in 1957 were:

Allegheny	Lake Central	Ozark	Southern
Bonanza	Mohawk	Pacific	Trans Texas
Central	North Central	Piedmont	West Coast
Frontier			

- 3. The International and Overseas Lines** include all U. S. flag air carriers operating between the United States and foreign countries other than Canada. Some of these carriers conduct operations between foreign countries and some are extensions of domestic trunk lines into Mexico and the Caribbean.

Alaska	Eastern	Pan American	Trans Caribbean ²
American	Mackey ²	Pan American-Grace	Trans World
Braniff	National	Resort ^{1 2}	U. M. C. A. ²
Caribbean Atlantic	Northwest	Samoan ^{2 3}	United
Delta	Pacific Northern	South Pacific ^{2 3}	Western

- 4. The Territorial Lines** include two groups of carriers. The Insular Lines operate in the U. S. Island possessions in the Pacific and the Caribbean and the Alaskan Lines operate between the U. S. and Alaska and within Alaska.

INSULAR LINES

Hawaiian
Trans-Pacific

ALASKAN LINES

Operating between the U. S. and Alaska

Alaska⁴
Northwest⁵

Pacific Northern⁴
Pan American⁵

Operators within Alaska

Alaska
Alaska Coastal
Bristol Bay^{2 3}
Cordova
Ellis

Howard J. Mays²
Northern Consolidated
Pacific Northern
Pan American
Reeve Aleutian
Wien

- 5. The Helicopter Airmail Lines** presently operate between airports, central post offices, and suburbs in New York, Chicago and Los Angeles. Originally certificated as exclusive mail carriers they now fly passengers, air freight and air express. These carriers hold temporary certificates and are considered to be experimental in nature.

Chicago Helicopter Airways	Los Angeles Airways	New York Airways
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- 6. The All-Cargo Lines** operate under temporary certificates authorizing scheduled cargo flights between designated areas in the U. S., and in one case to the Caribbean and in another to Europe.

AAXICO Aerovias Sud Americana	Flying Tigers Riddle	Seaboard & Western Slick
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- 7. Non-Certificated Air Carriers** include a diversified group of operators who, with the exception of the air taxi operators and air freight forwarders, are not authorized to engage in regularly scheduled service. They are described in the CAB 1954 Annual Report as follows:

Operators of various types of air services have been authorized by the Board through the exemption process, rather than through the requirement that a certificate of convenience and necessity be obtained. As of December 31, 1957 this group includes:

Supplemental and irregular transport carriers	43
Air freight forwarders	65

¹ Certificated cruise carrier.

² Certificated non-mail carriers.

^{1 2 3} Statistical data of these carriers are not included in the statistical tables.

³ Not operating.

⁴ Statistical data of these carriers are included with Alaskan Airlines.

⁵ Statistical data of these carriers are included with International and Overseas Airlines.

**OFFICERS**

Stuart G. Tipton, *President*
Milton W. Arnold, V. P., *Operations & Engineering*
Stanley Gewirtz, V.P., *Assistant to the President*
John Hoving, V. P., *Public Relations*
E. F. Kelly, V. P., *Finance & Accounting*
W. N. Martin, V. P., *Public Affairs*
J. L. O'Brien, V. P., *Personnel Relations Conference*

Leo Seybold, V. P., *Federal Affairs*
Robert L. Turner, V. P., *Traffic*
John E. Stephen, *General Counsel*
F. J. Macklin, *Assistant V. P., Traffic*
J. D. Durand, *Secretary*
J. F. Hinterschr, *Treasurer*

DIRECTORS

C. E. Beard (Braniff)
Nick Bez (West Coast)
J. H. Carmichael (Capital)
T. H. Davis (Piedmont)
J. S. Gleason (Chicago Helicopter)
W. A. Patterson (United)

W. L. Pierson (Trans World)
R. W. Prescott (Flying Tiger)
E. V. Rickenbacker (Eastern)
C. R. Smith (American)
J. T. Trippe (Pan American)
C. E. Woolman (Delta)

MEMBER AIRLINES

AAXICO Airlines, Howard J. Korth, Pres., P. O. Box 875, Miami Int'l Airport Branch, Miami, Florida.
Alaska Airlines, Chas. F. Willis, Pres., 2320 Sixth Avenue, Seattle 1, Washington
Alaska Coastal Airlines, O. F. Benecke, Co-Manager, 2 Marine Way, Juneau, Alaska
Allegheny Airlines, Leslie O. Barnes, Pres., Washington National Airport, Washington 1, D. C.
American Airlines, C. R. Smith, President, 100 Park Avenue, New York 17, New York
Bonanza Air Lines, Edmund Converse, Pres., McCarran Field, P. O. Box 391, Las Vegas, Nevada
Braniff Int'l Airways, C. E. Beard, Pres., Braniff Building, Exchange Park, Dallas 35, Texas
***Canadian Pacific Airlines**, G. W. G. McConachie, Pres., Sea Island Airport, Vancouver AMF, B. C., Canada
Capital Airlines, J. H. Carmichael, Chairman of the Board, Washington National Airport, Washington 1, D. C.
***Caribbean Atlantic Airlines**, Dionisio Trigo, Pres., P. O. Box 6035, Loiza Street Station, Santurce, Puerto Rico
Central Airlines, Keith Kable, Pres., Meacham Field, Fort Worth 7, Texas
Chicago Helicopter Airways, John S. Gleason, President & Treasurer, 5240 W. 63rd Street, Chicago 38, Illinois
Continental Air Lines, Robert F. Six, Pres., P. O. Box 9063, Denver 16, Colorado
Cordova Airlines, Merle K. Smith, President & Gen. Mgr., P. O. Box 6203, Anchorage, Alaska
Delta Air Lines, C. E. Woolman, Pres. & Gen. Mgr., Atlanta Airport, Atlanta, Georgia
Eastern Air Lines, E. V. Rickenbacker, Chairman of the Board & Gen. Mgr., 10 Rockefeller Plaza, New York 20, New York
Ellis Air Lines, R. E. Ellis, Pres., P. O. Box 1059, Ketchikan, Alaska
The Flying Tiger Line, Robert W. Prescott, Pres., Lockheed Air Terminal, Burbank, California
Frontier Airlines, C. A. Myhre, Pres., Stapleton Airfield, Denver 7, Colorado
***Hawaiian Airlines**, A. D. Lewis, Pres., Honolulu International Airport, Honolulu 17, T. H.
Lake Central Airlines, Gwin Hicks, Pres., Weir Cook Municipal Airport, Indianapolis 44, Indiana
Los Angeles Airways, C. M. Belinn, Pres., Box 45155, Airport Sta., Los Angeles 45, California
Mackey Airlines, Joseph C. Mackey, Pres., Broward County Int'l Airport, Ft. Lauderdale, Florida
Mohawk Airlines, Robert E. Peach, Pres., Oneida County Airport, Utica, New York
National Airlines, G. T. Baker, Pres., P. O. Box NAL, Int'l Airport Branch, Miami 48, Florida
New York Airways, Robert L. Cummings, Jr., Pres., P. O. Box 426, LaGuardia Airport Station, Flushing 71, New York
North Central Airlines, Hal N. Carr, Pres., 6201 34th Ave., South Minneapolis 50, Minn.
Northeast Airlines, George E. Gardner, Chairman of the Board, Logan Int'l Airport, E. Boston 28, Mass.
Northern Consolidated Airlines, Raymond I. Petersen, Pres. & Gen. Mgr., 414 Fourth Avenue, Anchorage, Alaska
Northwest Airlines, D. W. Nyrop, Pres., 1885 University Avenue, St. Paul 1, Minnesota
Ozark Air Lines, Laddie H. D. Hamilton, Pres., Box 6007, Lambert Field, St. Louis 21, Missouri
Pacific Air Lines, Inc., John H. Connelly, Pres., San Francisco International Airport, San Francisco, California
Pacific Northern Airlines, A. G. Woodley, President, 1626 Exchange Building, Seattle 4, Washington
Pan American-Grace Airways, Andrew B. Shea, Pres., 135 E. 42nd Street, New York 17, New York
Pan American World Airways, J. T. Trippe, Pres., 135 E. 42nd Street, New York 17, New York
Piedmont Airlines, T. H. Davis, President, Smith Reynolds Airport, Winston-Salem 1, N. C.
Reeve Aleutian Airways, Robert C. Reeve, Pres. & Supt. Operations, 420 D Street, Box 559, Anchorage, Alaska
Resort Airlines, Harold L. Graham, Jr., Pres., Suite 326, 1346 Connecticut Ave., N. W., Washington 6, D. C.
Riddle Airlines, John Paul Riddle, Chairman of the Board, P. O. Box 535, Miami International Airport Branch, Miami 48, Florida
Seaboard & Western Airlines, Raymond A. Norden, Pres., 80 Broad Street, New York 4, New York
Southern Airways, Frank W. Hulse, Pres., 1140 Brown-Marx Building, Birmingham, Alabama
***Trans-Canada Air Lines**, W. Gordon Wood, Vice President-Traffic, Room 422, International Aviation Bldg., 1080 University Street, Montreal 3, Quebec, Canada
Trans Caribbean Airways, Inc., O. Roy Chalk, Pres., 200 W. 57th Street, New York 19, New York
Trans Texas Airways, R. E. McKaughan, Pres., 1221 Commerce Building, Houston 2, Texas
Trans World Airlines, Warren Lee Pierson, Chairman of the Board, 806 Connecticut Avenue, Washington 6, D. C.
United Air Lines, W. A. Patterson, Pres., 5959 S. Cicero Avenue, Chicago 38, Illinois
West Coast Airlines, Nick Bez, Pres., Boeing Field, Seattle 8, Washington
Western Air Lines, T. C. Drinkwater, Pres., 6060 Avion Drive, Los Angeles 45, California
Wien Alaska Airlines, Sigurd Wien, President & General Manager, Box 649, Fairbanks, Alaska

*Associate Member