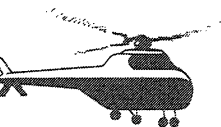


TWENTY-FIRST
EDITION
1960

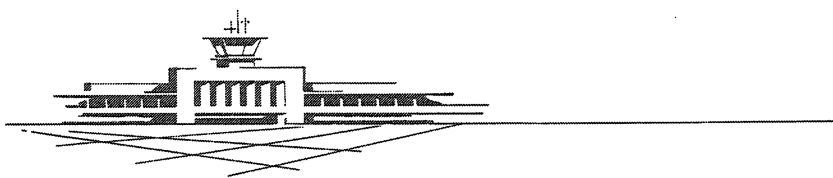
*FACTS &
FIGURES*

about

Air Transportation



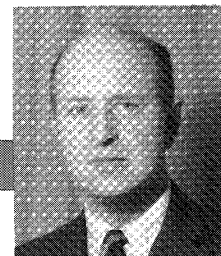
Official Publication
of the Air Transport
Association of America



The Standard Reference of
United States Scheduled
Air Transportation



A MESSAGE FROM THE PRESIDENT



Through the medium of words, statistics, and illustrations, this report records the first full year of the jet age—1959. It cites in detail the accomplishments of the United States certificated scheduled airlines and the amazing response of the public to their efforts.

Unquestionably, as progress, growth and public usefulness can thus be recorded, 1959 was a most eventful year.

As I look back a decade or so to the forecasts of what the airlines would do in the "Fifties," I'm amazed at how far performance exceeded the predictions. The U. S. airlines carried 16 million passengers in 1949. Optimistic was the forecast that had that number doubled within the decade. The 1959 passenger total, however, was almost 56 million, an increase of 250%.

The development of airfreight, a formidable challenge in the absence of specific cargo aircraft, nevertheless has been substantial. In 1949, the airlines carried 113 million ton miles of freight. Last year, the total was just under 600 million ton miles.

That same year of 1949 saw the airlines achieve a safety record of 1.39 fatalities per 100,000,000 passenger miles of domestic travel. But last year, the greatest traffic year in airline history by far, the safety rate improved to 0.7, or a fraction of one fatality per 100,000,000 passenger miles.

During the same ten-year period, during which the price of almost everything you bought increased considerably, airline prices remained almost unchanged. In fact, the Government does not mint a coin small enough to reflect the change, not even the penny. The average fare for a passenger to fly one mile is now but 3/10ths of one cent higher than it was ten years ago.

How has this been possible when, for example, consumer prices rose 21% and public transportation prices rose 61%? The answer is this: airline managements' constant attention to increased efficiency and productivity and their continued willingness to invest private capital in the best technology could offer. By

this approach, unit costs have been held down, thus offsetting, for the most part, the general increase in the cost of doing business.

Yes, it has been an impressive demonstration of progress as thus recorded. But facts and figures such as these, comprehensive and revealing as they may be, cannot tell the whole story. The jet age, for example, is infinitely more than the establishment of new traffic records or the fact that travel and shipping habits are changing. It is a whole new era in which has been introduced such things as these:

- new motivations for human activity and, accordingly, new human activities;
- new methods for doing business and, in fact, new businesses; and
- history-making concepts of political and diplomatic statesmanship.

In some degree, the life of each man, woman, and child is affected by the progress of the nation's airline industry.

A blending of seemingly intangible facts such as these with the recorded events herein make up the true story of the jet age, to date. Of course, proper perspective is necessary, for this is only the beginning of the jet age, of the new era which the airlines have launched.

For example, more than half of the 600-plus jet-powered aircraft ordered by the U. S. air carriers remains to be delivered during 1960, 1961, and 1962. This year, deliveries are occurring at a rate of one every 44 hours.

The airlines started preparing for this new era years ago. And there is much in the way of progress in store for the future. The airlines are preparing for that, too. They are preparing and paving the way for continued world leadership in this field because it has become vital in the age we have entered.

Our Government with its many regulatory powers over this industry, with its countless decisions and policies which affect it, must see to it that this progress is assured for America. The climate must be one of encouragement—there must be opportunity for our air transport system to fulfill the role history has given it.

S. G. TIPTON

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.
- OPERATING EXPENSES.** The expenses incurred in the conduct of the business except for such items as debt financing and other non-operating items.
- OTHER REVENUE.** All other revenues, including excess baggage, chartered services, foreign mails, penalties for failure to cancel reservation, 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.
- PROFIT MARGIN ON SALES.** Net profit after interest and after taxes as percent of operating revenues.
- 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.
- 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.

FACTS AND FIGURES

21st Edition, 1960

The year 1959 was the first full year of the jet age and the first year of scheduled air transportation under the new Federal Aviation Act. The industry as shown in the text and tables flew more people, more goods and more mail than ever before. The tables this year contain the year 1950 and five consecutive years 1955-59 so that it is possible to see the industry's growth in public usefulness in the past decade. Revised data filed by scheduled air carriers with the Civil Aeronautics Board are the major source of the statistics.

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1959 – FIRST FULL YEAR OF THE JET AGE

Remarkable achievements in public service and enthusiastic public response to that service marked the first full calendar year of jet age operations by the nation's certificated scheduled airlines.

With national reliance on a sound air transport system reaching a new high level, more people, more goods and mail were flown than in any previous year. Significantly, 1959 was the eighth consecutive year that the airlines maintained a safety rate of less than one fatality per 100,000,000 passenger miles.












Some of the specific 1959 results achieved by the U. S. carriers, who are responsible for about two-thirds of the world's total civil air traffic, are:

- 55,900,000 passengers, almost 7,000,000 more than in 1958.
- 36.3 billion passenger miles, five billion more than in 1958.
- 589,487,000 ton miles of freight, up 88,000,000 over 1958.
- 200,279,000 ton miles of U. S. mail, a one-year gain of 22.7 million.
- 56,606,000 ton miles of express, up 8,000,000 in one year.

Total operating revenues of all U. S. scheduled airlines reached a record \$2,607,844,000 last year, a gain of 16.5% over 1958. Money paid out by the airlines in operating expenses also reached a new high of \$2,486,350,000, or 16.7% more than in 1958.

Net profit, after taxes and interest, for all carriers was \$70,133,000 last year, up from the 1958 net of \$49,520,000. Net profit was less than the \$78,725,000 earned in 1955, however, even though last year's revenues exceeded those of 1955 by about \$1,000,000,000.

The Jet Fleet: At the end of 1959, the U. S. certificated carriers operated a fleet of 1,894 aircraft. Included were 84 pure jet aircraft and 213 prop-jets.

THE AIRLINE STORY			
Ever Increasing Usefulness Over The Years			
All classes of Certificated Air Carriers	1939	1949	1959
 Number of Airlines	23	45	56
 Cities Served (excluding Alaskan points) ²	286	638	721
 Aircraft in Service	347	1,083	1,908
 Seats Available (Daily)	5,100	35,900	109,710
 Cruising Speed of Fastest Transport	220 mph	315 mph	615 mph
 Number of People Employed	13,300	76,000	162,029
 Total Airline Payrolls	\$24,000,000	\$349,000,000	\$1,200,000,000
 U. S. Mail Ton Miles	8,610,000	61,144,000	200,279,000
 Number of Passengers Carried	1,864,000	16,723,000	55,875,000
 Average Fare	5.62¢	6.23¢	5.93¢
 Ton Miles of Freight Carried	2,713,000 ¹	112,500,000	589,487,000

¹ Freight and Express combined.

² Early figures for Alaska not available but in 1959 there were 242 points served.

This year, U. S. aircraft manufacturers will deliver 155 additional pure jets to the nation's certificated airlines, raising the total jet fleet to 239 planes. Also 51 prop-jets will be acquired raising that total to 264.

Orders for many of these new planes were placed by the airlines four and five years ago in an investment in progress totaling approximately \$3,000,000,000. The planes being added

during 1960 alone will reflect an investment of well over \$1,000,000,000.

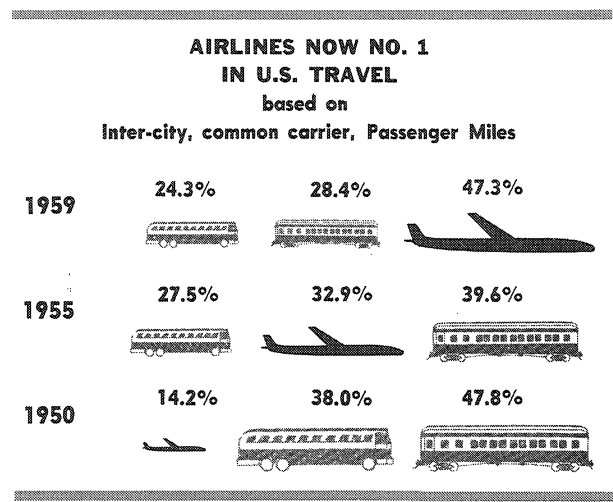
Over 100 additional jet-powered planes have been ordered for delivery in 1961 and 1962.

The Transportation Tax: Congress in 1959 took action to reduce the Federal tax on passenger travel from 10% to 5%, effective July 1, 1960. Currently, there is strong Congressional sentiment to eliminate the tax entirely on that date. But the Administration has not only opposed elimination but wants it increased again to 10% on July 1.

The tax was first levied in 1941 as a wartime measure to discourage travel on transportation facilities essential to the war effort. It is added to regular fares for intercity passenger travel on buses, trains, and commercial airliners.

As one leading Congressman put it, the tax discourages travel on commercial carriers and thus places a heavy burden upon one of the nation's most vital resources. Said another: "It continues to burden the public and to threaten the well-being of an industry essential to the national defense."

Airlines—Intercity Passenger Miles: The first year of the Jet Age saw the airlines pull away from railroads and buslines in domestic intercity, passenger-mile competition. A poor third in this competition just ten years ago, the airlines last year accounted for 47.3% of the total common carrier traffic. At the current rate of increase, the airlines in 1960 will surpass the combined total of train and bus passenger miles in this market.



Mail: On May 15, 1918, a pouch of mail was flown 250 miles between New York and Washington. Mail service by air was thus begun. Last year a network of 47 certificated, scheduled airlines transported over 200,000,000 ton-miles of airmail and 4¢ letters, cards and parcel post all over the U. S. and, in fact, all over the free world.

In Congress last year, Postmaster General Arthur E. Summerfield added emphasis to this phase of the changing American scene. Citing the "rapidly changing pattern of our national transportation system," Mr. Summerfield noted the cutback in railroad service "at a time when we are literally bursting at the seams with a far greater (mail) volume than ever before, generated by population increases, industrial expansion, and the growth of new communities many of which are not on rail lines."

"If the Department is to maintain a dependable intercity mail service for first class and other preferential mail," the Postmaster General told Congress, "*the only solution lies in appropriate use of air transportation.*"

Airfreight: Airfreight occupied a prominent role in the first full year of the jet age. The 589,487,000 ton miles of freight traffic carried by all U. S. certificated airlines was an all-time high, up 17.5% over 1958.

Much interest was stimulated in the past year in connection with the need for development of a modern civil cargo fleet to serve both the needs of commerce and the national defense. Many late-model piston-engined planes were converted by the carriers from combination type planes to all-cargo configurations.

Service-wise, the airfreight field was highlighted by national attention to the unique "total distribution cost" technique. Through this airline-developed technique, manufacturers found that airfreight service meant savings in total distribution costs beyond or apart from transportation rate considerations. Some firms completely realigned their businesses, eliminated warehouses and warehouse expense, because of the advantages of airfreight service.

Wiser's Report: A concept of Federal economic regulation geared to the specific characteristics of the airline industry was advanced in 1959 by Civil Aeronautics Board Examiner Ralph L. Wiser. In his initial decision in the pending General Passenger Fare Investigation, the Examiner concluded:

- That a strong air transport system is required in the public interest.
- That the multi-billion dollar jet age commitment by airline management reflected "sound business judgment."
- That the airlines are unique among utilities in their profit allowance requirements.
- That profits for the past few years have been "well below a reasonable level."

The vast amount of data and evidence compiled in the almost 4-year-old Investigation, according to Examiner Wiser, "presents a very favorable picture for the air carrier industry in comparison with other regulated and non-

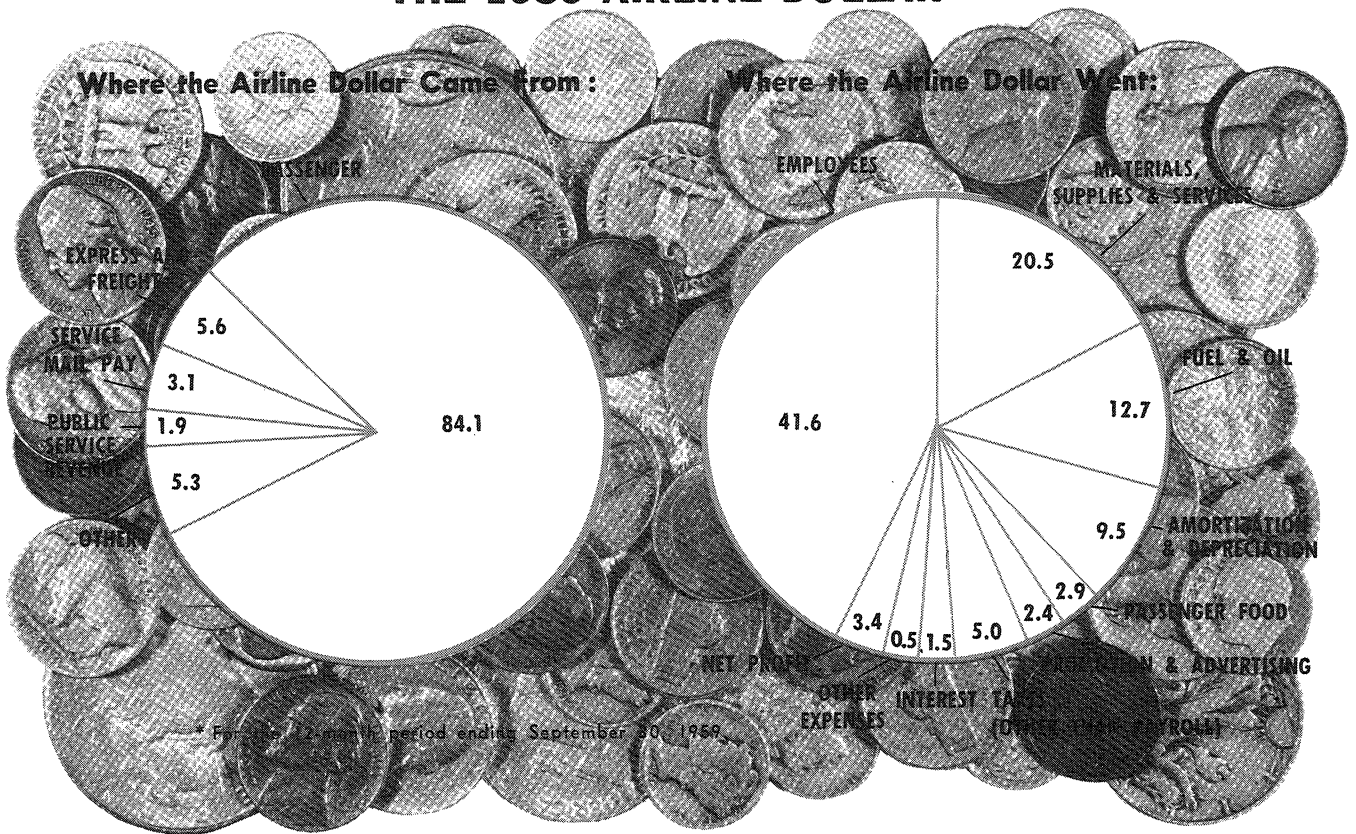
regulated industries. It has constantly increased its efficiency while producing transportation service which has been continuously better in speed, comfort, and convenience."

The Examiner found that the domestic trunk airlines' rate of return on investment should average between 10% and 12% for the most current 5-year period. However, for the 5-year period through 1958, the average was only 8.61% and in 1959 it fell even lower to 7.2%.

Measured in terms of net profit per dollar of gross revenues, or "profit margin," the airlines earned only 3.3% or 3.3 cents per dollar of revenue in 1959. Thus, despite a substantial increase in business, the airlines' profit margin was well under that earned in 1955 or even 1950.

The average corporation, for example, enjoys a profit margin of about 5¢. The nation's railroads whose financial condition has been widely noted, had a profit margin over twice as great as the airlines.

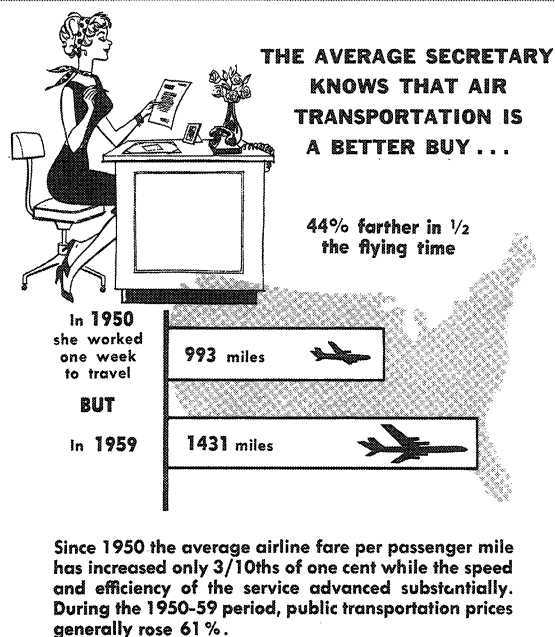
THE 1959* AIRLINE DOLLAR



In terms of actual dollars, it is significant to note that although the airlines' 1959 revenues were about \$685 million more than in 1955, net profit after taxes in 1959 was about \$4 million less.

In view of this situation, and the airlines' continuing need for additional capital, Examiner Wisner found that airline fares should be increased about 2% above present levels, or about 1/10th of a cent per passenger mile.

Final decision in this Investigation by the full five-man Civil Aeronautics Board was expected sometime during the first half of 1960.



MATS: A proposal by the Department of Defense and approved by President Eisenhower contemplates providing the U. S. with a vastly improved defense airlift. Specifically, it calls for:

- Operation of the Military Air Transport Service (MATS) in a manner to meet military hard-core requirements in a general war and emergencies.
- Modernization of MATS' fleet along these hard-core lines.
- Utilization of the civil airlines to the maximum extent to satisfy the Defense Department's overseas air logistics support requirements.

"MATS ideally should perform only the hard-core mission," said the Defense Department, "leaving to the commercial carriers the job of providing airlift for routine logistic supply and normal personnel movements in conformance with criteria prescribed by the Department of Defense."

In the past, MATS has been attempting to do both jobs at once.

Significantly, of the routine MATS traffic in the current fiscal year, 93 per cent of the passenger and 89 per cent of the cargo traffic will be carried by the Government airline over the routes and between areas served regularly by the U. S.-Flag airlines.

Recently, ATA president Tipton advised Congress that the U. S.-Flag scheduled airlines "presently have the capability to handle the vast majority of MATS' passenger requirements and a substantial part of the cargo requirements."

Bomb Hoax: A cooperative effort involving the airlines, Government, and press is underway to stamp out the activities of so-called "bomb hoaxers."

Airline employees have been alerted and instructed how to cope with these individuals whose method is usually the anonymous phone call and the "tip" or threat that a bomb is aboard a plane.

This results in halting planes on the ramp, or even calling them back if in flight. Passengers are unloaded, baggage and cargo are examined, and then, some time later, the flight is sent out again.

Annoying and sometimes serious inconvenience to the passengers, and expensive delays for the airlines are the net results of these hoaxes.

The ATA has an award program involving cash payments up to \$1,000 for airline employees who, in the opinion of proper authorities, assist in the detection of a bomb threat. Local police authorities and the Federal Bureau of Investigation are extremely active in stamping out this perverted practice.

In addition, a more severe criminal statute is now pending in Congress. Introduced by Senator John Marshall Butler (R.-Md.), it would

increase the penalty for convicted bomb hoaxers to \$5,000 fine or 5 years in jail, or both, from the present \$1,000 fine or 1 year in jail, or both.

The scheduled airlines also are actively studying the whole question of sabotage to aircraft. "While sabotage has only been a proven cause of airline accidents in rare cases in this country," ATA president Tipton said recently, "the airlines are unwilling to overlook even this remote threat to the safety of their passengers and crews."

In one action announced recently the ATA retained the Stanford Research Institute to conduct a thorough investigation "to gain more specific knowledge of the anatomy of explosive devices and their detection."

AIRLINE SAFETY

Last year was the eighth consecutive year in which the domestic airlines' rate of safety was less than one passenger fatality per 100,000,000 passenger miles. And it was the seventh consecutive year of similar achievement in the international field.

Today, it is three times as safe to travel by domestic scheduled airline as by automobile. During 1958, latest period available, there were 24,200 auto and taxi passenger fatalities, a rate of 2.3 fatalities per 100,000,000 passenger miles. On the average, there are more highway fatalities every two weeks than occurred in the entire 10-year period of the 1950's on the domestic scheduled airlines.

Last year, with airline passenger volume at an all-time high, the domestic air carriers' safety rate was 0.72 fatalities per 100,000,000 passenger miles. In international service it was 0.86.

DOMESTIC TRUNKLINES

Record traffic volume in 1959 on the domestic trunk airlines gave added emphasis to the reasons why airlines continually improve and enlarge their airlift capacity.

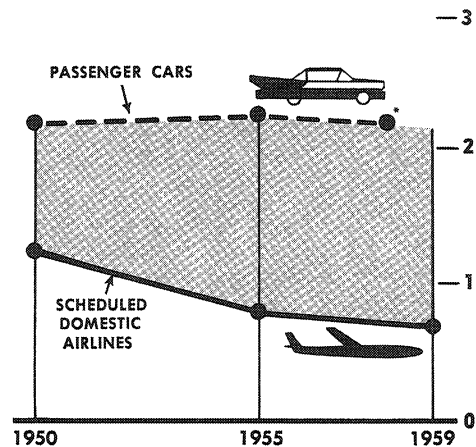
The trunkline fleet of just ten years ago, for example, would have accommodated only about half of last year's total traffic. The 1959 total was 3,166,800,000 revenue ton miles (passengers, cargo, and mail), up 15% over the 1958

total. If the public had to rely on the 1950 airline fleet, about 1,500,000,000 ton miles of this traffic, almost half, could not have been carried.

The passenger volume alone in 1959 was much greater than the airlift capability of just five years before. Last year's revenue passenger miles were 28,127,200,000, also up 15% over 1958. The available seat-mile capacity of the 1954 fleet—just before jet aircraft orders

THE AIRLINE SAFETY STORY

Fatalities Per 100,000,000 Passenger Miles



* N.A. (Figure shown reflects 1958 rate of 2.3)

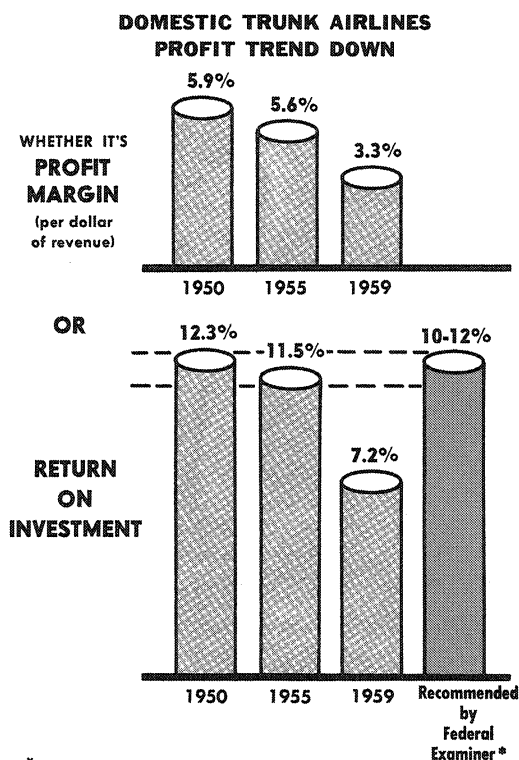
were placed—would have been over 3,000,000,000 seat miles short of meeting last year's actual passenger requirements.

The same is true of the future, too. Thus, the record capacity made available in 1959 by the trunklines — 45,793,200,000 seat miles — would fall far short of meeting the absolute demand anticipated by the Government a few years from now.

For example, a recent Civil Aeronautics Board forecast estimates that domestic airline passenger miles in 1964 will total 48.3 billion; in 1965, 53.0 billion. This is a range of from 2.5 billion to 7.2 billion passenger miles more than the record capacity made available by the trunks in 1959.

And, of course, providing airlift capacity sufficient only to meet absolute demand is both

impractical and inadequate. For one thing, demand for air service is not uniform day-in and day-out. It is usually greater on week-ends than during the week. It is greater on holiday week-ends than on normal week-ends. In some markets, it is greater in the winter than in the summer; in others, the reverse is true. Thus, sufficient reserve capacity must be available to cope with the flexibility of demand.



* "The history shows that when earnings of a particular year fall below 10%, the danger point of financial difficulties is at hand," according to Civil Aeronautics Board Examiner Ralph L. Wiser. An average return of between 10% and 12% for five-year periods was found "reasonable" and required by the domestic trunk airlines in the Initial Decision in the General Passenger Fare Investigation.

National defense considerations also require the civil airlines to have sufficient reserve capacity to meet unexpected emergencies such as the Korean War, Berlin Airlift, etc., or major conflicts such as World War II. In this way, the airlines can serve national defense requirements with little or no disruption to the nation's commerce or postal service.

Thus, in the advance planning by airline management that goes into major re-equipment programs—such as the current transition to

jets—factors considered include not only the present demand for service but continued growth in demand, good and efficient service to the public, and potential national emergencies that may arise.

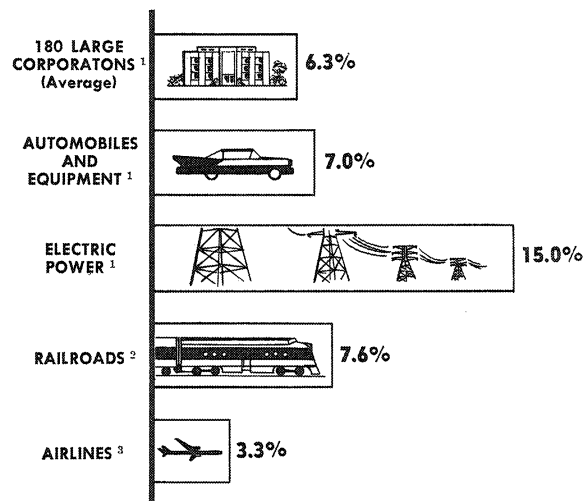
The ratio of reserve capacity to total capacity may fluctuate from year to year being affected by such variables as national economic conditions, aircraft manufacturers production schedules, national and world political developments, or a combination of these factors.

During a period of peak production by aircraft manufacturers in an airline re-equipment cycle, for example, the ratio of reserve capacity to total capacity tends to increase. However, as deliveries in a given cycle taper off, the constant increase in absolute demand restores the reserve capacity ratio to an average level.

During the past ten years, the ratio of reserve passenger capacity to total fluctuated from a low of 33% in the Korean War year of 1952 to a high of 40% in the recession year of 1958. Last year, the ratio declined to 38.5%.

Record Traffic: 1959 was a year of peak demand for scheduled airline service. The domestic trunks' passenger total was 44,489,000 or almost 5,000,000 passengers more than were carried in 1958.

**AIRLINES PROFIT MARGIN
COMPARED TO OTHER INDUSTRIES**



¹ Based on 1st 9 months, 1959, Federal Reserve Bulletin, Feb. 1960
² Covers 113 Class I Roads, Moody's Transportation, P. 1663, Feb. 19, 1960
³ Domestic Trunk Airlines

Airfreight ton miles totaled 282,473,000 or 17% more than in 1958. It is three times the annual volume of just a decade ago. Airmail volume last year was a record 98,496,000 ton-miles, up 12% in one year. In addition, non-priority or 4¢ mail carried by the airlines under a special Post Office Department experiment, increased to 17,918,000 ton miles, up 11%.

Financial Results: Total operating revenues of the trunk carriers were \$1,798,000,000 in 1959, a gain of 18.8% over 1958. Total operating expenses rose 19.4%, however, to a new high of \$1,692,800,000.

No new record was set in profits although last year's net of \$59,900,000 reflected an increase from the 1958 total of \$44,800,000. As stated, although the trunk airlines did \$685,000,000 more business last year than in 1955, the 1955 net profit exceeded last year's by almost \$4,000,000.

LOCAL SERVICE AIRLINES

The local service airlines, that segment of the U. S.-Flag airline system devoted to serving America's small and medium-sized communities and linking them with metropolitan areas, surpassed all existing records in 1959.

Operating over a 45,718-mile national route network, the local lines carried 5,214,000 pass-

engers in 1959, a 22% increase over the previous record set in 1958. Revenue passenger miles last year totaled 1,023,500,000, or 25% more than in 1958.

Ten years ago, when the local carriers operated under temporary certificates in a Government experiment to see if small-town airline service was feasible, the locals carried about 1,800 passengers a day. Now, under permanent certificates resulting from an affirmative answer to the Federal experiment question, they carry over 14,200 passengers daily.

In addition to passenger traffic records set last year, the local airlines established new highs in all other forms of traffic. Airfreight reached 3,123,000 ton miles, up 39%; air express totaled 2,209,000 ton miles, up 22.5%; airmail totaled 1,693,000 ton miles, up 27%; and non-priority mail totaled 503,000 ton miles, up 27%.

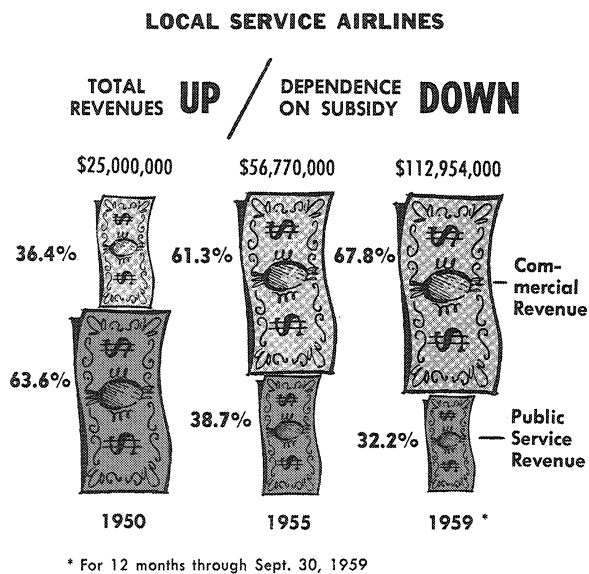
Last year also marked the first time that total operating revenues passed the \$100,000,000 mark. Actual total was \$122,421,000, a gain of 28.9% over 1958. Total operating expenses in 1959 were \$121,825,000, up 30.5% over 1958.

Net profit for the local carriers in 1959 was \$74,000, compared to a 1958 net of \$1,109,000.

Decreasing Dependence on Federal Aid: During the early experimental years of local airline service, approximately $\frac{3}{4}$ ths of the carriers' revenues came from Federal funds or public service revenues. Now, the situation is almost completely reversed. According to 1959 figures, 67.8% of local service revenues came from commercial services, i.e., passenger, freight, express, and mail operations. Only 32.2% came from public service revenues.

Currently, local airline service is available to over 60,000,000 people in 564 communities. Well over 300 cities count on these carriers for their only regularly scheduled airline passenger, mail and cargo service.

"For many of these communities," ATA president Tipton noted recently, "local airline service has meant a new economic birth—the attraction of new industries, new outlets for their products, new markets to choose from. The carriers are important members of the communities they serve."



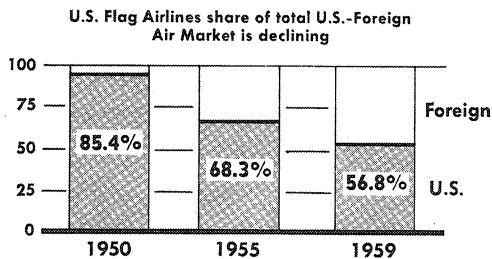
INTERNATIONAL AIRLINES

The United States international airlines established new traffic records in 1959 but faced increasingly stiffer competition from foreign airlines serving the U. S.-foreign market.

The 4,704,000 passengers carried by the American carriers last year was 12.6% more than the previous record total of 4,176,000 carried in 1958. Revenue passenger miles jumped 15.4% to a new all-time high of 6,894,200,000.

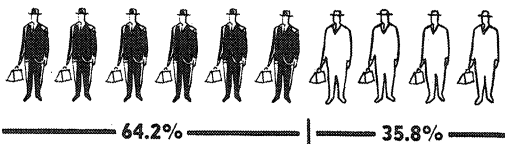
Despite these gains, foreign airlines continued to get an increasingly larger share of the growing market. Most passengers traveling between the U. S. and foreign countries are U. S. citizens. In 1959, the percentage of U. S. citizens to total travelers was 64.2%. Yet, foreign airlines serving the U. S. have increased their share of this market from 14.6% in 1950 to 43.2% in 1959. Conversely, the U. S.-Flag airlines' share dropped from 85.4% to 56.8% in the same period.

PASSENGER TRAFFIC BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES



EVEN THOUGH

More than six out of every ten passengers are U.S. citizens



Meanwhile, substantial gains in cargo were registered by the U. S.-Flag lines last year. Air-freight reached a new high of 153,956,000 revenue ton miles, up 19% over 1958 volume, and almost 10 times the volume carried a decade ago. U. S. mail ton miles totaled 71,586,000 in 1959, an increase of almost 9% in one year.

The U. S. carriers generated record operating revenues of \$565,056,000, up 11.5% over 1958. Total operating expenses climbed 10% to \$547,052,000. Net profit was \$12,579,000 representing a 2.2% profit margin on total revenues, compared with a 1958 net of \$6,548,000, and profit margin of 1.2%.

HELICOPTER CARRIERS

The public usefulness of scheduled helicopter service was emphasized last year as the certificated helicopter lines in Chicago, Los Angeles, and New York showed a 60% gain in passenger traffic. A total of 366,000 passengers were carried in 1959, compared with 228,000 in 1958.

Significantly, passenger load factor (percentage of saleable seats occupied) showed the greatest one-year gain in helicopter history, rising to 51.51% in 1959 from 42.78% in 1958.

Total traffic, i.e., passengers, freight, mail, and express, climbed to a record 855,000 revenue ton miles last year, a gain of 44.6% in one year.

AIRLINES IN THE NEW STATES

ALASKA: Total traffic carried by the U. S. certificated airlines based and operating in the new State of Alaska was 42,200,000 revenue ton miles in 1959, a 28% gain over 1958. Included was an all-time high number of passengers, 347,000, 10.8% more than the previous year, and 10.1% more than the previous record set in 1956.

Revenue passenger miles reached a new high of 183,000,000 last year, 11.7% higher than the previous record set in 1958. Also at a new all-time high was U. S. mail traffic of 3,620,000 ton miles, 11.4% more than the 1958 record total.

The Alaskan lines also hauled 7,486,000 ton miles of freight last year, a 6.1% gain over 1958.

HAWAII: A record of 755,000 passengers were carried last year by the certificated airlines based in the State of Hawaii, a one-year gain of almost 32%. Total passenger miles increased 34% to a new high of 111,900,000.

Total revenue ton miles of all traffic increased

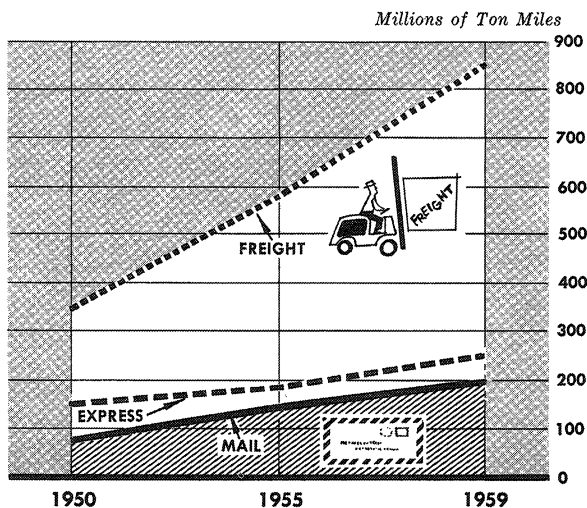
to 12,667,000, a 12.3% gain over the previous record set in 1958. In addition to the passenger gains cited, this included a 2.4% gain in airfreight with 1,625,000 ton miles carried in 1959 and a 12% gain in U. S. mail which totaled 75,000 ton miles last year.

ALL-CARGO AIRLINES

Approximately 31% of the airfreight carried by U. S. air carriers in 1959 was transported by the all-cargo airlines.

Actual freight volume for the cargo carriers was 140,817,000 ton miles, a 16% increase over 1958. U. S. airmail volume increased 200% to 6,129,000 ton miles, but non-priority mail volume fell off from 621,000 ton miles in 1958 to 161,000 in 1959.

AIRLINES CARGO REACHES NEW HIGH



USE OF THE AIRSPACE

Twenty years ago, the airspace above the 3,023,000 square miles of the United States appeared adequate. There was then less than 30,000 aircraft using the American sky and few of those planes flew faster than 150 miles per hour.

Today, there are an estimated 109,500 planes flying in the same airspace. In addition to this numerical increase, the hourly utilization of

planes is higher today and, of course, speeds have increased tremendously.

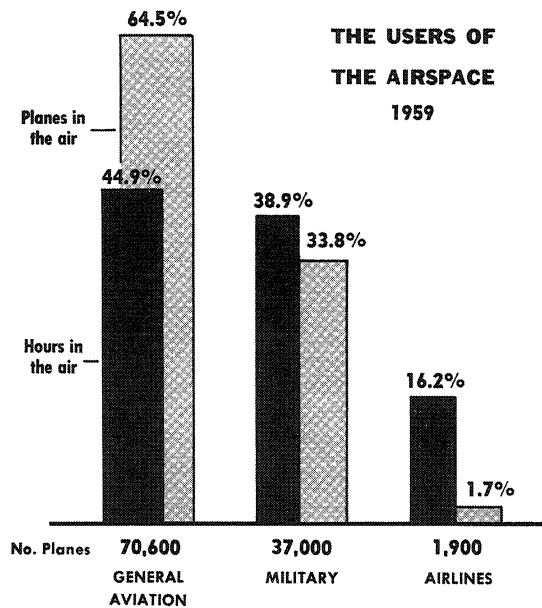
The largest number of planes using the airspace today is the 70,600 belonging to the nation's general aviation fleet, which represents 69.5% of the total planes and accounts for 44.9% of the total aircraft hours in the air.

Commercial airline planes total just under 1,900, or 1.7% of the total using the airspace. The airlines account for 16.2% of the total hours in the air.

The exigencies of national defense require extensive use of the airspace by the military, as is shown by the fact that 37,000 military aircraft, 33.8% of the total, account for 38.9% of the total hours.

In addition, essential air maneuvers—a necessity if the United States is to maintain its readiness status—requires priority military use of blocked-off areas of airspace. This is assured by an air traffic control function that keeps other aircraft out of those areas during the period of military use.

Other parts of the sky are also reserved for missile development, radio and transmission towers, and for natural preserves.



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							
1950.....	1,684.1	953.5	56.62	12,385.6	7,766.0	62.70	327.1
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
1958.....	5,190.2	2,750.9	53.00	40,695.0	24,435.7	60.05	700.6
1959.....	5,949.3	3,166.8	53.23	45,793.2	28,127.2	61.42	743.5
Local Service Airlines							
1950.....	62.4	20.6	33.02	599.2	188.8	31.51	33.0
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	78.5	46.00	1,653.8	747.3	45.19	67.3
1958.....	185.4	86.6	46.71	1,793.5	820.2	45.73	72.3
1959.....	238.5	108.9	45.67	2,309.2	1,023.5	44.32	85.4
Intra-Hawaiian Airlines ¹							
1950.....	10.9	5.7	52.20	100.1	57.7	57.66	4.3
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.....	15.7	9.1	57.96	154.9	89.5	57.78	4.7
1958.....	18.4	11.3	61.15	143.1	82.7	57.76	4.4
1959.....	21.1	12.7	59.89	187.2	110.9	59.21	5.3
Helicopter Airlines (in thousands)²							
1950.....	189	63	33.33	-----	-----	-----	668
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	448	42.42	8,049	3,272	40.66	1,604
1958.....	1,497	591	39.48	11,419	4,885	42.78	1,675
1959.....	1,759	855	48.61	14,517	7,478	51.51	1,899
International and Overseas Airlines							
1950.....	554.2	334.5	60.35	3,695.4	2,206.4	59.71	93.8
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	827.0	63.96	9,038.1	5,751.7	63.64	155.7
1958.....	1,426.6	873.1	61.20	10,057.6	5,974.6	59.40	165.5
1959.....	1,573.7	1,026.4	65.23	10,473.3	6,894.2	65.83	164.5
Alaskan Airlines							
1950.....	19.7	10.2	51.79	54.0	22.4	41.60	5.4
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.....	59.4	32.5	55.08	329.7	151.9	46.07	11.5
1958.....	59.9	32.9	54.89	369.0	163.8	44.39	11.5
1959.....	72.8	42.2	58.00	414.0	183.0	44.22	12.4

See Footnotes at End of Table on 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
All-Cargo Airlines							
1950.....	80.2	59.5	74.20	.....	.....	.....	13.0
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
1958.....	383.8	319.3	83.20	.....	.....	.....	16.1
1959.....	369.9	332.7	89.93	.....	.....	.....	16.2
CONSOLIDATED INDUSTRY							
1950.....	2,411.7	1,384.1	57.39	16,834.3	10,241.4	60.84	477.2
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.....	7,121.5	4,004.4	56.23	51,022.7	31,243.1	61.23	975.3
1958.....	7,265.7	4,074.7	56.08	53,069.6	31,481.9	59.32	972.1
1959.....	8,227.1	4,690.5	57.01	59,191.5	36,346.3	62.85	1,029.1

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

¹ Has been carried in the past as Territorial Airlines.

² Helicopter passenger service began in 1953.

PERSONNEL EMPLOYED BY THE SCHEDULED AIRLINE INDUSTRY¹

(1940 - 1959)

Year (Dec. 31)	Pilots and Copilots	Other Flight Personnel	Pursers, Stewards, Stewardesses	Communications Personnel	Mechanics	Aircraft and Traffic Servicing Personnel	Office Employees	All Others	Total
1940.....	2,279	33	1,036	193	5,413	4,277	7,689	1,131	22,051
1941.....	2,664	49	1,210	220	6,389	4,931	9,710	1,285	26,458
1942.....	3,146	241	1,131	1,610	12,882	7,384	11,083	2,236	39,713
1943.....	2,332	330	992	2,196	10,411	5,191	12,832	4,995	39,279
1944.....	3,345	277	1,516	2,501	9,963	5,748	15,234	4,023	42,607
1945.....	5,897	1,046	2,486	3,477	15,943	9,447	23,904	6,081	68,281
1946.....	7,220	1,503	4,421	5,031	23,376	12,770	31,587	10,646	96,554
1947.....	6,637	1,333	4,077	3,829	21,140	11,610	32,691	3,835	85,152
1948.....	6,926	1,515	4,142	3,661	21,828	11,662	31,145	3,729	84,608
1949.....	6,843	1,602	4,341	3,581	19,535	11,674	30,148	3,270	80,994
1950.....	7,277	1,521	4,427	3,403	19,606	12,256	31,138	3,158	82,786
1951.....	8,386	1,708	5,303	3,618	23,477	14,370	35,081	3,810	95,753
1952.....	8,770	1,852	5,859	3,653	26,162	15,588	37,894	4,294	104,072
1953.....	9,437	2,146	6,106	3,567	26,105	17,353	40,319	4,359	109,392
1954.....	9,495	2,525	6,363	3,332	25,173	17,855	40,670	4,128	109,541
1955.....	10,857	2,762	7,454	3,499	29,196	19,114	45,030	4,291	122,203
1956.....	11,386	3,384	8,097	3,605	30,962	20,657	49,336	4,076	131,503
1957.....	13,286	3,797	9,450	4,004	31,162	36,052	31,799	17,640	147,190
1958.....	12,897	3,667	9,811	3,978	29,580	37,256	32,003	17,958	147,150
1959 ²	14,627	4,434	10,317	4,462	31,535	45,117	33,270	18,267	162,029

¹ Data for Alaskan and All-Cargo carriers not included prior to 1959.

² These are preliminary figures as of September 30.

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 ²	Priority U. S. Mail	Non Priority U. S. Mail ³	Express	Freight	Charter Flights	Excess Baggage ⁴	Total
Domestic Trunklines								
1950.....	737,771	46,315	.....	36,538	112,861	8,203	11,782	953,470
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
1958.....	2,321,347	87,809	16,155	45,890	240,510	12,000	27,237	2,750,948
1959.....	2,672,081	98,496	17,918	53,106	282,473	13,271	29,422	3,166,767
Local Service Airlines								
1950.....	17,934	566	.....	623	696	653	118	20,590
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.....	71,079	1,174	345	1,642	2,082	1,717	471	78,510
1958.....	78,055	1,330	395	1,801	2,241	2,196	575	86,593
1959.....	97,509	1,693	503	2,209	3,123	3,160	713	108,910
Intra-Hawaiian Airlines ¹								
1950.....	4,620	65	.....	119	529	304	56	5,693
1955.....	6,250	59	.....	N.A.	1,646	436	20	8,411
1956.....	6,710	63	2	.....	1,475	236	17	8,503
1957.....	7,259	63	1	.....	1,536	170	36	9,065
1958.....	6,611	67	2	.....	1,587	2,965	32	11,264
1959.....	8,880	75	.....	.....	1,625	2,057	30	12,667
Helicopter Airlines ⁵								
1950.....	.....	63	.....	.....	.....	.....	.....	63
1955.....	60	90	.....	31	5	.....	3	195
1956.....	149	89	.....	31	7	.....	1	277
1957.....	311	92	.....	33	8	3	1	448
1958.....	463	83	.....	32	6	5	2	591
1959.....	710	87	.....	41	7	7	3	855
International and Overseas Airlines ⁴								
1950.....	237,188	21,188	.....	44,513	16,050	5,730	9,825	334,494
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	36,188	20,771	827,014
1958.....	597,326	65,825	.....	.....	128,925	60,817	20,191	873,084
1959.....	688,518	71,586	.....	.....	153,956	91,396	20,978	1,026,434
Alaskan Airlines ⁴								
1950.....	2,413	714	.....	.....	1,027	6,095	90	10,221
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.....	16,002	2,695	.....	.....	7,201	6,344	271	32,513
1958.....	17,290	3,069	35	.....	6,937	5,291	298	32,920
1959.....	19,440	3,620	11	.....	7,486	11,384	304	42,245

See Footnotes at End of Table on Page 16

**Revenue Ton Miles of
Traffic Carried**
(continued)

	Passenger ²	Priority U. S. Mail	Non Priority U. S. Mail ³	Express	Freight	Charter Flights	Excess Baggage ⁴	Total
All-Cargo Airlines								
1950.....	58,420	1,125	.....	59,545
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
1958.....	2,040	621	1,112	121,382	194,104	61	319,320
1959.....	6,129	161	1,250	140,817	184,227	79	332,663

CONSOLIDATED INDUSTRY

1950.....	999,926	68,938	.....	81,793	189,438	22,110	21,871	1,384,076
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.....	3,011,495	143,786	16,892	46,065	507,665	229,006	49,533	4,004,442
1958.....	3,021,093	160,222	17,207	48,835	501,586	277,379	48,396	4,074,718
1959.....	3,487,138	181,686	18,593	56,606	589,487	305,502	51,529	4,690,541

N.A. Not Available.

¹ Has been carried in the past as Territorial Airlines.

² Passenger ton miles for years prior to 1957 were revised to conform with "standard" passenger weights as prescribed by the CAB effective January 1, 1957.

³ See definitions, page 3.

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

⁵ Helicopter passenger service began in 1953.

⁶ Express and Freight combined.

**AIRCRAFT OPERATIONS
AT FAA AIRPORT TOWERS**

1950-1959 (In Thousands)

Type of Flight Operation	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Military	2,384	2,852	2,983	3,712	4,409	4,957	5,472	5,910	5,565	4,545
General Aviation	9,585	9,618	7,965	7,719	8,015	8,540	10,021	12,129	14,037	15,008
Air Carrier	4,002	4,556	4,866	5,384	5,521	5,983	6,553	7,112	6,998	7,353
Total	15,971	17,026	15,814	16,815	17,945	19,480	22,046	25,151	26,600	26,906
% Air Carrier of Total	25.1	26.8	30.8	32.0	30.8	30.7	29.7	28.3	26.3	27.3

Air Carriers include scheduled and non scheduled operations.
Each landing is counted as an operation as is also each take off.

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.

	Passenger	U. S. Mail		Public Service Revenue ¹	Express	Freight	Other ²	Total
		Priority	Non-Priority					
Domestic Trunk Airlines								
1950.....	430,098	46,311	.....	.....	12,569	21,698	13,433	524,109
1955.....	1,021,855	24,230	2,708	3,192	19,405	39,605	22,353	1,133,348
1956.....	1,142,197	28,937	2,654	2,609	18,101	42,173	26,160	1,262,831
1957.....	1,287,172	31,002	2,760	1,182	14,667	49,870	32,961	1,419,614
1958.....	1,362,992	33,039	3,076	2,386	16,140	57,351	38,265	1,513,249
1959 ^p	1,632,131	37,138	3,415	.....	19,124	67,026	39,202	1,798,036
Local Service Airlines								
1950.....	10,303	16,581	.....	.....	230	212	544	27,870
1955.....	32,840	1,084	101	20,923	665	556	1,281	57,450
1956.....	40,166	1,004	102	23,211	775	750	1,704	67,712
1957.....	47,464	1,108	103	29,651	725	1,049	2,039	82,139
1958.....	56,488	1,273	90	32,746	809	1,183	2,364	94,953
1959 ^p	72,989	1,467	155	41,916	985	1,735	3,174	122,421
Intra-Hawaiian Airlines								
1950.....	4,105	285	.....	.....	125	288	410	5,213
1955.....	5,686	48	.....	291	.....	752 ³	337	7,114
1956.....	6,042	51	1	288	.....	782	266	7,430
1957.....	6,975	51	2	72	.....	781	479	8,360
1958.....	7,063	54	.....	109	.....	776	1,391	9,393
1959 ^p	9,476	61	1	168	.....	832	1,061	11,599
Helicopter Airlines								
1950.....	.....	791	.....	.....	.....	.....	7	798
1955.....	208	250	.....	2,710	100	23	64	3,355
1956.....	438	234	.....	2,833	115	28	63	3,711
1957.....	968	237	.....	3,567	101	36	123	5,032
1958.....	1,459	214	.....	4,369	101	31	115	6,289
1959 ^p	2,310	225	.....	2,722	123	39	2,335	7,754

See Footnotes at Bottom of Page 18

Operating Revenues
(continued)

	Passenger	U. S. Mail		Public Service Revenue ¹	Express	Freight	Other ²	Total
		Priority	Non-Priority					
International and Overseas Airlines								
1950.....	160,673	55,689	.....	.....	15,783	5,881	22,105	260,131
1955.....	294,828	25,639	.....	1,583	77	31,853	30,324	384,304
1956.....	342,553	26,926	.....	8,308	82	36,683	38,113	452,665
1957.....	377,655	28,365	.....	555	80	41,475	39,818	487,948
1958.....	385,999	32,655	.....	.....	145	43,802	43,939	506,540
1959 ^P	432,742	35,146	7	.....	93	55,536	41,532	565,056
Alaskan Airlines								
1950.....	2,758	2,939	.....	.....	.....	639 ³	3,102	9,438
1955.....	8,162	2,333	.....	5,618	.....	2,464	3,747	22,324
1956.....	10,200	2,477	.....	6,241	.....	2,754	7,680	29,352
1957.....	11,263	2,662	.....	6,369	.....	2,651	4,063	27,008
1958.....	12,530	2,915	.....	6,839	.....	2,659	3,981	28,924
1959 ^P	14,638	3,266	2	7,473	.....	2,833	5,441	33,653
All-Cargo Airlines								
1950.....	.....	.....	.....	.....	.....	8,850	3,511	12,361
1955.....	.....	60	.....	.....	.....	18,640	8,335	27,035
1956.....	.....	144	220	.....	447	25,564	26,485	52,860
1957.....	.....	189	263	.....	545	29,281	55,050	85,328
1958.....	.....	1,048	128	.....	300	23,349	52,026	76,851
1959 ^P.....	.....	2,457	23	.....	356	35,958	30,531	69,325
CONSOLIDATED INDUSTRY								
1950.....	607,937	122,596	.....	.....	28,707	37,568 ¹	43,112	839,920
1955.....	1,363,579	53,644	2,809	34,317	20,247	93,893	66,441	1,634,930
1956.....	1,541,596	59,773	2,977	43,490	19,520	108,734	100,471	1,876,561
1957.....	1,731,497	63,614	3,128	41,396	16,118	125,143	134,533	2,115,429
1958.....	1,826,531	71,198	3,294	46,449	17,495	129,151	142,081	2,236,199
1959 ^P	2,164,286	79,760	3,603	52,279	20,681	163,959	123,276	2,607,844

^P Preliminary

¹ Prior to October 1, 1953, Public Service Revenues were not reported separately.

² Other revenues include revenues from excess baggage, foreign mail and charter operations, and incidental revenues.

³ Express and Freight combined.

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 and 1958 are as reported by the carriers. Although the "matching" of prior years' data with 1957 and 1958 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 and 1958 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" after 1956.
- 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," after 1956.

	Flying Operations	Maintenance	General Services & Administration				Total G. S. & A.	Depreciation & Amortization	Total Operating Expenses
			Passenger Service	Aircraft & Traffic Servicing	Promotion & Sales	Administrative			
Domestic Trunk Airlines									
1950.....	132,060	87,400	30,870	68,541	62,645	33,651	195,707	46,371	461,538
1955.....	302,591	196,320	72,996	133,274	134,706	68,473	409,449	101,709	1,010,069
1956.....	340,670	239,530	83,953	152,928	159,366	79,462	475,709	106,321	1,162,230
1957.....	434,842	270,328	95,505	217,208	157,561	55,164	525,438	146,968	1,377,576
1958.....	437,515	286,126	101,223	231,109	165,944	56,949	555,226	139,256	1,418,123
1959 ^p	504,848	346,422	130,730	275,169	198,318	65,583	669,800	171,729	1,692,799
Local Service Airlines									
1950.....	8,330	5,256	1,090	4,969	3,241	2,484	11,784	1,836	27,206
1955.....	18,080	10,384	2,687	9,563	9,287	4,485	26,022	2,278	56,764
1956.....	21,616	12,610	3,385	11,187	11,399	5,382	31,353	2,714	68,293
1957.....	26,509	16,418	4,028	21,160	6,089	4,938	36,215	3,758	82,900
1958.....	29,267	18,572	4,528	24,047	7,026	5,544	41,146	4,351	93,336
1959 ^p	36,746	24,924	6,074	31,153	9,281	6,808	53,316	6,839	121,825

See Footnotes, Page 21

Distribution of Operating Expenses (continued)

	Flying Operations	Maintenance	General Services & Administration				Total G. S. & A.	Deprecia- tion & Amorti- zation	Total Operating Expenses
			Passenger Service	Aircraft & Traffic Servicing	Promotion & Sales	Adminis- trative			
Intra-Hawaiian Airlines									
1950.....	1,221	942	190	906	832	743	2,671	452	5,286
1955.....	1,942	1,278	245	1,258	1,045	964	3,512	603	7,335
1956.....	2,033	1,259	252	1,317	1,182	848	3,599	416	7,307
1957.....	2,212	1,422	278	1,521	1,265	868	3,932	515	8,081
1958.....	2,504	1,698	413	1,671	1,283	1,022	4,393	661	9,256
1959 ^p	3,076	1,933	456	1,948	1,726	1,223	5,353	909	11,271
Helicopter Airlines									
1950.....	205	182	.....	98	2	112	212	133	732
1955.....	614	871	21	425	180	393	1,019	451	2,955
1956.....	697	981	21	544	312	496	1,373	605	3,656
1957.....	1,108	1,381	.....	.....	.....	.....	1,765 ¹	911	5,164
1958.....	1,416	1,618	.....	.....	.....	.....	1,982 ¹	946	5,962
1959 ^p	1,686	2,027	.....	.....	.....	.....	2,358 ¹	1,041	7,112
International & Overseas Airlines									
1950.....	70,980	43,440	14,589	31,618	36,514	22,170	104,891	29,012	248,323
1955.....	108,501	58,975	26,773	46,990	61,980	31,291	167,034	31,094	365,604
1956.....	125,613	72,069	31,053	51,583	70,822	33,808	187,266	34,593	419,541
1957.....	142,944	72,326	32,519	67,187	70,902	24,631	195,239 ²	50,359	460,868
1958.....	155,060	79,892	35,516	72,716	75,759	24,412	210,695 ²	50,824	496,471
1959 ^p	161,157	89,555	42,762	80,503	85,866	27,617	238,127 ²	58,213	547,052
Alaskan Airlines									
1950.....	3,020	2,365	358	966	634	1,332	3,290	1,028	9,703
1955.....	7,191	5,273	773	2,701	1,593	1,519	6,586	1,120	21,706 ²
1956.....	9,959	5,744	964	3,702	1,831	1,894	8,391	1,364	27,166 ²
1957.....	8,669	6,215	854	2,779	1,042	853	10,065 ²	1,646	26,595
1958.....	8,998	6,228	920	3,321	1,068	1,195	10,678 ²	1,920	27,824
1959 ^p	10,516	7,756	1,226	3,641	1,311	1,340	12,351 ²	2,749	33,372

See Footnotes, Page 21

Distribution of Operating Expenses (continued)

	Flying Operations	Maintenance	General Services & Administration				Total G. S. & A.	Deprecia- tion & Amorti- zation	Total Operating Expenses
			Passenger Service	Aircraft & Traffic Servicing	Promotion & Sales	Adminis- trative			
All-Cargo Airlines									
1950.....	4,633	1,769	.....	1,033	1,979	1,047	4,059	329	10,790
1955.....	10,635	5,287	267	3,896	2,081	2,103	8,347	2,074	26,343
1956.....	21,677	11,662	1,614	6,353	3,883	3,454	15,304	3,155	53,879 ²
1957.....	36,563	18,969	3,618	12,450	4,064	4,395	25,203 ²	8,998	89,734
1958.....	31,929	17,903	2,503	8,878	2,612	4,388	19,145 ²	9,172	78,149
1959 ^p	29,968	17,644	1,504	8,510	2,590	4,470	17,843 ²	7,464	72,919
CONSOLIDATED INDUSTRY									
1950.....	220,449	141,354	47,097	108,131	105,847	61,539	322,614	79,161	763,578
1955.....	449,554	278,388	103,762	198,107	210,872	109,228	621,969	139,329	1,490,776 ²
1956.....	522,265	343,855	121,242	227,614	248,795	125,344	722,995	149,168	1,742,072 ²
1957.....	652,847	387,060	136,802	322,305	240,923	90,848	797,855 ²	213,156	2,050,918
1958.....	666,689	412,037	145,103	341,742	253,692	93,510	843,265 ²	207,130	2,129,121
1959 ^p	747,997	490,261	182,752	400,924	299,092	107,041	999,148 ²	248,944	2,486,350

^p Preliminary.

¹ Detailed expense data not reported.

² Total is greater than sum of individual expense categories since segregation of expenses is not reported by all carriers.

**U. S. AIRLINES' SHARE OF AIR TRAVEL
BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES¹**

(Data in Thousands)

	1950	1955	1956	1957	1958 ^b	1959 ^b
Total Passengers to and from U. S.....	2,163	3,422	3,884	4,315	5,075	5,734
By Air.....	1,074	2,207	2,643	3,053	3,827	4,316
By Sea.....	1,089	1,215	1,241	1,262	1,248	1,418
Air Share of Total (Percent).....	49.7	64.5	68.0	70.8	75.4	75.3
Air Passengers via U. S.-Flag Airlines.....	918	1,508	1,763	1,911	2,207	2,452
Air Passengers via Foreign-Flag Airlines.....	156	699	880	1,142	1,620	1,864
U. S.-Flag Share of Total Air Passengers (Percent).....	85.5	68.3	66.7	62.6	57.7	56.8

^a Exclusive of travel over land borders (except Mexican air travel), crewmen, military personnel, and travelers between continental United States and its possessions.

^b Calendar year figures for 1959 and 1958; Fiscal year figures 1950-57.

Source: U. S. Department of Justice, Immigration and Naturalization Service, "Report of Passenger Travel Between the United States and Foreign Countries."

SUMMARY OF PROFIT OR LOSS

U. S. Scheduled Airline Industry

(For Selected Years, In Thousands of Dollars)

THIS TABLE SHOWS THE EARNINGS OF AIRLINES WHICH WERE AVAILABLE FOR DIVIDENDS TO STOCKHOLDERS OR FOR RETENTION IN THE BUSINESS. IT ALSO SHOWS THESE DOLLARS AS A PER CENT OF SALES AND THE RATIO OF TOTAL RETURN TO INVESTMENT.

	Total Operating Revenues	Total Operating Expenses	Net Operating Income	Interest on Long-Term Debt	Other Non- Operating Income (Net)	Income Taxes	Net Profit or Loss ¹	Rate of Return on Investment ² (%)	Profit Margin on Sales ³ (%)
Domestic Trunk Airlines									
1950.....	524,109	461,538	62,571	4,331	1,065	28,940	30,365	.....	.....
1955.....	1,133,348	1,010,069	123,279	6,540	16,388	70,024	63,103	11.8	5.6
1956.....	1,262,831	1,162,230	100,601	9,964	23,917	56,842	57,712	9.4	4.6
1957.....	1,419,614	1,377,576	42,036	16,201	18,651	23,076	26,988	4.9	1.9
1958.....	1,513,249	1,418,123	95,126	24,300	20,588	44,723	44,794	6.3	3.0
1959 ^P	1,798,036	1,692,799	105,237	32,118	37,816	52,673	59,911	7.2	3.3
Local Service Airlines									
1950.....	27,870	27,206	664	86	(754)	390	(566)	.....	.....
1955.....	57,450	56,764	686	219	369	484	352	2.7	0.6
1956.....	67,712	68,293	(581)	376	106	(50)	(801)	(—)	(—)
1957.....	82,139	82,900	(760)	224	(472)	(51)	(1,153)	(—)	(—)
1958.....	94,953	93,336	1,617	808	267	394	1,137	7.9	1.2
1959 ^P	122,421	121,825	596	1,821	81	(281)	74	5.0	0.1
Intra-Hawaiian Airlines									
1950.....	5,213	5,286	(73)	1	(61)	3	(138)	.....	.....
1955.....	7,114	7,335	(221)	106	210	8	(125)	(—)	(—)
1956.....	7,430	7,307	123	97	(14)	.....	12	3.3	0.2
1957.....	8,360	8,081	278	109	376	53	267	11.0	3.2
1958.....	9,393	9,256	137	164	(5)	.....	(115)	1.2	(—)
1959 ^P	11,599	11,271	328	221	(2)	37	88	4.6	0.8
Helicopter Airlines									
1950.....	798	732	66	.....	(30)	8	28	.....	.....
1955.....	3,355	2,955	400	11	155	202	342	10.0	10.2
1956.....	3,711	3,656	55	23	(63)	8	(39)	(—)	(—)
1957.....	5,032	5,164	(131)	64	19	(55)	(111)	(—)	(—)
1958.....	6,289	5,962	327	94	15	113	491	11.4	7.8
1959 ^P	7,754	7,112	642	79	31	288	503	10.6	6.5

See Footnotes at Bottom of Page 23

Summary of Profit or Loss
(continued)

	Total Operating Revenues	Total Operating Expenses	Net Operating Income	Interest on Long-Term Debt	Other Non- Operating Income (Net)	Income Taxes	Net Profit or Loss ¹	Rate of Return on Investment ² (%)	Profit Margin on Sales ³ (%)
International and Overseas Airlines									
1950.....	260,131	248,323	11,808	2,524	4,347	3,623	10,008	.....	.....
1955.....	384,304	365,604	18,700	1,700	6,754	10,320	13,434	6.3	3.5
1956.....	452,665	419,541	33,124	3,000	8,169	17,792	20,501	8.2	4.5
1957.....	487,948	460,868	27,080	4,882	8,619	13,252	19,520	7.8	4.0
1958.....	506,540	496,471	10,069	5,759	8,090	5,427	6,548	3.2	1.3
1959 ^P	565,056	547,052	18,004	8,444	11,602	9,663	12,579	4.6	2.2
Alaskan Airlines									
1950.....	9,438	9,703	(265)	35	(96)	37	(433)	.....	.....
1955.....	22,324	21,706	518	76	228	334	436	8.3	2.0
1956.....	29,352	27,166	2,186	222	(98)	870	996	15.1	3.4
1957.....	27,008	26,595	413	362	729	121	900	11.1	3.3
1958.....	28,924	27,824	1,100	418	350	673	391	5.7	1.4
1959 ^P	33,653	33,372	281	657	497	350	(156)	3.1	(—)
All-Cargo Airlines									
1950.....	12,361	10,790	1,571	.....	224	591	1,204	.....	.....
1955.....	27,035	26,343	692	561	1,132	80	1,163	9.4	4.4
1956.....	52,860	53,879	(1,019)	488	4,539	1,210	1,822	7.0	3.4
1957.....	85,328	89,734	(4,406)	1,526	4,022	285	(2,207)	(—)	(—)
1958.....	76,851	78,149	(1,298)	1,672	1,655	1,351	(3,726)	(—)	(—)
1959 ^P	69,325	72,919	(3,594)	1,597	2,300	(116)	(2,866)	(—)	(—)
CONSOLIDATED INDUSTRY									
1950.....	839,920	763,578	76,342	6,977	4,695	33,592	40,468	.....	.....
1955.....	1,634,930	1,490,776	144,154	9,213	25,236	81,452	78,725	10.8	4.8
1956.....	1,876,561	1,742,072	134,489	14,170	36,556	76,672	30,203	8.8	4.3
1957.....	2,115,429	2,050,918	64,511	23,368	31,665	36,683	44,202	5.1	2.1
1958.....	2,236,199	2,129,121	107,078	33,215	30,960	52,681	49,520	5.2	2.2
1959 ^P	2,607,844	2,486,350	121,494	44,937	52,325	62,614	70,133	6.2	2.7

^P Preliminary.

() Denotes reverse item.

¹ Net Profit or Loss for 1957, 1958 and 1959 is shown after

"Special Items," which are not included in the detail. Therefore, the items do not add to the profit figures shown.

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

³ Profit as percent of revenues.

ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY

U. S. Scheduled Airline Industry

(As of Dec. 31, for Selected Years, In Thousands of Dollars)

THIS TABLE SHOWS WHAT THE SCHEDULED
AIRLINES OWN AND WHAT THEY OWE

	1950	1955	1956	1957	1958	(Sept. 30) 1959
Domestic Trunk Airlines^a						
<i>Assets</i>						
Current Assets.....	204,018	436,609	439,827	457,611	496,756	643,860
Investments and Special Funds.....	60,080	47,405	146,147	127,943	184,163	158,189
Flight Equipment.....	374,803	890,095	1,097,044	1,363,767	1,531,141	1,810,174
Reserve for Depreciation and Maintenance.....	173,183	478,482	553,793	639,019	756,023	823,013
Ground Property and Equipment.....	94,476	154,104	180,613	206,452	237,840	271,180
Reserve for Depreciation.....	40,947	77,622	89,217	101,001	115,769	128,619
Other Property.....	5,736	28,402	41,359	49,667	100,445	111,557
Deferred Charges.....	16,361	9,459	13,264	23,541	28,566	46,035
Other Assets.....	1,195	1,175	6,308	-----	-----	-----
Total Assets.....	542,539	1,011,145	1,281,552	1,488,961	1,707,119	2,089,363
<i>Liabilities and Equity</i>						
Current Liabilities.....	130,107	276,839	333,876	328,844	332,788	445,928
Long-Term Debt.....	135,842	198,916	324,071	469,486	588,730	781,402
Other Non-Current Liabilities.....	-----	-----	-----	1,224	19,712	20,028
Operating Reserves.....	3,971	8,365	10,490	-----	-----	-----
Deferred Credits.....	17,327	22,886	37,646	51,480	78,818	103,808
Stockholders' Equity—Net of Treasury Stock.....	60,499	504,139	575,469	637,927	687,071	738,197
Preferred Stock.....	62,970	29,789	16,592	15,805	24,000	19,531
Common Stock.....	64,644	80,172	88,555	108,502	111,473	114,686
Other Paid-In Capital.....	67,179	141,839	178,058	215,292	236,105	255,094
Retained Earnings.....	255,292	252,339	291,872	298,328	315,493	348,886
Total Liabilities and Equity.....	542,539	1,011,145	1,281,552	1,488,961	1,707,119	2,089,363
Local Service Airlines						
<i>Assets</i>						
Current Assets.....	7,446	12,970	14,873	16,512	20,003	25,916
Investments and Special Funds.....	549	950	1,438	3,028	2,894	2,090
Flight Equipment.....	10,055	21,451	26,105	32,949	46,308	63,806
Reserve for Depreciation and Maintenance.....	5,021	11,096	12,628	16,825	20,445	24,769
Ground Property and Equipment.....	2,666	5,122	5,795	6,544	7,594	9,114
Reserve for Depreciation.....	1,020	2,555	2,949	3,556	4,119	4,650
Other Property.....	235	682	3,692	607	1,518	4,385
Deferred Charges.....	1,884	885	1,564	1,931	2,650	3,747
Other Assets.....	(28)	2	35	-----	-----	-----
Total Assets.....	16,766	28,411	37,925	41,190	56,403	79,639
<i>Liabilities and Equity</i>						
Current Liabilities.....	6,527	12,461	17,431	22,002	25,134	31,314
Long-Term Debt.....	1,485	4,013	7,800	8,656	18,106	31,986
Other Non-Current Liabilities.....	-----	-----	-----	205	363	3,492
Operating Reserves.....	287	783	1,138	-----	-----	-----
Deferred Credits.....	148	21	303	264	220	244
Stockholders' Equity—Net of Treasury Stock.....	440	11,133	11,253	10,063	12,580	12,603
Preferred Stock.....	6,500	412	920	163	163	163
Common Stock.....	4,193	6,345	5,871	6,776	7,279	7,959
Other Paid-In Capital.....	(2,814)	4,324	4,891	4,863	5,733	6,982
Retained Earnings.....	8,319	52	(429)	(1,739)	(595)	(2,501)
Total Liabilities and Equity.....	16,766	28,411	37,925	41,190	56,403	79,639

^a Balance sheet data for domestic trunk airlines reflect their international as well as domestic operations.

^b Has been carried in the past as Territorial Airlines.

**Assets, Liabilities and
Stockholders' Equity**
(continued)

	1950	1955	1956	1957	1958	(Sept. 30) 1959
Intra-Hawaiian Airlines^b						
<i>Assets</i>						
Current Assets.....	1,743	1,068	1,241	1,964	2,102	2,531
Investments and Special Funds.....	228	19	15	113	13	72
Flight Equipment.....	2,724	5,744	6,057	5,932	7,786	11,015
Reserve for Depreciation and Maintenance.....	1,858	2,839	2,930	3,230	3,735	4,127
Ground Property and Equipment.....	1,008	1,177	1,276	1,354	1,501	1,631
Reserve for Depreciation.....	486	749	847	945	1,043	1,114
Other Property.....	69	41	17	133	77	191
Deferred Charges.....	228	180	169	182	633	825
Other Assets.....	5	-----	-----	-----	-----	-----
Total Assets.....	3,661	4,641	4,998	5,503	7,334	11,024
<i>Liabilities and Equity</i>						
Current Liabilities.....	921	1,329	1,520	2,011	2,884	2,108
Long-Term Debt.....	-----	1,835	1,702	1,635	2,681	6,202
Other Non-Current Liabilities.....	-----	-----	-----	-----	-----	-----
Operating Reserves.....	61	20	41	-----	-----	-----
Deferred Credits.....	91	1	68	23	2	61
Stockholders' Equity—Net of Treasury Stock.....	-----	1,456	1,667	1,834	1,767	2,653
Preferred Stock.....	2,768	-----	-----	-----	-----	1,000
Common Stock.....	372	1,981	1,981	1,981	1,287	1,296
Other Paid-In Capital.....	(552)	874	832	832	1,530	1,538
Retained Earnings.....	2,588	(1,399)	(1,146)	(979)	(1,050)	(1,181)
Total Liabilities and Equity.....	3,661	4,641	4,998	5,503	7,334	11,024
Helicopter Airlines						
<i>Assets</i>						
Current Assets.....	263	2,385	2,307	2,168	2,998	3,275
Investments and Special Funds.....	10	321	290	27	54	84
Flight Equipment.....	528	2,508	3,878	5,170	5,023	5,279
Reserve for Depreciation and Maintenance.....	286	1,313	1,645	2,336	1,621	2,242
Ground Property and Equipment.....	49	312	576	777	825	872
Reserve for Depreciation.....	21	137	197	311	396	480
Other Property.....	5	14	71	1	4	225
Deferred Charges.....	123	163	196	302	429	416
Other Assets.....	61	-----	-----	-----	-----	-----
Total Assets.....	732	4,253	5,476	5,798	7,316	7,429
<i>Liabilities and Equity</i>						
Current Liabilities.....	69	591	735	961	1,804	1,874
Long-Term Debt.....	-----	87	817	1,033	1,319	871
Other Non-Current Liabilities.....	-----	-----	-----	-----	1	1
Operating Reserves.....	-----	31	45	-----	-----	-----
Deferred Credits.....	-----	25	69	109	6	30
Stockholders' Equity—Net of Treasury Stock.....	320	3,519	3,810	3,695	4,186	4,653
Preferred Stock.....	375	-----	-----	-----	-----	-----
Common Stock.....	-----	677	702	734	771	771
Other Paid-In Capital.....	(32)	2,201	2,435	2,546	2,685	2,685
Retained Earnings.....	663	641	673	415	730	1,197
Total Liabilities and Equity.....	732	4,253	5,476	5,798	7,316	7,429
International and Overseas Airlines^a						
<i>Assets</i>						
Current Assets.....	94,012	109,019	111,560	102,202	116,391	152,931
Investments and Special Funds.....	8,632	33,230	37,987	52,992	93,310	118,761
Flight Equipment.....	133,488	216,737	265,785	276,758	306,428	333,711
Reserve for Depreciation and Maintenance.....	55,495	99,787	114,074	132,185	149,995	166,475
Ground Property and Equipment.....	22,677	29,595	31,813	34,351	35,784	41,642
Reserve for Depreciation.....	11,738	18,424	18,614	20,741	22,348	23,986
Other Property.....	1,297	2,719	2,450	4,239	5,585	7,679
Deferred Charges.....	25,688	3,766	4,440	4,413	9,573	14,787
Other Assets.....	562	-----	-----	-----	-----	-----
Total Assets.....	219,123	276,855	321,347	322,029	394,728	479,050

See Footnotes at Bottom of Page 24

**Assets, Liabilities and
Stockholders' Equity**
(continued)

	1950	1955	1956	1957	1958	(Sept. 30) 1959
<i>Liabilities and Equity</i>						
Current Liabilities.....	52,647	80,041	92,352	87,424	65,298	111,921
Long-Term Debt.....	41,250	60,481	83,406	85,653	167,234	199,810
Other Non-Current Liabilities.....	224	-----	-----	1,011	775	1,392
Operating Reserves.....	5,784	3,319	3,584	-----	-----	-----
Deferred Credits.....	19,803	5,846	6,058	6,648	8,445	7,252
Stockholders' Equity—Net of Treasury Stock.....	150	127,168	135,947	141,293	152,976	158,675
Preferred Stock.....	10,910	150	-----	-----	-----	-----
Common Stock.....	62,829	13,622	13,792	16,310	15,462	15,444
Other Paid-In Capital.....	25,655	63,120	63,460	62,129	74,296	74,800
Retained Earnings.....	99,415	50,276	59,119	62,854	63,218	68,431
Total Liabilities and Equity.....	219,123	276,855	321,347	322,029	394,728	479,050
Alaskan Airlines						
<i>Assets</i>						
Current Assets.....	2,705	5,600	7,129	7,682	8,271	9,322
Investments and Special Funds.....	91	248	532	957	448	350
Flight Equipment.....	4,630	6,906	11,126	13,668	16,438	20,316
Reserve for Depreciation and Maintenance.....	3,127	4,981	5,539	6,080	6,601	7,346
Ground Property and Equipment.....	1,611	3,808	4,201	4,843	5,009	5,414
Reserve for Depreciation.....	635	1,531	1,808	2,138	2,417	2,670
Other Property.....	150	163	400	313	2,355	424
Deferred Charges.....	226	358	422	624	590	661
Other Assets.....	190	138	134	-----	-----	-----
Total Assets.....	5,841	10,709	16,597	19,869	24,093	26,471
<i>Liabilities and Equity</i>						
Current Liabilities.....	2,532	4,002	6,170	7,084	8,035	9,209
Long-Term Debt.....	486	765	3,360	4,942	7,565	8,031
Other Non-Current Liabilities.....	-----	-----	-----	25	19	93
Operating Reserves.....	314	457	276	-----	-----	-----
Deferred Credits.....	56	200	42	104	282	211
Stockholders' Equity—Net of Treasury Stock.....	84	5,285	6,749	7,714	8,192	8,927
Preferred Stock.....	2,036	-----	-----	-----	829	251
Common Stock.....	2,960	2,950	3,152	3,315	2,943	3,473
Other Paid-In Capital.....	(2,627)	3,605	3,613	3,629	3,655	3,686
Retained Earnings.....	2,453	(1,270)	(16)	770	765	1,517
Total Liabilities and Equity.....	5,841	10,709	16,597	19,869	24,093	26,471
All-Cargo Airlines						
<i>Assets</i>						
Current Assets.....	5,822	11,716	21,224	19,589	20,152	21,949
Investments and Special Funds.....	379	2,850	17,244	4,629	3,337	21,847
Flight Equipment.....	2,631	24,143	31,540	65,449	55,702	58,644
Reserve for Depreciation and Maintenance.....	833	7,575	9,188	17,500	17,522	20,343
Ground Property and Equipment.....	1,049	2,753	4,666	5,578	4,499	4,404
Reserve for Depreciation.....	561	1,354	1,833	2,382	2,257	2,530
Other Property.....	16	399	3,028	2,682	4,533	952
Deferred Charges.....	423	410	2,706	5,122	4,963	2,108
Other Assets.....	-----	140	281	-----	-----	-----
Total Assets.....	8,926	33,482	69,668	83,167	73,407	87,031
<i>Liabilities and Equity</i>						
Current Liabilities.....	3,682	10,759	19,301	25,991	22,500	21,966
Long-Term Debt.....	1,531	7,598	16,813	25,121	17,509	30,282
Other Non-Current Liabilities.....	-----	-----	-----	449	1,900	2,576
Operating Reserves.....	321	1,808	2,311	-----	-----	-----
Deferred Credits.....	45	235	2,277	3,257	3,325	3,513
Stockholders' Equity—Net of Treasury Stock.....	-----	13,082	28,966	28,349	28,173	28,694
Preferred Stock.....	4,183	1,211	1,441	1,437	1,437	1,193
Common Stock.....	3,135	5,466	6,863	8,237	8,901	9,458
Other Paid-In Capital.....	(3,971)	4,304	14,341	15,701	19,257	21,508
Retained Earnings.....	3,347	2,101	6,321	2,974	(1,422)	(3,465)
Total Liabilities and Equity.....	8,926	33,482	69,668	83,167	73,407	87,031

**Assets, Liabilities and
Stockholders' Equity**
(continued)

	1950	1955	1956	1957	1958	(Sept. 30) 1959
CONSOLIDATED INDUSTRY						
<i>Assets</i>						
Current Assets.....	316,009	579,367	598,161	607,728	666,673	859,784
Investments and Special Funds.....	69,969	85,023	203,653	189,689	284,219	301,393
Flight Equipment.....	528,859	1,167,584	1,441,535	1,763,693	1,968,826	2,302,945
Reserve for Depreciation and Maintenance.....	239,803	606,073	699,797	817,175	955,942	1,048,315
Ground Property and Equipment.....	123,536	196,871	228,940	259,899	293,052	334,257
Reserve for Depreciation.....	55,408	102,372	115,465	131,074	148,349	164,049
Other Property.....	7,508	32,420	51,017	57,642	114,517	125,413
Deferred Charges.....	44,933	15,221	22,761	36,115	47,404	68,579
Other Assets.....	1,985	1,455	6,758	-----	-----	-----
Total Assets.....	797,588	1,369,496	1,737,563	1,966,517	2,270,400	2,780,007
<i>Liabilities and Equity</i>						
Current Liabilities.....	196,485	386,022	471,385	474,317	458,443	624,320
Long-Term Debt.....	180,594	273,695	437,969	596,526	803,144	1,058,584
Other Non-Current Liabilities.....	224	-----	-----	2,914	22,770	27,582
Operating Reserves.....	10,738	14,783	17,885	-----	-----	-----
Deferred Credits.....	37,470	29,214	46,463	61,885	91,098	115,119
Stockholders' Equity—Net of Treasury Stock.....	61,493	665,782	763,861	830,875	894,945	954,402
Preferred Stock.....	89,742	31,562	18,953	17,405	26,429	22,138
Common Stock.....	138,133	111,213	120,916	145,855	148,116	153,087
Other Paid-In Capital.....	82,838	220,267	267,630	304,992	343,261	366,293
Retained Earnings.....	372,077	302,740	356,394	362,623	377,139	412,884
Total Liabilities and Equity.....	797,588	1,369,496	1,737,563	1,966,517	2,270,400	2,780,007

DOMESTIC INTERCITY PASSENGER MILES

(For Selected Years, In Millions)

	1939	1949	1955	1956	1957	1958	1959
Railroad Travel:¹							
First Class.....	7,527	9,349	6,440	6,275	5,185	4,249	3,819
Coach.....	11,180	20,310	17,329	17,105	16,365	14,230	13,683 ⁵
Air Travel:²							
First Class.....	654	6,454	13,025	14,202	15,736	15,180	16,847
Coach.....	-----	251	6,716	8,074	9,510	10,076	12,304
Motor Bus Travel³							
.....	9,100	22,411	16,562	16,409	16,377	15,083	14,700 ⁵
Total Common Carriers.....	28,461	58,775	60,072	62,065	63,173	58,818	61,510
Airline Share of Total.....	2.3	11.4	32.9	35.9	40.0	42.9	47.4
Private Automobile, Intercity⁴.....	234,700	376,313	585,800	617,700	644,800	663,700	670,000⁵
Total Common Carrier and Auto.....	263,161	435,088	645,872	679,765	707,973	722,518	731,510
Airline Share of Total Intercity Travel.....	0.2	1.5	3.1	3.3	3.6	3.5	4.0

¹ I.C.C., Statistics of Railways in the United States, 1959, Statement M-250.

² 1939, CAB, Annual Airline Statistics; 1949, CAB, Recurrent Reports on Traffic Statistics; 1955-1958, CAB, Monthly Reports on Air Carrier Traffic; 1959, Carrier Reports to CAB.

³ 1939, I.C.C. Statement No. 531, Jan. 1953; 1949-1957, I.C.C. Transport Economics, Jan. 1960.

⁴ 1939, NAMBO, Bus Facts, 20th Edition; 1949-1956, I.C.C. Transport Economics, May 1956 and Dec. 1959.

⁵ Estimated.

REVENUE PASSENGERS CARRIED

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

	1939	1949	1951	1952	1953	1954	1955	1956	1957 ²	1958 ²	1959 ²
Domestic Trunk Airlines	1,713	14,021	20,621	22,759	26,137	29,526	34,511	37,598	40,270	39,513	44,489
Local Service Airlines		678	1,481	1,736	2,032	2,423	2,897	3,453	3,943	4,265	5,214
Intra-Hawaiian Airlines	22	382	550	515	553	561	591	627	589	572	755
Helicopter Airlines					1	9	29	62	148	228	366
International and Overseas Airlines	129	1,520	2,038	2,362	2,682	2,888	3,376	3,888	4,065	4,176	4,704
Alaskan Airlines ¹	na.	122	157	194	220	225	264	315	309	313	347
TOTAL SCHEDULED AIRLINE INDUSTRY	1,864	16,723	24,847	27,566	31,625	35,632	41,623	45,943	49,339	49,067	55,875
AVERAGE LENGTH OF HAUL (Statute Miles)											
Domestic Trunk Airlines	397	469	495	533	547	550	557	576	608	618	632
International and Overseas Airlines	557	1,351	1,275	1,278	1,261	1,296	1,307	1,315	1,415	1,429	1,466

¹ Alaskan data for 1949 include charter flights. 1939 not available.

² Beginning in 1957 passengers were reported on a basis which yielded slightly lower figures than the basis used in prior years. This accounts in part for the typical increase of average length of haul in 1957 as compared to 1956.

AVERAGE REVENUE PER PASSENGER MILE

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

	1939	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
Domestic Scheduled Airlines ¹												
Coach or Tourist		3.96	4.10	4.45	4.18	4.13	4.34	4.32	4.29	4.25	4.52	4.63
All Services	5.28	5.75	5.54	5.59	5.54	5.43	5.37	5.32	5.28	5.25	5.58	5.83
International Scheduled Airlines												
Coach or Tourist						5.77	5.83	n.a.	n.a.	5.77	5.66	5.52
All Services	8.57	7.72	7.28	7.13	7.04	6.88	6.79	6.68	6.70	6.57	6.51	6.44
Railroads, Class I ²												
First Class	2.33	3.14	3.25	3.27	3.35	3.38	3.35	3.31	3.39	3.68	3.75	3.84
Coach	1.80	2.41	2.47	2.47	2.53	2.53	2.50	2.47	2.56	2.71	2.76	2.77
Intercity Motor												
Buses, Class I	1.55	1.85	1.89	1.95	2.03	2.06	2.08	2.06	2.13	2.29	2.42	2.56 ³

¹ Trunk airlines, preliminary.

² 11 months 1959. Excludes commutation. Does not include payments to Pullman Company for seat, berth, etc.

³ ATA estimate.

n.a. Not available.

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

AIRCRAFT OWNED AND ON ORDER

By U. S. Scheduled Airline Industry (For Selected Years)

THIS TABLE SHOWS HOW THE SIZE AND TYPE OF AIRCRAFT USED BY THE SCHEDULED AIRLINES HAVE IMPROVED OVER THE YEARS AND HOW THE SCHEDULED AIRLINES WILL CONTINUE TO ADD NEW AND FASTER AIRCRAFT TO INSURE IMPROVED SERVICE FOR THEIR CUSTOMERS.

Manufacturer	Model	1939	1949	1952	1956	1959	New aircraft on order for delivery in:	
							1960	1961
Boeing:	247D, 307B, 314	45	5	....	....	....	....	....
	377	....	35	44	34	21	....	....
	B707 (Jet)	....	....	....	....	66	20	1
	B720 (Jet)	....	....	....	....	....	24	25
Canadair:	CL44 (Turboprop)	....	....	....	....	....	....	17
Convair:	240	....	112	113	100	46	....	....
	340	....	....	8	123	122	....	....
	440	....	....	....	19	36	....	....
	540 (Turboprop)	....	....	....	....	1	10	....
	600 (Jet)	....	....	....	....	....	....	25 ^a
	880 (Jet)	....	....	....	....	....	46	1
Curtiss:	C-46	....	2	75	94	66	....	....
Douglas:	DC-2	56	....	....	....	....	....	....
	DC-3	147	449	419	356	305	....	....
	DC-4	....	230	185	143	73	....	....
	DC-6	....	109	195	299	325	....	....
	DC-7	....	....	....	132	220	....	....
	DC-8 (Jet)	....	....	....	....	18	65	13
Fairchild:	F-27 (Turboprop)	....	....	....	....	34	7	....
Lockheed:	L-10	41	6	....	....	....	....	....
	Lodestar	....	11	11	10	....	....	....
	Other early models	6	....	....	....	....	....	....
	Constellation	....	79	115	117	104	....	....
	Super Constellation	....	....	24	79	137	....	....
	Electra (Turboprop)	....	....	....	....	96	34	....
Martin:	202	....	24	21	23	19	....	....
	404	....	....	96	97	85	....	....
Sikorsky:	All Types	28	....	....	....	....	....	....
Sud Aviation:	Caravelle (Jet)	....	....	....	....	....	....	20
Vickers:	V-700 (Series) (Turboprop)	....	....	....	54	67	....	....
	V-800 (Series) (Turboprop)	....	....	....	....	15	....	....
Other		24	10	17	25	15	....	....
Total Fixed Wing		347	1,072	1,323	1,705	1,871	206	102
Helicopters:								
Bell:	B47	....	6	6	7	5	....	....
Sikorsky:	S51	....	5	3	2	2	....	....
	S55	....	....	5	8	5	....	....
	S58	....	....	....	3	6	....	....
	S61 (Turbine)	....	....	....	....	....	....	11
	V44B	....	....	....	....	5	....	....
	V107 (Turbine)	....	....	....	....	....	....	10 ^b
Total Helicopters		....	11	14	20	23	....	21

^a Ten scheduled for delivery in 1961 and 15 in 1962.

^b Five scheduled for delivery in 1961 and five in 1962.

COMPARATIVE TRANSPORT SAFETY RECORD

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

	1939	1949	1951	1952	1953	1954	1955	1956	1957	1958	1959
Domestic Scheduled Airlines ¹											
Fatalities	9	93	142	46	86	16	156	143	30	113	211
Rate	1.20	1.39	1.35	.37	.59	.10	.79	.64	.12	.45	.72
International and Overseas Scheduled Airlines ²											
Fatalities	10	4	43	94	2	0	2	9	40	11	59
Rate	12.80	.19	1.59	2.98	.06	....	.04	.17	.67	.18	.86
Motor Buses											
Fatalities	³	130	140	120	100	60	90	80	90	120	n.a.
Rate	³	.23	.24	.21	.18	.11	.18	.16	.17	.24	n.a.
Railroad Passenger Trains											
Fatalities	32	29	150	14	50	23	19	57	17	62	10 ⁴
Rate .....	.14	.08	.43	.04	.16	.08	.07	.20	.07	.27	.05 ⁴
Passenger Autos and Taxis											
Fatalities	16,300	17,700	22,200	23,300	23,900	22,700	25,100	26,600	25,600	24,200	n.a.
Rate	3.7	2.7	3.0	3.0	2.9	2.7	2.7	2.7	2.6	2.3	n.a.

¹ Alaskan and Hawaiian data included in Domestic beginning in 1959.

² Alaska data not included in 1939.

³ Motor Bus statistics included in Passenger Autos and Taxis.

⁴ Preliminary

n.a. Not Available

POST OFFICE PROFIT ON DOMESTIC AIRMAIL

Fiscal Year	Post Office Receipts, Domestic Airmail Postage (000)	Payment to Airlines for Domestic Airmail Service ¹ (000)	Other Post Office Expenses, Domestic Airmail ² (000)	Post Office Profit on Domestic Airmail (000)
1950.....	\$ 74,120	\$63,639	\$ 45,983	(\$35,502)
1955.....	142,571	42,780	79,524	20,267
1956.....	150,938	44,304	88,818	17,816
1957.....	153,189	45,913	91,607	15,669
1958.....	151,236	46,858	96,040	8,338
1959.....	173,379	50,000 ^o	102,524 ^o	21,455

¹ Payments to domestic and U. S.-Flag international airlines for hauling domestic airmail within continental United States and to off-shore states or territories. This is a Post Office allocation.

² Cost of postal services other than air transport of domestic airmail. Includes relatively small payments to surface carriers for hauling airmail and payments to airlines for hauling classes of mail other than airmail.

^o Actual figures for 1959 not available. Figures shown are ATA estimates based on 1959 airmail traffic volume.

Source: U. S. Post Office Department, "Cost Ascertainment Report," for years shown.

CLASSES OF UNITED STATES COMMERCIAL AIR CARRIERS

There are nine generally recognized classes of operators in the air transport industry of the United States. These classifications are used by the Civil Aeronautics Board in connection with the economic regulation of the industry and under the Federal Aviation Act are based largely on the scope of operations authorized or allowed by that Act. Classes One to Seven have certificates of convenience and necessity authorizing them to conduct regularly scheduled services.

- 1. The Domestic Trunk Lines** include those carriers which presently have permanent operating rights within the continental United States. 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 1959 were:

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

- 3. The Intra-Hawaiian Carriers** operate between the several islands comprising the State of Hawaii.

Aloha	Hawaiian
-------	----------

- 4. The Alaskan Carriers** provide service among the continental United States and the State of Alaska and within Alaska.

Operating between continental U. S. and Alaska		Operating within Alaska	
Alaska Northwest ¹	Pacific Northern Pan American ¹	Alaska Alaska Coastal Bristol Bay ^{2, 3} Cordova Ellis Howard J. Mays ²	Northern Consolidated Pacific Northern Reeve Aleutian Western Alaska Wien

- 5. The Helicopter Carriers** presently operate between airports, central post offices, and suburbs of New York, Chicago and Los Angeles. Originally certificated as exclusive mail carriers they now fly passengers, airfreight and air express, in addition to U. S. mail.

Chicago Helicopter Airways	Los Angeles Airways	New York Airways
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- 6. The International and Overseas Lines** include all U. S.-Flag air carriers operating between the United States and foreign countries other than Canada, and over international waters. Some of these carriers conduct operations between foreign countries and some are extensions of domestic trunk lines into Mexico and the Caribbean and to Alaska and Hawaii.

Alaska ⁵ American Braniff Caribbean Atlantic Delta	Eastern Mackey ² National Northwest Pacific Northern ⁵	Pan American Pan American-Grace Resort ^{2, 4} Samoan ^{2, 3} South Pacific ²	Transportation Corp. of America Trans World United Western
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- 7. 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 Tiger Riddle	Seaboard & Western Slick
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- 8. Supplemental Air Carriers** are authorized unlimited domestic charter operations and up to 10 flights per month individually ticketed or waybilled between any two domestic points. As of June 30, 1959, there were 23 carriers authorized for this service.

- 9. The Other** classes of operators are the air taxi operators and airfreight forwarders. Air taxi operators are authorized through the exemption process and can operate aircraft up to a gross weight of 12,500 pounds. There are 2,370 authorized. Airfreight forwarders also operate under exemption authority. There are 72 forwarders operating in domestic interstate and foreign and overseas commerce.

¹ Statistical data of these carriers are included with International and Overseas Airlines.

² Certificated non-mail carriers.

³ Not operating.

⁴ Certificated cruise carrier.

⁵ Statistical data of these carriers are included with Alaskan Airlines.

^{2, 3, 4} Statistical data of these carriers are not included in the statistical tables.

OFFICERS

Stuart G. Tipton, *President*
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 Bess Udoff, *Assistant Secretary*
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 C. M. Belinn (Los Angeles)
 Gwin Hicks (Lake Central)
 Frank W. Hulse (Southern)
 Raymond A. Norden (Seaboard & Western)

W. A. Patterson (United)
 E. V. Rickenbacker (Eastern)
 Robert F. Six (Continental)
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MEMBER AIRLINES

AAXICO Airlines, *Howard J. Korth, Pres., P. O. Box 875, Miami Int'l Airport Branch, Miami, Florida*
 Alaska Airlines, *Chas. F. Willis, Jr., 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, Pres. & Chief Exec. Officer, 100 Park Avenue, New York 17, New York*
 Bonanza Air Lines, *Edmund Converse, Pres. & Chairman-Board, McCarran Field, P. O. Box 391, Las Vegas, Nevada*
 Braniff Int'l Airways, *C. E. Beard, Pres., Braniff Airways Bldg., Exchange Park, Dallas 35, Texas*
 *Canadian Pacific Airlines, *G. W. G. McConachie, President, Vancouver Airport, Vancouver, B. C., Canada*
 Capital Airlines, *David H. Baker, Pres. & Chief Executive Officer, Washington Nat'l Airport, Washington 1, D. C.*
 *Caribbean-Atlantic Airlines, *Dionisio Trigo, Pres., P. O. Box 6035, Loiza Station, Santurce, Puerto Rico*
 Central Airlines, *Keith Kable, Pres., Amon Carter Field, Fort Worth, Texas*
 Chicago Helicopter Airways, *John S. Gleason, Jr., President & Treasurer, 5240 W. 63rd Street, Chicago 38, Illinois*
 Continental Air Lines, *Robert F. Six, President, P. O. Box 9063, Denver 16, Colorado*
 Cordova Airlines, *Merle K. Smith, Pres. & 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, 10 Rockefeller Plaza, New York 20, New York*
 Ellis Air Lines, *R. E. Ellis, Pres. & Gen. Mgr., P. O. Box 1059, Ketchikan, Alaska*
 The Flying Tiger Line, *Robert W. Prescott, Pres., Lockheed Air Terminal, Burbank, California*
 Frontier Airlines, *L. B. Maytag, Jr., Pres., Stapleton Airfield, Denver 7, Colorado*
 *Hawaiian Airlines, *A. D. Lewis, Pres. & Chief Exec. Officer, Honolulu Int'l Airport, Honolulu 17, Hawaii*
 Lake Central Airlines, *Gwin Hicks, Pres., Weir Cook Municipal Airport, Indianapolis 21, Indiana*
 Los Angeles Airways, *C. M. Belinn, Pres., Box 45155, Airport Station, Los Angeles 45, California*
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 Mohawk Airlines, *Robert E. Peach, Pres., Oneida County Airport, Utica, New York*
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