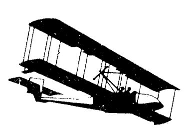
1964
FACTS & FIGURES

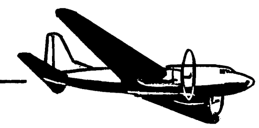


50th Anniversary of Scheduled

AIR TRANSPORTATION

Official Publication of the Air Transport Association of America

1963 AT A GLANCE



Traffic, Financial and Service Summary
For the United States Scheduled Airline Industry

	1963	1962	% Change over 1962	1953	% Change 1963 over 1953
TRAFFIC					
Passengers (000)	**71,418**	62,549	14.2	31,646	125.7
Passenger Miles (000)	**50,361,300**	43,760,415	15.1	18,244,683	176.0
Freight Ton Miles (000)	**1,023,077**	898,187	13.9	303,637	236.9
Mail Ton Miles (000)	**356,601**	339,911	4.9	105,736	237.3
Express Ton Miles (000)	**70,834**	69,925	1.3	43,817	61.7
Total Revenue Ton Miles (000)	**6,880,845**	6,238,246	10.3	2,288,152	200.7
FINANCIAL					
Total Operating Revenues ($000)	**3,754,956** P	3,438,586	9.2	1,317,398	185.0
Total Operating Expenses ($000)	**3,460,144** P	3,249,397	6.5	1,211,062	185.7
Net Operating Income ($000)	**294,811** P	189,189	55.8	106,336	177.2
Net Profit or Loss ($000) [1]	**84,079** P	52,816	59.2	62,811	33.9
Rate of Return on Investment [2]	**6.6%** P	5.7%	----	9.9%	----
Profit Margin on Sales [3]	**2.2%** P	1.5%	----	4.8%	----
SERVICE					
No. of Aircraft in Service	**1,837**	1,831	0.3	1,384	32.7
Fastest Cruising Speed (mph)	**625**	625	----	300	108.3
Plane Miles Flown (000)	**1,094,400**	1,009,784	8.4	657,092	66.6
Available Seat Miles (000)	**94,843,500**	82,611,805	14.8	28,961,952	227.5
No. of Points Served [4]					
Domestic	**551**	560	−1.6	541	1.8
International	**148**	148	----	159	−7.9
Route Miles Served					
Domestic	**280,117**	284,103	−1.4	168,343	66.4
International	**328,740**	325,361	1.0	240,646	36.6
No. of Employees	**176,223** *	172,827	2.0	114,680	53.7
Average Annual Wage ($)	**7,493** *	7,295	2.7	4,562	64.2
Total Payroll ($000)	**1,320,400** *	1,260,747	4.7	523,189	152.3

P Preliminary
1 After taxes, special items and non-operating income or loss
2 Net income before interest and after taxes as per cent of average net worth and long term debt and advances
3 Profit as per cent of revenues
4 Many points serve more than 1 city
Does not include Alaskan Points
* As of September 30, 1963

Twenty-Fifth Edition
1964
Facts and Figures
The Standard Reference of
United States Scheduled Air Transportation

AIR TRANSPORT ASSOCIATION OF AMERICA

Twenty-Fifth Edition

Facts and Figures, 1964

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 investments 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, 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 per cent of operating revenues.

RATE OF RETURN ON INVESTMENT. Total return, i.e., net profit plus interest paid on long-term debt, as per cent of average investment. Investment is the average of total net worth (stockholders' equity) plus long-term debt as 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.

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STUART G. TIPTON
President
Air Transport Association of America

THE PRESIDENT'S MESSAGE

Just 50 years ago, a tiny awkward flying boat pulled itself from the waters of Tampa Bay and successfully wobbled 18 miles—to the surprise of a great many. The little Benoist continued to make successful flights all through the winter of 1914 and surprise turned to acceptance.

The growth that has been achieved by the air transport industry in the last 50 years has been so steady and so successful that the airlines have passed the acceptance point and, more often than not, are taken for granted.

Fortunately, airline management has never taken air transportation for granted. Every step since the pioneering Benoist has been taken deliberately and with an eye toward a continual improvement of the product so as to provide better service at better rates and with increased safety.

Looking back on the history of the airlines, it becomes clear that these steps have been in keeping with national goals—those standards of performance and productivity which have seen this nation develop into the most highly developed industrial nation in the world.

1963 is a good case in point. It marks the end of five full years of the Civil Jet Age. It marks a high point in the usefulness of air transportation to the traveling public, to the nation's commerce, to its postal service and to the national defense. In these past five years, the scheduled airlines of the U.S. have literally spawned a new industry and proven again that the airlines have not only set, but met, requirements that have outpaced the nation's industrial expansion.

These are just some of the indicators of the airlines' performance:

- *Employment.* In the five years of the jet age, the airlines have created 25,000 new jobs in their industry alone. The Civil Jet Age has also created more than 100,000 new jobs in supporting industries.
- *Dollar turnover.* Since 1959 the airlines have taken in, via operating revenues, $15.8 billion. They have pumped into the economy, via operating expenses, $15.0 billion, of which more than $6.0 billion has gone to employees. This turnover has helped spin the wheel of the nation's economy and stimulated growth in hundreds of supporting companies.
- *Capital improvements.* The first five years of the jet age saw the airlines investing $3.5 billion in new jet flight and supporting equipment. New equipment is on order for delivery through the next three years which will add more than $1.0 billion to that figure.
- *Increased productivity.* The number of passengers has increased 45 per cent, cargo ton miles have increased 104 per cent and mail volume has come up 100 per cent, all in the space of five years.

As we enter the sixth year of the jet revolution, it becomes clear that economists can hardly overestimate the significance of air transportation to the country. The stimulus provided the national economy by jet transportation has been of inestimable value in pushing the gross national product to record highs.

Looking beyond statistics, however, it can be seen that air transportation has aided national goals in other and equally important ways.

One current national goal is the expansion of world trade. Here airline performance has been of great value to the nation's leaders and to the general economy. Air transportation has opened new markets for products in every part of the world. It has spurred the flow of commerce between this country and all other countries. It has given the United States a real advantage in the maintaining of U.S. positions and policies throughout the globe. It has provided the means for our government to stay on top of opportunities for trade expansion everywhere in the world.

Another national goal is to find a solution to the balance of payments problem—one which concerns us as American businessmen just as it concerns our public officials. For several years the combination of U.S. public and private spending abroad has exceeded our foreign earnings. A national program is under way to reduce this deficit, and the airline industry plays a major role in the endeavor by helping to expand the export market, by facilitating international commerce, by promoting tourism from abroad, and, as a result of its own huge investment in flight equipment, by stimulating the sale of U.S.-produced aviation products to airlines of all countries.

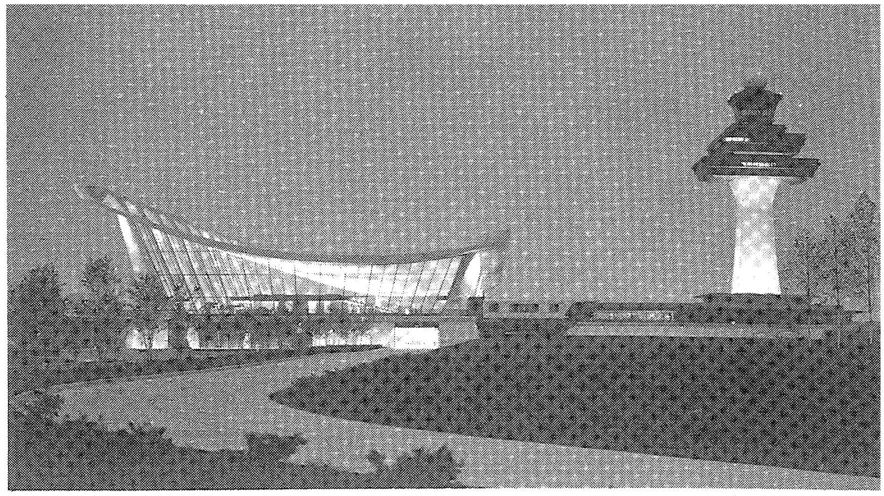
Still another national goal that has been aided by the airlines is the maintenance of a strong military posture. The Civil Reserve Air Fleet—a ready reserve of more than 300 first line aircraft—offers the U.S. quick and ready airlift to support military activities wherever and whenever an emergency arises. The very fact that a strong and well developed air transportation system exists in this country means that an important line of communication and transportation is available for domestic support of military operations at all times and under all conditions.

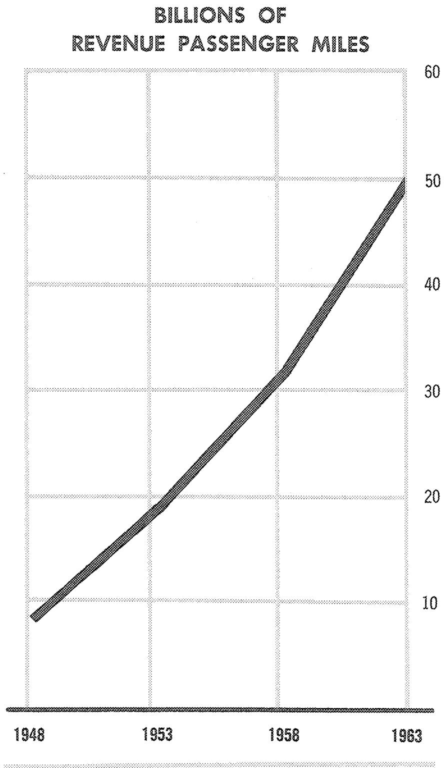
With such a sweeping revolution as the jet age behind them, one might think that the airlines at this point would just stand pat and hold on to their present jet aircraft until a completely new aircraft is developed. This thinking might be true of many industries; it certainly is not true in air transportation. Not only are the airlines continuing to improve their present fleets, they have placed orders for even more equipment. On order for delivery this year and in 1965 and 1966, are 317 pure jet aircraft. Some of these are long range four-engine aircraft, some of them are a new breed of three-engine aircraft, some are twin-engine jets and some are designed for all-cargo work.

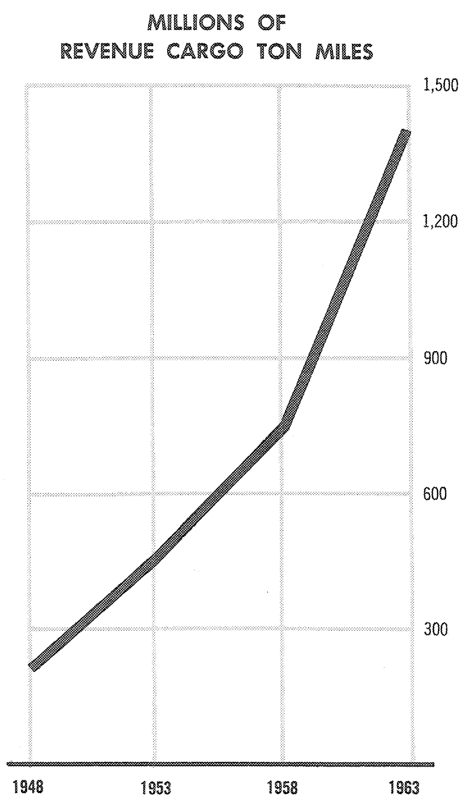
But these are just for the immediate future. Still to come are the supersonic transports. U.S. airlines have manifested their interest in this spectacularly new equipment by depositing with the government thousands of dollars in orders. The supersonic age will be here early in the 1970's and the lessons learned from the subsonic program will go a long way toward the smooth integration of these aircraft into the U.S. air transportation system.

All through the various stages of airline development—the pioneering days, the early pressurized equipment and most recently the jet age—airline management has met or exceeded not only its own goals but the larger goals of the nation. That these goals have been achieved reflects in large part an attitude on the part of the government that air transportation and, indeed, all industry is to be encouraged to develop to its highest potential. In the years just ahead and beyond them in the supersonic years, it is vital that the U.S. government and its agencies maintain an attitude which will join with air transportation in the promotion of this important segment of the national economy.

Although the air transportation system has been revolutionized countless times since the days of the Benoist, there is one slogan which has never changed in the half century. Painted on the crude wooden shack at Tampa which housed the early flying boat was the hand-lettered battle cry: "Safety First". The airline owners had the sign painted as a reminder that no matter what else, safety was the motivating force. Now, 50 years later, it is still the number one concern of the U.S. scheduled airlines.







JET AGE PROMISE

The transition to turbine-powered aircraft was a bold investment. It required vision; it required courage; and it required management ingenuity.

The public began to feel the revolutionary impact of jet aircraft virtually from the day they were introduced—at the end of 1958. In 1963, the airlines themselves began to reap the benefits of the age they had coaxed and nurtured into being.

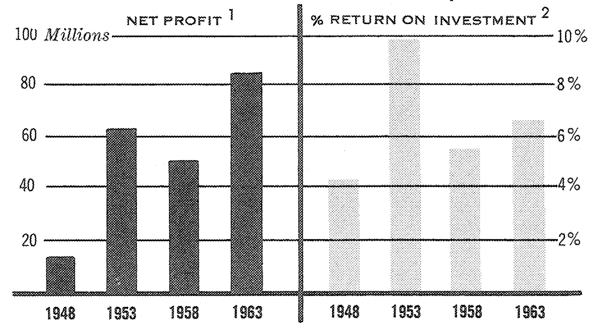
Signs of viability appeared in 1962, when the industry realized $52.8 million in net profits. This compared to a net loss of $37.8 million in 1961. The 1962 trend continued during 1963, for a net profit totaling $84 million for the year.

Behind the welcome earnings picture were gains in every category of traffic. The airlines flew some 71 million passengers about 50 billion passenger miles and more than 1 billion ton miles of freight—up 15 and 14 per cent respectively above 1962. Mail and express, which, with freight, compose the cargo category, also reached new heights. Late in the year, the cargo capacity of the airlines was expanded with the introduction of the first all-cargo jets, thus setting the stage for further development of the air freight market.

Jet Efficiency

Improvement in the airlines' traffic and financial picture was due in large part to the efficiency of the jets. While they comprised only about a third of the aircraft in the nation's commercial fleet of approximately 1,837 aircraft, they accounted for more than 80 per cent of the traffic.

But jet efficiency was not the only reason for the favorable turn. Sound, progressive management was another reason. Airline manage-



1. Net income after special items
2. Net income before interest as a per cent of total investment

BECOMES REALITY

ment has built an entirely new air transport system around the jets: maintenance bases, terminals, operations, reservations and baggage-handling techniques. This complex new jet system is now fully at work and last year began to demonstrate its inherent efficiency.

The introduction of reduced fares to broaden the air travel market also contributed to the increase in traffic and in revenues. However, the rise in revenues did not keep pace with traffic gains. This was because of the lower promotional fares. The revenue per passenger mile was about 4 per cent below 1962.

The strength of the economy in general, to which the airline industry is keenly sensitive, was another factor in the economic success of 1963. The various business indicators that showed an upward trend for the national economy also pointed the way to better airline business.

Still another factor was that by the end of 1963 the airlines had absorbed most of the jet "break-in" costs. Prior to 1962, these costs had not permitted jet transports to begin to realize their potential for economical operations. But as their fleet-modernization programs approached maturity, the airlines began to glimpse the break-even point, when operating revenues cover operating expenses—and beyond.

Once their revenues went over the break-even point, the airlines achieved profitability.

The Impacts

The improved economic health of the airlines means improved public service:

- The domestic airlines do more passenger business than railroads and buses combined on the basis of revenue passenger miles in scheduled operations.

- More than 550 points in the United States now receive scheduled airline service.

- The domestic route mile network covers about 280,000 miles.

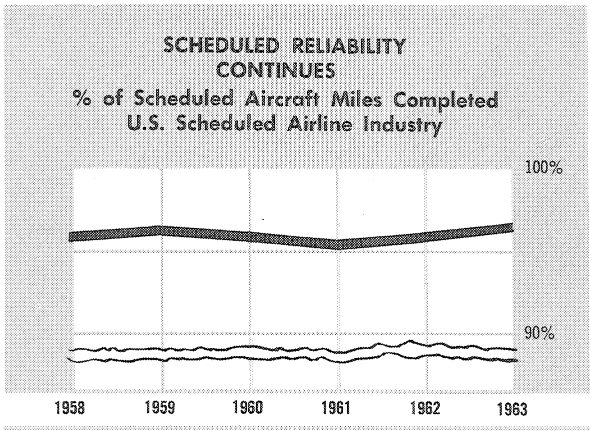
- More than 176,000 men and women are employed by the airlines, with an annual payroll of more than one and one-quarter billion dollars.

The Outlook

The airlines' experience with the jet revolution has been vital in developing their ability to meet the challenges of improved service commensurate with an advancing technology. During the next decade, the airlines will be making a substantial investment in the present generation of subsonic jets for both passenger and cargo operations. In support of these services, they will also be buying new electronic equipment to improve operational reliability.

But the most dramatic challenge on the horizon is the supersonic aircraft. This looms as a formidable investment requirement in the early seventies.

The emergence of jet age travel as a profitable operation can place the industry in the position to make these and other investments required for continued progress possible. An enlightened government can make the possibility a certainty by promulgating regulatory policies that will foster and not inhibit airline prospects.



SCHEDULE RELIABILITY

During 1963, the fifth full year of the jet age, the U.S. scheduled airlines provided the American public with the fastest and most efficient mode of travel available. This was achieved in significant part because of the airlines' continuing and unflagging efforts to achieve what is known in industry circles as "all-weather" operations.

All-weather operations define themselves. They mean flights safely and efficiently completed in all kinds of weather—foul or fair.

Over the years, the industry has made remarkable progress toward this goal. But the airlines will not be satisfied until they can accomplish their flights under "zero-zero" conditions; that is, when both vertical and horizontal visibility are virtually non-existent because of bad weather.

During 1963, the airlines worked toward all-weather operations on three important fronts: improved airborne facilities, improved ground facilities, and improved maintenance of the aircraft themselves.

Improved Airborne Facilities

The devices, or "black boxes", the airlines install in their aircraft in the interest of improved flight safety and reliability and the installations made on the ground for the same purpose are part of the nation's over-all Air Traffic Control System.

As a further contribution toward modernizing this system, last year the airlines announced that they would undertake a voluntary program to outfit practically all their aircraft with improved radar beacon transponders, bringing to about $25 million the airlines' investment in airborne radar beacon equipment.

This move was in line with the program of the Federal Aviation Agency, the federal body in charge of air traffic control, to use radar equipment capable of positively identifying aircraft and measuring altitude as a basic element in modernizing the management of the airways.

The essential elements of the radar beacon system are interrogators on the ground and transponders in the planes. The transponders in the improved system will be capable of transmitting to the radar scopes of ground air traffic controllers a series of "blips" fully identifying aircraft and automatically reporting their altitude.

The radar beacon system in use today is capable of indicating only limited information on types of flight operations and aircraft identity.

The positive aircraft identification and altitude reporting capabilities of the "more sophisticated" transponders are regarded by industry as one of the most significant improvements in air traffic control since the introduction of radar. It is expected that virtually all airline aircraft will be equipped with these transponders by 1966.

Improved Ground Facilities

In line with their drive for greater schedule reliability, last year the airlines conducted two major surveys of operation and traffic control facilities at airports and along the approaches to airports.

One, called a "delay survey", was a joint study of the airlines and the Federal Aviation Agency and sought to identify the nature and extent of delays caused by air traffic control and airport deficiencies. It was the most extensive survey of this type ever undertaken and was based on reports made by airline crews on 353,000 flights during a two-month period.

Findings from the delay survey are expected to be valuable in determining methods of increasing the on-time performance of airline service and improving airports and the air traffic control system.

The other survey was entitled "Airline Industry Survey of Airports". Its objective was to determine what the airlines would need in airport improvements over the five-year period 1964-69 and covered operation facilities on the airport, as well as approach and landing facilities. These included runways and taxiways, approach and runway lighting, devices for measuring runway visibility, and the most modern types of electronic navigational aids, such as very high frequency omni-directional ranges (VOR), instrument landing systems (ILS) and distance measuring equipment (DME).

Some 600 airports used by the airlines were examined on an airport-by-airport basis. Summaries of the findings, which were submitted to the Federal Aviation Agency, the Weather Bureau and the managers of the airports surveyed, listed each improvement that will be needed at a given airport during the next five years, the reasons for the improvement, and the relative priority at the airport for each improvement.

The airlines see the project as a continuing one—thus making certain that future interruptions in airline schedules will be held to a minimum.

Greater Schedule Reliability at Small Airports

There are some 395 "smaller" airline airports (those generating up to 27,500 passengers a year) which, because they do not normally qualify for the full complement of airport navigational aids, cannot permit aircraft landings and takeoffs under the same weather conditions as the larger terminals equipped with a full complement of aids. This is in line with the priority system for providing electronic and visual airport traffic aids, based on planning standards set up by the FAA, which take into account factors such as the total number of annual instrument approaches at the airport. The limited poor-weather capability of these airports results in delays and schedule cancellations which would not be necessary were these airports adequately equipped.

To explore ways to improve airline service reliability at these smaller airports, the Air Transport Association, the airlines' national service organization, sponsored a symposium last year attended by top FAA and airline officials and technical experts on electronic and visual air navigation systems. Managers of small airports, representatives of the Civil Aeronautics Board and manufacturers of electronic equipment were also present.

The discussions centered on the belief that any airport which qualifies for certificated service should have a basic package of aids which would permit landing minimums of at least 400 feet up and one mile out. Depending upon the volume of traffic above the minimum for airline certification, airports should have the aids necessary to permit progressively lower landing minimums.

It was generally recognized that if costs could be reduced, more airports could be provided with the necessary aids and services. However, as in all other operational areas, the airlines were careful to press the point that, in reducing costs, there could be no compromise with safety.

Since the symposium, much attention has been focused on the cost problem. The airlines, the FAA and the manufacturers are optimistic that less expensive aids can be built which would bring acquirement within reach of small airports. This is evidenced in the low cost ILS, DME, and lighting systems now nearing completion of their development cycles.

Unflagging Maintenance

The airlines enthusiastically endorsed the Federal Aviation Agency move which established in 1963 a Maintenance Year program for awards to aviation mechanics as another valuable step in the continuing drive to assure that maintenance contributes to the highest standards of airline safety and schedule reliability.

Recognizing the role of the mechanic in maintaining safe and efficient aircraft operations was the first step in a planned FAA program of annual awards. The 1963 awards were made in two categories—airline and general aviation (all aircraft other than airline and military)—and were presented at a ceremony in December by the Federal Aviation Agency Administrator to the winner in each category.

The aviation mechanic safety awards underscored a facet in a system that successfully oper-

GROWING INVESTMENT IN AIR SAFETY
Flight Equipment Maintenance Expense
U.S. Scheduled Airline Industry

	1953	1958	1963
Direct Maintenance—Flight Equipment (millions of $)	141.7	248.4	417.2
Direct Maintenance—Cents per plane mile	21.6	25.5	38.2
Direct Maintenance—Cents per seat mile	0.49	0.47	0.43

ates under the highest safety standards. To support this system, last year the airlines spent in the neighborhood of $650,000,000 maintaining their aircraft and other equipment—about a fifth of all operating expenses and around a two-and-a-half fold increase in the last eight years.

The carriers employ more than 35,000 aviation mechanics to maintain their 1,837 aircraft—an average of about 19 per plane.

The technical skills required of today's airline aviation mechanic have increased tremendously. For example, the piston-powered aircraft that dominated the airways 15 years ago each carried about $12,000 worth of electronic equipment. The newest jets are equipped with an average of nearly $200,000 in electronic devices.

An aviation mechanic could be trained to test and repair the electronic equipment in the earlier planes in an average of 100 hours. It takes 1,500 hours to train a mechanic to handle the electronic equipment in a modern jetliner.

For every hour an airliner spends in flight, an average of 19 man hours is spent at maintenance centers in testing, checking, rechecking, repairing and replacing its parts. The airlines' practice of progressive maintenance keeps their aircraft in virtually mint condition.

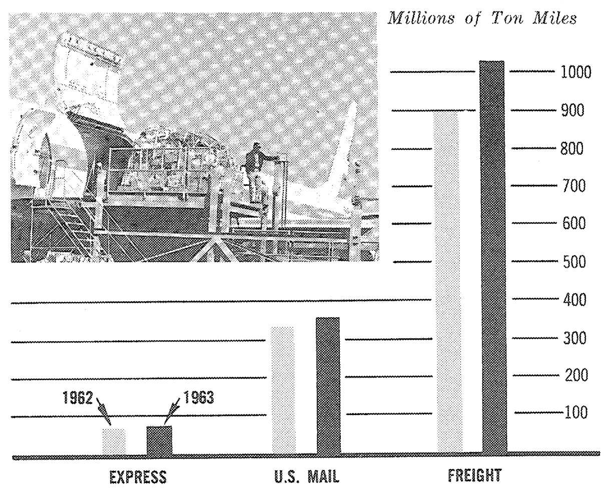
Another factor in airline maintenance and safety is the communications network existing between the airlines, the Federal Aviation Agency and aircraft manufacturers. The discovery of the slightest flaw by an aviation mechanic or flight personnel in an aircraft is instantly communicated to other airlines operating the same type of plane.

Improved Safety Record

Unflagging efforts in the foregoing categories helped to give the scheduled airlines in 1963 the third best safety year in history. According to the Civil Aeronautics Board, their safety rate was 0.23 fatalities per 100 million revenue passenger miles, compared with 0.26 in 1962, 0.30 in 1961 and 0.76 in 1960. It was the 12th consecutive year in which the fatality rate per 100 million passenger miles was less than one.

President Lyndon B. Johnson recognized the airlines' outstanding safety record when he said in his report on the nation's aeronautics and space activities, *"The airways were never busier nor safer than during 1963. The steady improvement in the safety record of commercial airlines is encouraging more and more Americans to take advantage of the speed and convenience of air travel."*

U.S. CARGO GROWS 11% in 1963



HIGHLIGHTS OF 1963

FREIGHT LEAPS FORWARD

In 1963, the scheduled airlines offered the public more than 10,000 flights a day, all of which carried some kind of cargo—mail, express, freight. Included in their aircraft fleet were all-cargo piston and turboprop planes, ranging in capacity from 5 to 45 tons; combination passenger/cargo piston types, with cargo capability ranging up to 5 tons; turboprop combination aircraft, with capacity up to 4 tons; and jet combination planes, each capable of hauling up to 9 tons of cargo. One could say that each of the jet combination planes has a DC-4 air freighter in its belly.

During the second half of the year, the cargo-capacity graph of the airlines veered sharply upwards. This was because the first *all-cargo* jets ever to fly in commercial fleets began to enter U.S. scheduled service. At the end of the year about a dozen of these giant "jet freighters", with a maximum payload of 90,000 pounds, were in operation by U.S. carriers, with many more on order for future delivery. This represents an investment of well over $200 million.

Capability? A single cargo jet can haul a load of more than 40 tons nonstop coast-to-coast, or 35 tons nonstop New York to Paris.

The cargo jet is also versatile. It can be changed from all-cargo to all-passenger configuration within several hours. Or it can be converted to a mixed configuration—part cargo and part passenger. This makes the aircraft eligible for practically any kind of military contract work, and most desirable for the airlines' role in national defense.

By use of revolutionary mechanized ground-handling equipment, in which the carriers are investing heavily, and the containerization or palletization of loads, jet freighters can be loaded and unloaded in 40 minutes. For transatlantic, transcontinental and semi-transcontinental runs, this airplane has been demonstrating its efficiency over the piston type. However, in shorter hauls and other areas not feasible for the larger jets, the piston and turboprop freighters will continue to be used.

Cargo Promotion

During 1963, the airlines continued their aggressive air cargo sales program. Domestically, they spent more than $2 million to sell air freight on a competitive basis. This included advertising through the principal media of the daily press and magazines. A special category of management magazines receives a heavy outlay of the cargo advertising dollar. In support of press and magazine channels to shippers and the general public were promotional efforts through direct mail, sales brochures, and booklets.

The cargo sales program went well beyond advertising media. Airline management is continuously adding to its sales force. Last year, there were about 500 air freight sales specialists selling their services throughout the United States.

The program was accelerated, too, through contracts with more than 500 trucking companies, which enabled the airlines to bring door-to-door air-freight service to some 9,500 points. Air Cargo, Inc., a wholly owned subsidiary of the scheduled airlines, is responsible for these ground services which tie into scheduled airline operations.

NEW EQUIPMENT

While the all-cargo jet was the only entirely new plane to enter airline fleets in 1963, orders were placed during the year for improved types of twin- and three-engine combination passenger/cargo aircraft designed for short-to-medium range operations.

In the early months of 1964, several U.S. carriers placed the three-engine entry—the medium-range Boeing 727—into scheduled service. It was the first American transport with rear-mounted jet engines and the first tri-engine jet in the world to enter commercial service. Early performance reports from the airlines indicated that the 727 was exceeding all expectations for efficient and economical operations.

It is expected that two twin-engine jets—one foreign, the other American and both scheduled for short-to-medium operations—will begin entering service during 1965-66.

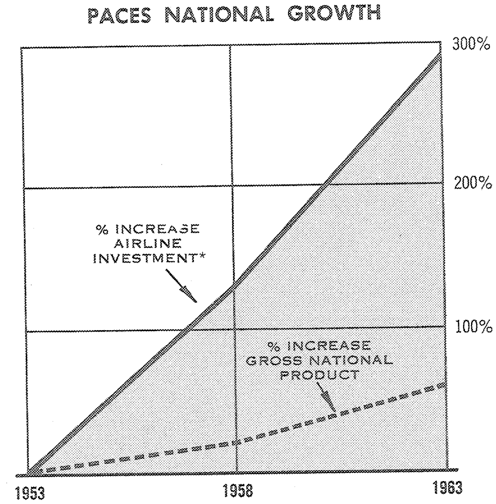
The airlines, manufacturers and federal agencies continued their efforts during the year to develop a suitable design for a short-haul aircraft—an aircraft capable of operating with small loads over short route segments more economically than the DC-3, still the "staple" aircraft for most of the local service airlines. A spur to this program was offered in early 1964 when the Federal Aviation Agency invited manufacturers to participate in a design competition to produce such a plane.

The FAA asked that manufacturers submit their proposals for evaluation by May 15, 1964.

Meanwhile, the local service airlines—the segment of the industry most interested in a modern short-haul plane—continued to improve their service by adding to their fleets twin-engine turboprops presently on the market and piston aircraft converted to turboprops. They also placed orders for the twin-engine jets being developed for delivery beginning in 1965.

The 600-mile four-engine jet continued to symbolize the progress of U.S. air transport in

AIRLINE INDUSTRY INVESTMENT PACES NATIONAL GROWTH



* Investment is the sum of the Stockholders' equity, long term debt and advances.

1963. During the year, the airlines took delivery on most of the remaining jets on order, though additional orders were placed for jet planes with improvements and other modifications making for greater speed, efficiency and comfort and putting the airlines in the second stage of the subsonic jet age.

At year's end, total fleet composition of the industry looked like this:

Piston	1,154
Turboprop	263
Pure jet	420
Total	1,837

PROGRESS ON THE GROUND

Complementing improvements in customer service aloft are the improved services to customers on the ground: reservations, ticketing, baggage handling, flight information, and miscellaneous services provided the passenger between terminal and plane.

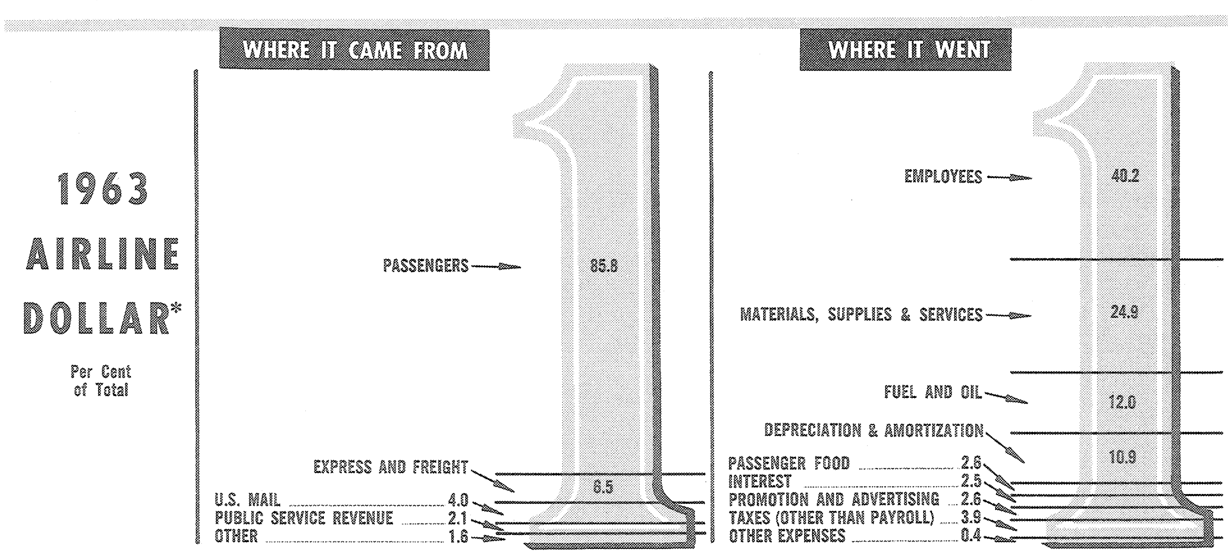
In 1963, the airlines processed 140 million reservations, issued 70 million tickets and checked 100 million pieces of baggage. Toward reaching their goal of discharging these functions swiftly and without error, the airlines accelerated installation of electronic computer reservation and flight information systems and activated improved teletype equipment to improve both interline and intraline communications.

To aid further the customer anticipating a flight, they increased their plane arrival and departure TV displays at terminals, and their recorded telephone announcements.

New machine-ticketing techniques, which reduce the time a customer waits for his ticket, were introduced at airline ticket offices and terminals throughout the country. At the same time, more airlines were "ticketing by mail", a procedure whereby tickets are mailed to persons holding advance reservations. They make payment by return mail or at flight check-in time.

At year end, the carriers had completed development of a revolutionary system to speed the recovery of misdirected luggage which could not be located by routine tracing efforts. Known as ARCH (Airline Baggage Recovery Clearing House), the system uses the latest electronic and sorting equipment to link all major airlines into a nationwide teletype hookup for rapid exchange of information relating to lost and found luggage. It works like this: airlines transmit daily to the clearing house a list of unclaimed bags. They also transmit a list of missing bags. An accurate description—color, type, contents—is given of each bag. Punch cards and electronic sorters match the two lists, the appropriate offices are notified by teletype and the bags are returned to their owners.

ARCH went into operation on May 1, 1964.



* For 12 months ended September 30, 1963

HANDS ACROSS THE SEA

The U.S. scheduled airlines continued their vigorous leadership in helping to remove the barriers to international travel and trade during 1963. Early in the year, the Air Transport Association received the President's E Award for excellence in furthering the travel and export expansion programs of the United States.

Again, in March of 1964, the airlines were commended by the President *"for continuing their efforts throughout 1963 to streamline border-crossing formalities for air travelers and air cargoes."*

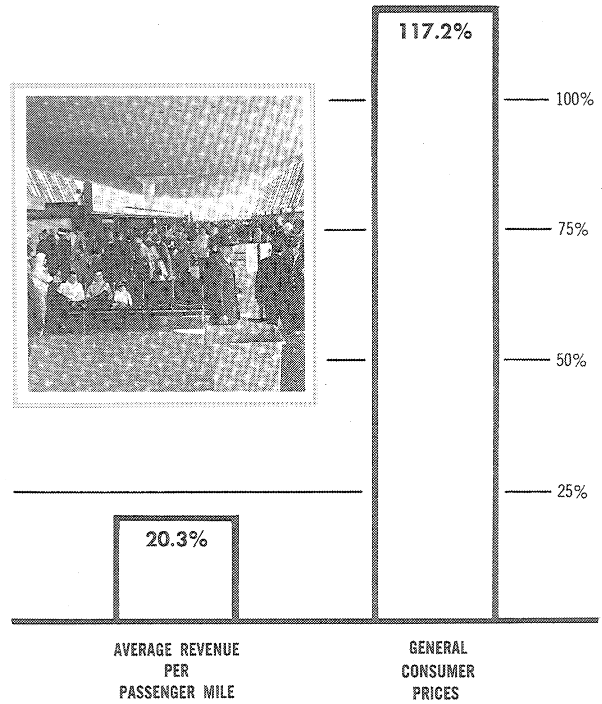
The President's citation is reflected in last year's volume of tourism and of exports. Foreign nationals traveling to the United States aboard U.S. scheduled airlines totaled nearly one-half million. And U.S. cargo exports aboard the U.S. carriers came to almost 93 million pounds.

But the international highlight of the year was that the U.S. share of transatlantic air passenger traffic went up for the first time in nine years. It increased from 37.8 per cent in 1962 to 41.5 per cent in 1963.

Working with appropriate government agencies, airline "facilitation" achievements last year included:

- Elimination of tourist fees for Mexicans visiting the United States. Reciprocal action was taken by the Mexican Government for U.S. tourists and now free tourist cards are available to citizens of the United States for visits to Mexico up to thirty days.
- Adoption of the visa-by-mail procedure for Mexican tourists. This procedure eliminates in-person application for visas at U.S. consular offices and is currently in effect in many countries of the world.
- Establishment of a National Aviation Facilitation Committee and program. Composed of government and airline representatives, the committee has recommended a program to streamline the rules for controlling the entry and clearance of aircraft, persons and goods across international boundaries.
- Replacement of written by oral baggage declaration requirements for air passengers clearing Customs upon arrival in the United States.
- Adoption of complete clearance procedures for air exports at 22 U.S. "point-of-origin" cities, thus eliminating possible delays at gateway airports.

AIR FARES STAY LOW AS COST OF LIVING MOUNTS
% Increase 1938-1963



REDUCED FARES

Domestic fares held their own last year—were even lowered on certain routes to develop new travel markets. But the most arresting fare developments were international and served as a further airline prod to international tourism.

In support of the U.S. Commerce Department's "Visit USA" program and as part of the over-all industry effort to promote travel to this country, the airlines initiated a pair of dramatically promotional "Visit USA" fares in September. These special fares are set at $100 for unlimited travel to any of 567 cities in the U.S. for 15 days and $200 for unlimited travel to those cities for a period of 45 days. They were made possible through an agreement among 12 local service and two Alaskan airlines and are restricted to persons living more than 100 miles beyond the border of any state of the United States.

Sons and daughters from two through 21 years of age in the company of their parents may travel at half fare. Also under the tariff a free baggage allowance of 66 pounds is permitted.

How to take advantage of these bargain rates? Any scheduled airline or accredited travel agent, either in the United States or in a foreign country, may sell what is called a "Visit USA Exchange Order" to a qualifying passenger. This Exchange Order will entitle the holder to airline tickets for unlimited travel under the terms of the tariff.

It is believed that the "Visit USA" program will receive further stimulus during 1964 from the reduced transatlantic fares that went into effect on April 1. This reduction came about in large part through the leadership taken by U.S.-flag carriers last year in their rate negotiations with foreign-flag carriers and was in line with the long-standing policy of the U.S. airline industry to bring to the public the lowest possible fares in keeping with sound business practice.

Transatlantic rates came down from 3 to 21 per cent below those in effect at the end of 1963—an all-time low for members of the International Air Transport Association, the organization representing most of the scheduled airlines of the world.

Improved Transatlantic Traffic Control

In anticipation of the upward effect it is believed reduced fares will have on the already heavy air traffic between North America and Europe, six countries initiated a joint study last year of the traffic control and navigation system governing the flow of traffic across the North Atlantic. Known as SPANAT, or "Systems Planning Approach North Atlantic", the study calls for careful, long-range planning to make the best use of the most modern air traffic control equipment available to assure safe and efficient flight operations between North America and the continent of Europe. SPANAT is another example of the careful planning going forward to accommodate the pressure of the jet age.

AIRLINES AND NATIONAL DEFENSE

The Civil Aeronautics Act of 1938, the birthright of the scheduled airlines, clearly identified the airline industry as an arm of national defense. Last year, the airlines initiated a new program to extend their effectiveness in handling national defense airlift requirements by establishing a Special Air Transport National Defense Committee, composed of top management representatives from every type of airline.

During the year, the committee and appropriate government agencies worked toward the development of effective plans for the airline role in all four phases of national defense:

- Limited emergencies of varying degrees
- A national emergency
- A period of nuclear attack on the United States
- Recovery and rehabilitation from attack

This move clearly implemented the twenty-one executive orders issued by the President in 1962 and 1963 directing appropriate Federal Government agencies to undertake a program *"to develop a state of readiness with respect to all conditions of national emergency, including attack upon the United States."*

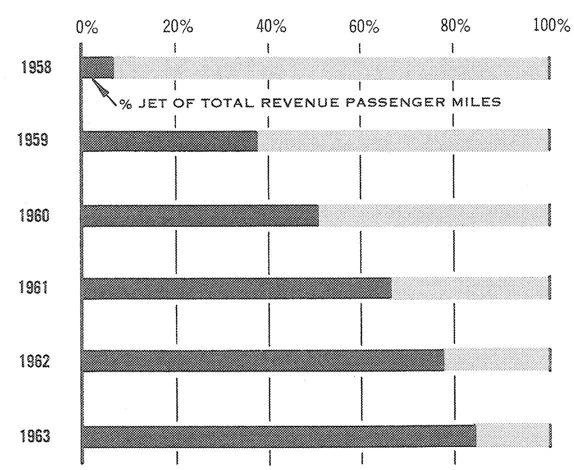
As the degree of emergency increases, the military need for commercial airlift increases. This process could continue to a point where, because air transportation is vital to the national economy, remaining commercial airline operations would become just as essential to the military effort as military airlift itself.

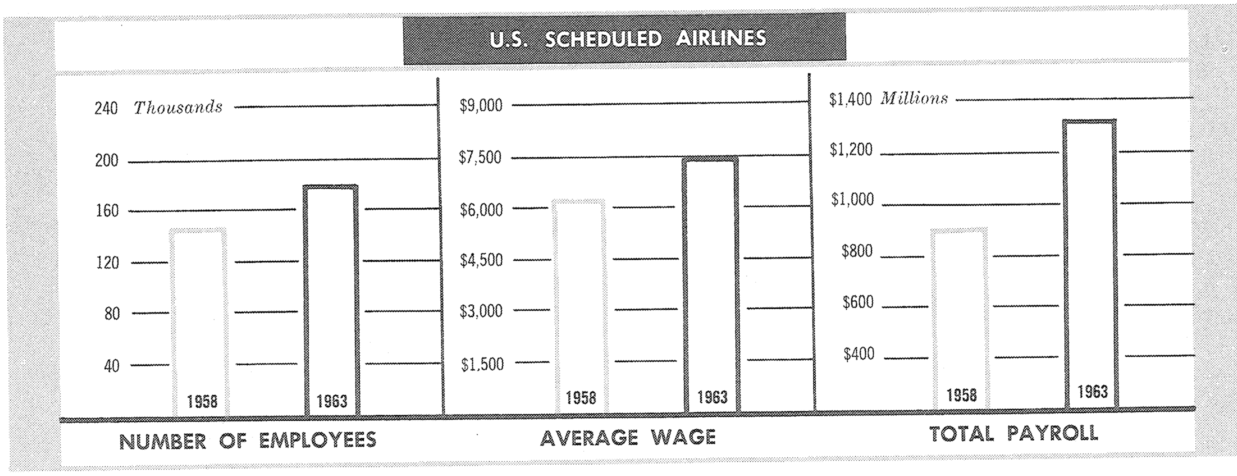
For this reason, one of the important goals the airlines' special defense committee has set for itself is to work out a method of meeting varying military requirements in national emergencies with the least amount of disruption to the scheduled commercial pattern of the airlines.

CRAF and WASP

Airline support of the nation's military program is already well developed. Through CRAF

GROWTH OF JET SERVICE
% of Passenger Miles in Turbine Powered Aircraft
U.S. Scheduled Airlines





(Civil Reserve Air Fleet)—an operating unit of about 350 of the most modern transport aircraft, completely equipped with flight and ground crews —the airlines are ready for military service on 36-hour call. If CRAF were fully activated, it would provide about two billion annual ton miles of lift. Extent of activation would be determined by requirements of a specific emergency.

Where CRAF serves the needs of the military, WASP, the War Air Service Pattern, would serve civil traffic in a national emergency. All aircraft not in CRAF would become part of WASP, operated by the airlines under the supervision of the Civil Aeronautics Board. The new airline program keeps the capabilities of CRAF and WASP as a base, but seeks further ways to develop maximum support for the military from the enormous current airline lift potential.

Airline Military Traffic

The airlines also serve the military by providing needed airlift of troops and materiel within the United States.

The major part of this service is supplied by two classifications of movement: JAMTOs (Joint Airline Military Traffic Offices) and CAMs (Commercial Air Movements).

JAMTOs

Last year marked the 10th anniversary of the JAMTO concept. Under this concept, joint airline ticket offices are set up at military installations across the country to meet the needs of individual military personnel and their families. The offices are operated jointly by a committee composed of representatives of the airlines serving the area and provide the same services as an airline's airport or downtown ticket office. JAMTOs have complete communication facilities.

At the end of 1963, there were 90 JAMTOs at military installations throughout the country. A measure of their usefulness to the military is that about one million military personnel last year booked $90 million worth of airline passage through JAMTO offices. A decade ago, the 20 JAMTOs then in operation accounted for less than $8½ million in airline revenues.

CAMs

A movement of 25 or more military personnel by air is called a CAM—Commercial Air Movement. Suppose the Army wants to move 200 troops from Washington, D. C. to a base on the West Coast. The Army transportation officer communicates with the Defense Management Service of the Department of Defense and states the conditions of the movement—where, when and how many.

Defense Management Service then puts out a "tender" to the various transportation modes who might be interested—airlines, buses, railroads —asking for bids. The bid that best meets the military requirements gets the job.

Price does not always determine the winner. Frequently, it is the value of service that tilts the balance in favor of one mode or another. For example, in the course of a single year troop movements by air save many millions of man-hours.

Fifteen years ago, only one or two per cent of military traffic went by air. The railroads carried the bulk of the rest. Last year, the airlines accounted for more than 70 per cent of Department of Defense official expenditures for passenger travel within the United States.

AIR TRAVEL CARD— VALUABLE BOOST TO BUSINESS

While airline fleet modernization has revolutionized the transportation of man, a single credit plan, symbolized by a 3½ by 2-inch plastic card, is doing much to expand this revolutionary form of transportation, together with many of the goods and services attendant upon it.

Known as the Air Travel Card, this latter-day "Open sesame!" is the only card that offers its holders a truly comprehensive credit service. Unlike any other credit card, it covers transportation on all the world's major airlines—plus charges for hotel, motel, restaurant, car-rental, secretarial and communication services.

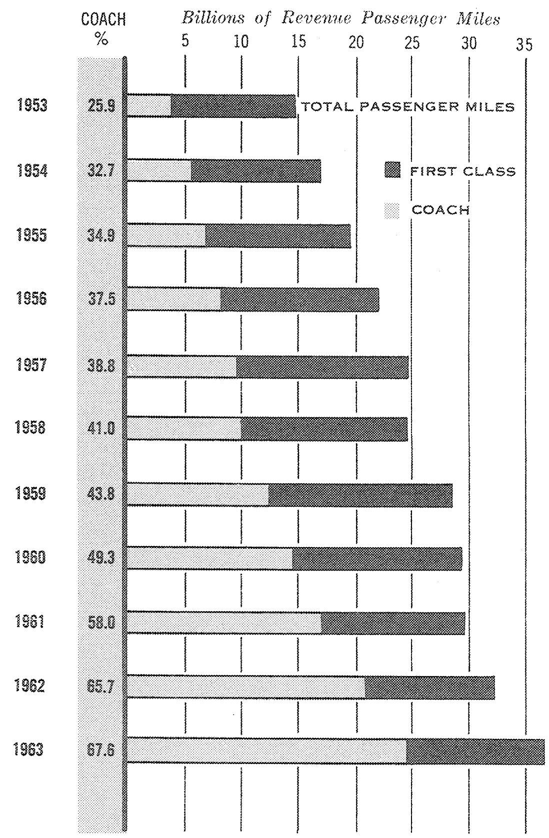
At the end of 1963—the year of the "World's Most Honored Credit Card's" 26th birthday—there were more than 1¼ million cardholders and some 125 airlines—U.S. and foreign—honoring the card for transport credit. For the first time in history, the Air Travel Card generated revenues totaling more than $1 billion in a single year.

The plan which "mothered" the card is known as UATP—Universal Air Travel Plan—and became effective in 1936. UATP became world-wide in scope in 1948 and today is sponsored jointly by the International Air Transport Association, representing foreign-flag carriers, and the Air Transport Association's Air Traffic Conference, for U.S. airlines.

It is estimated that last year about a quarter of U.S. domestic carrier revenues—nearly $700 million—came through use of the Air Travel Card. Another estimate indicates that well over 90 per cent of airline tickets purchased in 1963 with the Air Travel Card were for business purposes.

The airlines believe that the Air Travel Card should be as close to a "complete service" as possible and therefore extended its use to include personal credit in 1959. And so today the card is honored not only by 125 of the world's major airlines, but also by some 12,000 additional commercial services in the 50 U.S. states and in 40 foreign countries. Of the 12,000 vendors, about 4,200 are hotels and motels.

COACH CONTINUES GROWTH
% of Passenger Miles by Class of Service
Domestic Trunk Airlines



1963 RESULTS BY TYPE OF CARRIER

There are seven classifications of U.S. certificated scheduled airlines. It is on this basis that their service, traffic and financial results are compiled by the Civil Aeronautics Board.

THE 11 DOMESTIC TRUNK airlines served a record 53,381,000 revenue passengers for an increase of 14.2 per cent over 1962. Revenue passenger miles increased 14.3 per cent to 36,383,-800,000.

Records were also established in all categories of cargo traffic. Mail ton miles were 167,063,000, a gain of 4.3 per cent; express rose to 64,915,000 ton miles; and freight ton miles measured 520,-631,000, an increase of 9.8 per cent.

Operating revenues increased 9.0 per cent to $2,451,787,000. Operating expenses rose to $2,-308,904,000, a 6.1 per cent increase, leaving an operating income of $142.9 million and a net profit of $16.5 million after taxes, interest, and special items.

Meanwhile, the trend toward coach showed no let up in 1963. Coach passenger miles accounted for 67.6 per cent of the total trunkline revenue passenger miles flown in 1963.

THE 13 LOCAL SERVICE airlines carried 15.9 per cent more passengers, flew 16.3 per cent more passenger miles and carried 13.6 per cent more mail, 14.3 per cent more express and 25.0 per cent more freight than in 1962.

Some 8,867,000 revenue passengers flew local service airlines in 1963 for a total of 1.9 billion passenger miles. Mail ton miles were 4.4 million, express ton miles were 4.3 million and freight ton miles were 9.0 million.

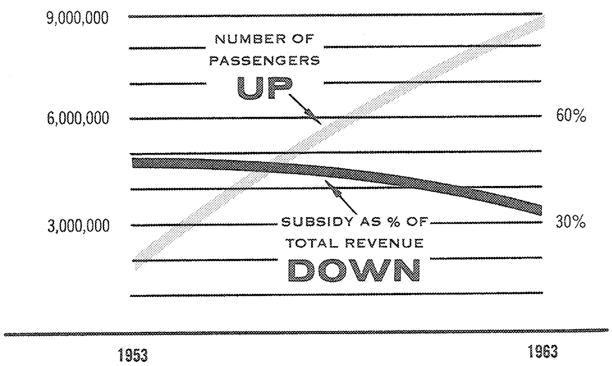
The local service airlines are making significant progress in their program to reduce service subsidy which supports operations at several hundred small communities. These smaller cities do not yet generate enough commercial revenues to fully support air service, but Congress and the Civil Aeronautics Board have concluded that this service is an important factor in the development of these local economies. The overall amount of subsidy has risen until recently.

INCREASED PRODUCTIVITY PER EMPLOYEE
Domestic Trunk Airlines

	Number of Employees		Available Ton Miles per Employee		Available Ton Miles
1948	57,263	x	23,713	=	1,357,881,000
1953	77,893	x	37,146	=	2,893,390,000
1958	107,857	x	48,202	=	5,190,102,000
1963*	121,945	x	73,281	=	8,936,230,000

* Data for year ended September 30, 1963.

LOCAL SERVICE SUBSIDY AS % OF TOTAL REVENUE



However, through improved efficiency and traffic promotion, the local airlines' relative dependence upon subsidy has been coming down—from one-half of the total revenues 10 years ago to less than one-third today.

Of the 475 cities now authorized to be served by the local service airlines, 300 are served by them exclusively and might otherwise have no scheduled air service.

HELICOPTER airlines, as a group, flew 12,-510,000 revenue passenger miles, an increase of 52.7 per cent.

Cargo volume for the combined operations amounted to 74,000 ton miles of air mail, an increase of 13.8 per cent; 44,000 ton miles of express, and 6,000 ton miles of freight, both of which matched last year's achievement.

In 1963 the helicopter operations—which serve metropolitan Los Angeles, Chicago and New York —experienced a net loss of $154,000 on revenues of $8,636,000 and expenses of $8,840,000. This compares with a net profit of $89,000 in 1962.

Begun shortly after World War II on an experimental basis, the helicopter services constitute the nation's proving ground for the development of safe, efficient and economical scheduled helicopter transport. With the certification of San Francisco-Oakland Helicopter Airlines late in 1963, the Civil Aeronautics Board extended the experiment into another metropolitan area. The military services have saved millions of dollars by the application of improved flight, maintenance, supply and utilization methods developed by the helicopter carriers.

INTRA-ALASKAN airlines carried 224,000 revenue passengers, a decrease of 6.3 per cent. They flew 46,600,000 passenger miles, a decrease of 4.1 per cent.

They carried 2,832,000 ton miles of air mail, for an increase of 9.9 per cent and 2,640,000 ton miles of freight, a 1.0 per cent increase over 1962.

This group of carriers earned a net profit of $264,000 on operating revenues of $19,748,000 and operating expenses of $18,838,000. This compares with a net profit of $514,000 in the previous year.

The value of air transport to the well-being of Alaska was underscored by the airlines swift response in the early spring of 1964, when part of the state was crippled by a series of earthquakes.

Senator E. L. Bartlett recognized the vital role of the airlines when he said, "The U.S. scheduled airlines dramatically displayed their airlift capability by flying emergency personnel and supplies to earthquake-stricken Anchorage and Kodiak."

But the airlines were not only valuable in bringing aid to Alaska immediately following the disaster. Since then, they have been playing a major role in accelerating the state's reconstruction.

INTRA-HAWAIIAN scheduled airlines established new records in all categories of traffic. They carried 973,000 passengers, an increase of 10.9 per cent. They flew 144,000,000 revenue passenger miles, an increase of 11.8 per cent.

The two Intra-Hawaiian airlines carried 114,000 ton miles of mail, an increase of 4.6 per cent, and 2,151,000 ton miles of freight, a gain of 2.4 per cent.

They achieved a net profit of $189,000 on operating revenues of $15,501,000 and operating expenses of $14,691,000. This compares with a net loss of $119,000 in 1962.

The indispensability of scheduled air transport in the progress of our newest state is reflected by its high utilization. The per capita annual use of air service is well in excess of one flight per person.

ALL-CARGO airlines in their domestic and international services carried a record 193,013,000 ton miles of freight in 1963, representing a 30.0 per cent increase over the previous year. Mail volume was 11,877,000 ton miles, an increase of 8.3 per cent; and express volume was 769,000 ton miles, an increase of 78.4 per cent.

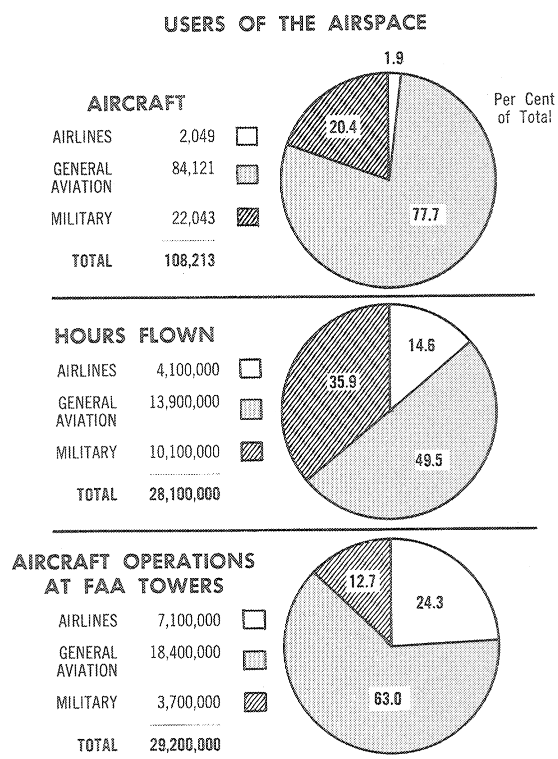
While scheduled services continued to post new records, charter operations declined 28.3 per cent to 331,169,000 ton miles.

The all-cargo airlines realized a net loss of $1,373,000 in 1963 on operating revenues of $103,601,000 and operating expenses of $98,209,000. This compares with a net profit of $4,473,000 in 1962.

U.S. INTERNATIONAL AND TERRITORIAL airlines scored substantial traffic gains and established new records in all categories of passenger and cargo business in 1963. The number of passengers rose 13.9 per cent to 7,515,000. Revenue passenger miles gained 17.4 per cent, reaching 11,905,400,000.

These carriers moved 170,288,000 ton miles of mail, an increase of 5.3 per cent; 794,000 ton miles of express, down about 1.0 per cent; and 295,610,000 ton miles of freight, an increase of 12.0 per cent.

The international and territorial airlines earned a net profit of $64,022,000 on operating revenues of $929,380,000 and operating expenses of $796,740,000, an improvement over the 1962 profit of $33,585,000.



Fiscal year 1963 data as shown in FAA's "Aviation Forecasts, Fiscal Years 1964-1969" except General Aviation hours in the air from the "1963-1968" edition. Commercial airline hours include domestic and international service of U.S. certificated route, supplemental intrastate and contract carriers.

THE FUTURE . . . .
WITH CONFIDENCE

"If there is a word to characterize the times in which we live it is change . . ."

This comment which opened the White House task force report "Project Horizon" about two and a half years ago is none the less true today.

No word could better recall the course of airline history since the end of World War II. No word could better chart the course of airline history in the making.

Change is once again on the airlines' horizon —and it is clearly technological. It is the supersonic transport—the SST.

As in past equipment "revolutions", the airlines see in the SST not only a big challenge, but a big opportunity—a big opportunity to provide a new standard of public service.

It was for this reason that the airlines endorsed in June of 1963 the late President Kennedy's recommendation to Congress that *"we proceed with a national program to support the development of a commercial supersonic transport aircraft which is safe for the passenger, economically sound for the world's airlines, and whose operating performance is superior to any existing aircraft."*

Speed is an elusive factor until a new plane has been tested and placed in operation. Speed can be only "relative" on the drawing board. The airlines envision an SST with a speed potential of more than Mach 2.2—or more than twice the speed of sound.

Other characteristics required by the airlines are an SST capable of being operated at a reasonable profit; operated without undue annoyance to persons on the ground; able to fit into the total air transportation pattern, including airports and present and projected air traffic control facilities; and most importantly, capable of being operated in a way to permit the airlines to continue to improve their safety record.

A unique problem faces the industry in financing the development of the SST. For the first time in history, government is required to make a direct financial contribution to a civil transport development program. This is so because the magnitude of the program is beyond the resources of any single manufacturer.

It can also be traced to the lack of many indirect contributions the government has made in the past through military technological developments applicable to commercial aircraft. With the shift from aircraft to missiles in recent years, the military activity has been substantially reduced. Basic research and development are thus required for the SST—a costly proposition.

Estimates of the cost of an American SST when ready for sale are between \$20 and \$30 million. This means that the airlines will have a heavy investment problem presented to them when the supersonic transports are ready for service in the seventies. Already the U.S. scheduled carriers have placed delivery position orders for 37 SST aircraft.

But apart from the initial cost, the economic "unknown" that concerns the airlines most is cost of operation once the SSTs are placed in service.

The airlines insist that if a supersonic transport is to be truly useful to the airlines and to the public, it must be operationally and economically efficient. It must follow the general trend of increasing aircraft productivity that has enabled the carriers over the years to improve service while keeping the cost to the passenger and shipper at a reasonable level. This factor, of course, is important both to the airlines and to the manufacturers who will be selling the SST in the world market. It is also important to the FAA in maintaining an airways system commensurate with the demands of advancing aviation technology. Toward the cost of operating the system, the airlines—a minority user—contribute more than \$100 million annually.

Meeting successfully the challenge of the supersonic transport is not wholly in the hands of management. Government regulatory agencies also play a crucial part.

While the earnings trend of the airlines is encouraging for the future, the fact must be recognized that between 1956 and 1963 the trunk carriers fell a cumulative \$754 million short of reaching the profit levels which would have obtained had the carriers been able to achieve the 10.5 per cent rate of return which the Civil Aeronautics Board has said is fair and reasonable.

With this earnings gap, the airlines must continue to cut costs and to maintain their aggressive merchandising program. They fully intend to do so. Their optimism is predicated on the belief that an understanding government will permit them to accumulate adequate reserves to continue to produce a modern air transport service and advance successfully into the future.

AVAILABLE SERVICE AND UTILIZATION

U. S. Scheduled Airline Industry

(In Millions Except Helicopter)

	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							
1959	5,949.3	3,166.8	53.2	45,793.2	28,127.2	61.4	743.5
1960	6,582.8	3,332.5	50.6	49,153.6	29,233.2	59.5	712.8
1961	7,176.2	3,435.2	47.9	52,525.0	29,534.8	56.2	676.8
1962	8,114.2	3,771.0	46.5	59,736.8	31,827.8	53.3	699.9
1963	**9,223.0**	**4,257.6**	**46.2**	**67,601.3**	**36,383.8**	**53.8**	**752.7**
Local Service Airlines							
1959	238.5	108.8	45.6	2,309.2	1,024.3	44.4	85.4
1960	282.3	121.2	42.9	2,724.7	1,141.6	41.9	93.3
1961	329.4	142.4	43.2	3,228.4	1,343.8	41.6	103.2
1962	388.6	170.3	43.8	3,797.3	1,607.7	42.3	113.0
1963	**440.7**	**198.3**	**45.0**	**4,266.9**	**1,869.0**	**43.8**	**121.3**
Intra-Hawaiian Airlines							
1959	21.1	12.7	60.2	187.2	110.9	59.2	5.3
1960	30.7	17.7	57.7	217.1	127.5	58.7	5.6
1961	21.6	12.5	57.9	202.3	125.6	62.1	5.2
1962	21.5	12.6	58.6	212.4	128.8	60.6	5.5
1963	**25.8**	**14.1**	**54.7**	**239.5**	**144.0**	**60.1**	**5.7**
Helicopter Airlines (in thousands)							
1959	1,759	856	48.7	14,628	7,477	51.1	1,899
1960	2,228	1,053	47.3	18,764	9,475	50.5	2,219
1961	2,183	969	44.4	18,276	8,604	47.1	2,157
1962	2,329	907	39.0	20,125	8,192	40.7	1,518
1963	**3,070**	**1,332**	**43.4**	**27,657**	**12,510**	**45.2**	**1,463**
Intra-Alaskan Airlines							
1959	19.8	11.5	58.1	100.7	37.7	37.4	5.9
1960	18.9	10.6	56.1	102.9	43.0	41.8	6.6
1961	20.5	11.8	57.6	105.9	46.0	43.4	7.4
1962	25.2	13.4	53.2	116.5	47.6	40.9	7.5
1963	**30.6**	**16.5**	**53.9**	**117.9**	**46.6**	**39.5**	**7.5**
All-Cargo Airlines (Domestic)							
1959	332.5	274.3	82.5	--------	--------	--------	9.7
1960	325.1	249.7	76.8	--------	--------	--------	8.7
1961	385.2	295.1	76.6	--------	--------	--------	7.2
1962	615.1	472.1	76.8	--------	--------	--------	5.6
1963	**475.6**	**343.3**	**72.2**	--------	--------	--------	**7.9**
International and Territorial Airlines							
1959	1,773.4	1,159.2	65.4	10,842.1	7,064.2	65.2	178.7
1960	2,039.0	1,291.3	63.3	13,346.1	8,306.3	62.2	168.5
1961	2,468.8	1,495.5	60.6	15,769.5	8,768.5	55.6	161.3
1962	2,925.9	1,619.9	55.4	18,724.4	10,137.8	54.1	171.5
1963	**3,488.3**	**1,856.0**	**53.2**	**22,590.2**	**11,905.4**	**52.7**	**192.1**
All-Cargo Airlines (International)							
1959	89.6	58.4	65.2	--------	--------	--------	6.5
1960	102.1	73.1	71.6	--------	--------	--------	5.9
1961	175.3	133.1	75.9	--------	--------	--------	6.0
1962	232.2	177.5	76.4	--------	--------	--------	5.0
1963	**233.5**	**166.2**	**71.2**	--------	--------	--------	**5.7**
CONSOLIDATED INDUSTRY							
1959	8,336.5	4,734.1	56.8	59,247.1	36,371.8	61.4	1,030.2
1960	9,383.5	5,024.3	53.5	65,567.3	38,863.0	59.3	998.0
1961	10,579.9	5,393.9	51.0	71,856.6	39,830.8	55.4	969.7
1962	12,325.9	6,238.2	50.6	82,611.8	43,760.4	53.0	1,009.4
1963	13,920.6	6,853.3	49.2	94,843.5	50,361.3	53.1	1,094.4

NOTE: Available Ton Miles and Revenue Ton Miles include charter operations; all other items are for scheduled services only. In some instances, individual figures may not add to Consolidated Industry totals because of rounding; Avalon Air Transport figures are included in industry totals for 1960, 1961 and 1962.

REVENUE TON MILES OF TRAFFIC CARRIED

U. S. Scheduled Airline Industry

(In Thousands of Revenue Ton Miles)

	Passenger	Priority U. S. Mail	Non Priority U. S. Mail	Express	Freight	Excess Baggage	Charter Flights	TOTAL
Domestic Trunk Airlines								
1959	2,672,087	98,487	17,929	53,107	282,472	29,419	13,271	3,166,772
1960	2,777,148	108,061	22,845	55,440	320,950	29,071	18,968	3,332,483
1961	2,806,469	117,929	26,762	56,745	384,161	26,881	16,270	3,435,218
1962	3,023,888	131,711	28,501	64,879	473,955	25,430	22,665	3,771,029
1963	**3,456,932**	**138,661**	**28,402**	**64,915**	**520,631**	**23,797**	**24,227**	**4,257,565**
Local Service Airlines								
1959	97,516	1,693	503	2,211	3,125	711	3,061	108,820
1960	108,652	2,110	587	2,419	3,845	799	2,744	121,155
1961	127,602	2,771	584	3,019	5,492	875	2,084	142,428
1962	152,662	3,288	545	3,772	7,218	990	1,837	170,312
1963	**177,555**	**3,766**	**587**	**4,312**	**9,026**	**1,004**	**2,096**	**198,346**
Intra-Hawaiian Airlines								
1959	8,879	76	....	....	1,625	30	2,058	12,668
1960	10,156	82	5	....	1,806	31	5,605	17,685
1961	10,047	82	14	....	1,846	31	494	12,515
1962	10,308	90	19	....	2,100	51	10	12,578
1963	**11,519**	**93**	**21**	....	**2,151**	**40**	**285**	**14,109**
Helicopter Airlines								
1959	710	87	....	41	7	4	7	856
1960	901	91	....	40	7	5	10	1,053
1961	818	94	....	40	7	5	6	969
1962	779	65	....	44	6	3	10	907
1963	**1,188**	**74**	....	**44**	**6**	**4**	**16**	**1,332**
Intra-Alaskan Airlines								
1959	3,872	1,501	....	....	2,140	116	3,869	11,498
1960	4,434	1,796	....	....	2,422	127	1,844	10,625
1961	4,741	2,209	....	....	2,829	135	1,929	11,843
1962	4,874	2,576	....	....	2,620	147	3,211	13,428
1963	**4,796**	**2,832**	....	....	**2,640**	**155**	**6,027**	**16,450**
All-Cargo Airlines (Domestic)								
1959	....	582	161	1,250	104,237	....	168,049	274,279
1960	....	674	233	1,050	88,516	....	159,224	249,697
1961	....	407	261	754	78,286	....	215,352	295,060
1962	....	175	146	417	81,816	....	389,536	472,090
1963	....	**504**	**505**	**748**	**110,096**	....	**231,410**	**343,263**
International and Territorial Airlines								
1959	706,696	73,697	21	481	158,868	12,897	139,878	1,100,817
1960	831,066	82,626	12,233	520	191,065	13,922	78,350	1,218,245
1961	877,022	93,220	42,492	609	216,561	13,191	110,247	1,362,428
1962	1,017,184	108,987	52,760	798	263,931	15,125	150,848	1,619,903
1963	**1,187,055**	**115,811**	**54,477**	**794**	**295,610**	**16,821**	**174,431**	**1,855,967**
All-Cargo Airlines (International)								
1959	....	5,547	....	....	36,579	....	16,178	58,383
1960	....	6,567	2,658	....	34,853	....	28,796	73,091
1961	....	6,425	5,968	4	43,764	....	76,823	133,094
1962	....	4,441	6,602	14	66,537	....	99,759	177,497
1963	....	**4,663**	**6,205**	**21**	**82,917**	....	**72,111**	**166,165**
CONSOLIDATED INDUSTRY								
1959	**3,489,760**	**181,670**	**18,614**	**57,090**	**589,053**	**43,177**	**346,371**	**4,734,093**
1960	**3,732,533**	**202,007**	**38,565**	**59,469**	**643,468**	**43,955**	**295,606**	**5,024,283**
1961	**3,827,038**	**223,139**	**76,087**	**61,167**	**732,951**	**41,118**	**423,231**	**5,393,933**
1962	**4,209,926**	**251,333**	**88,578**	**69,925**	**898,187**	**41,748**	**668,136**	**6,238,246**
1963	**4,839,045**	**266,404**	**90,197**	**70,834**	**1,023,077**	**41,821**	**510,603**	**6,880,845**

NOTE: In some instances individual figures may not add to totals because of rounding; Foreign Mail ton miles carried by International & Territorial airlines and by All-Cargo Airlines in international operations are included only in the total ton mile column; Avalon Air Transport figures are included in the Consolidated Industry totals for 1960, 1961 and 1962.

U. S. Scheduled Airline Industry

	Passenger	U. S. Mail Priority	U. S. Mail Non-Priority	Public Service Revenue	Express	Freight	Other [1]	Total
Domestic Trunk Airlines								
1958	1,362,994	33,042	3,076	2,386	16,141	57,350	38,261	1,513,250
1959	1,632,647	37,158	3,417	--------	19,158	67,027	39,203	1,798,610
1960	1,756,439	40,420	4,353	--------	21,785	74,792	44,846	1,942,635
1961	1,826,820	43,958	5,071	--------	21,446	85,289	43,782	2,026,368
1962	2,020,975	49,002	5,486	--------	24,332	102,364	47,935	2,250,094
1963 P	**2,208,395**	**51,256**	**5,476**	**988**	**25,238**	**116,468**	**43,967**	**2,451,787**
Local Service Airlines								
1958	56,487	1,275	90	32,747	812	1,184	2,388	94,993
1959	73,090	1,472	154	42,179	1,019	1,727	3,180	122,821
1960	83,602	1,764	159	54,126	1,353	2,108	3,369	146,481
1961	103,621	2,209	236	62,936	1,684	3,090	3,280	177,056
1962	125,467	2,674	188	67,948	2,061	4,070	3,691	206,099
1963 P	**143,223**	**2,953**	**206**	**68,148**	**2,513**	**5,029**	**4,235**	**226,304**
Intra-Hawaiian Airlines								
1958	7,064	55	--------	109	--------	777	1,388	9,393
1959	9,476	61	1	--------	--------	833	1,060	11,431
1960	11,184	65	2	109	--------	956	2,901	15,217
1961	11,642	68	4	697	--------	984	690	14,085
1962	11,824	72	6	230	--------	1,161	387	13,681
1963 P	**13,128**	**77**	**7**	**716**	--------	**1,179**	**396**	**15,501**
Helicopter Airlines								
1958	1,460	216	--------	4,371	101	31	112	6,291
1959	2,310	227	--------	4,915	132	40	136	7,760
1960	3,088	246	--------	4,931	210	41	85	8,601
1961	2,772	253	--------	5,258	189	39	89	8,603
1962	2,501	174	--------	5,518	215	39	135	8,583
1963 P	**3,284**	**193**	--------	**4,640**	**216**	**40**	**264**	**8,636**
Intra-Alaskan Airlines								
1958	4,202	1,536	--------	2,911	--------	1,226	2,429	12,304
1959	4,968	1,803	--------	3,611	--------	1,299	2,813	14,494
1960	5,784	2,089	--------	4,852	--------	1,513	1,793	16,031
1961	6,181	2,529	--------	6,352	--------	1,775	2,029	18,866
1962	6,346	2,873	--------	5,139	--------	1,691	2,685	18,735
1963 P [2]	**6,013**	**3,065**	--------	**5,199**	--------	**1,689**	**294**	**19,748**

P Preliminary.

REVENUES

(In Thousands of Dollars)

	Passenger	U. S. Mail		Public Service Revenue	Express	Freight	Other [1]	Total
		Priority	Non-Priority					
All-Cargo Airlines (Domestic)								
1958	-------	155	128	------	301	15,876	40,522	56,982
1959	-------	202	39	------	357	18,658	34,014	53,269
1960	-------	238	41	------	337	15,770	32,642	49,028
1961	-------	154	49	------	246	13,166	45,765	59,381
1962	-------	81	25	------	120	11,662	78,813	90,702
1963 P	-------	**182**	**83**	------	**237**	**15,563**	**51,523**	**67,587**
International and Territorial Airlines								
1958	395,604	34,033	-------	3,929	102	45,318	51,895	530,881
1959	444,618	36,638	-------	3,831	137	51,740	55,262	592,226
1960	527,568	40,201	3,198	4,146	177	58,625	50,707	684,621
1961	533,158	45,362	10,457	3,709	200	63,066	66,461	722,412
1962	595,221	53,905	13,030	3,433	235	71,017	73,557	810,400
1963 P	**692,652**	**57,646**	**13,667**	**846**	**204**	**80,168**	**83,255**	**928,436**
All-Cargo Airlines (International)								
1958	-------	894	-------	-------	-------	7,471	11,505	19,870
1959	-------	2,952	-------	-------	-------	10,371	4,771	17,860
1960	-------	4,229	-------	-------	-------	8,964	8,123	21,317
1961	-------	4,018	1,046	-------	1	9,388	21,838	36,291
1962	-------	2,295	1,870	-------	4	11,747	23,767	39,683
1963 P	-------	**2,486**	**1,710**	------	**9**	**13,714**	**18,094**	**36,014**
CONSOLIDATED INDUSTRY								
1958	**1,827,811**	**71,206**	**3,294**	**46,453**	**17,457**	**129,233**	**148,510**	**2,243,964**
1959	**2,167,109**	**80,512**	**3,611**	**54,536**	**20,803**	**151,461**	**140,439**	**2,618,471**
1960	**2,387,937**	**89,259**	**7,753**	**68,164**	**23,862**	**162,777**	**144,525**	**2,884,277**
1961	**2,484,644**	**99,611**	**15,820**	**78,952**	**23,765**	**176,805**	**183,973**	**3,063,577**
1962	**2,762,717**	**111,093**	**20,605**	**82,267**	**26,968**	**203,759**	**231,176**	**3,438,586**
1963 P [2]	**3,066,695**	**117,858**	**21,149**	**80,537**	**28,417**	**233,850**	**206,459**	**3,754,957**

[1] Includes revenues from excess baggage, foreign mail, charter operations, and incidental revenues.

[2] Kodiak Airlines not included in 1963 totals.

DISTRIBUTION OF

U. S. Scheduled Airline Industry

	Flying Operations	Maintenance	General Services & Administration: Passenger Service	Aircraft & Traffic Servicing	Promotion & Sales	Adminis-trative	Total G. S. & A.	Deprecia-tion & Amorti-zation	Total Operating Expenses
Domestic Trunk Lines									
1958	437,518	286,127	101,222	231,109	165,945	56,950	555,226	139,254	1,418,125
1959	505,243	346,387	130,942	275,301	198,780	64,992	670,015	171,729	1,693,374
1960	548,125	397,032	150,356	305,674	215,093	74,360	745,483	217,145	1,907,785
1961	574,519	399,808	156,809	328,301	225,553	82,374	793,037	266,569	2,033,937
1962	593,816	444,047	164,546	362,912	241,895	89,255	858,608	278,999	2,175,470
1963 P	**628,837**	**472,012**	**181,557**	**394,110**	**261,460**	**92,891**	**930,018**	**278,001**	**2,308,904**
Local Service Airlines									
1958	29,267	18,571	4,529	24,047	7,028	5,545	41,149	4,348	93,335
1959	36,831	25,056	6,078	31,185	9,293	6,861	53,417	6,882	122,186
1960	42,031	30,967	7,183	36,492	11,605	8,247	63,527	7,784	144,309
1961	48,664	35,987	8,388	42,368	13,515	9,185	73,456	9,583	167,696
1962	55,082	42,298	9,726	48,095	16,298	10,611	84,730	10,604	192,724
1963 P	**60,835**	**47,372**	**10,646**	**53,122**	**18,586**	**11,524**	**93,878**	**11,834**	**213,921**
Intra-Hawaiian Airlines									
1958	2,505	1,699	414	1,672	1,285	1,023	4,394	659	9,257
1959	3,076	1,933	457	1,948	1,725	1,217	5,347	909	11,265
1960	4,266	3,273	695	2,373	2,059	1,391	6,518	1,411	15,468
1961	3,063	2,867	392	2,321	2,181	1,540	6,434	1,092	13,456
1962	2,933	2,677	409	2,430	2,074	1,619	6,533	1,106	13,250
1963 P	**3,218**	**2,930**	**512**	**2,706**	**2,337**	**1,863**	**7,418**	**1,125**	**14,691**
Helicopter Airlines [1]									
1958	1,417	1,619	----	----	----	----	1,982	945	5,963
1959	1,696	2,017	----	----	----	----	2,361	1,036	7,110
1960	1,934	2,546	----	----	----	----	2,710	1,192	8,382
1961	1,946	2,633	----	----	----	----	3,086	1,143	8,807
1962	1,791	2,454	----	----	----	----	3,378	1,212	8,835
1963 P	**1,744**	**2,789**	----	----	----	----	**3,307**	**1,000**	**8,840**
Intra-Alaskan Airlines [1]									
1958	3,947	3,167	----	----	----	----	4,191	715	12,020
1959	4,553	3,961	----	----	----	----	4,824	1,059	14,397
1960	4,369	4,309	----	----	----	----	5,328	1,049	15,055
1961	4,847	4,461	----	----	----	----	5,901	1,003	16,213
1962	5,334	4,811	----	----	----	----	6,191	1,084	17,421
1963 P 2	**5,956**	**5,139**	----	----	----	----	**6,578**	**1,166**	**18,838**

P Preliminary.

1 Detailed General Services & Administration expense data not reported by this group.

2 Kodiak Airlines not included in 1963 totals.

OPERATING EXPENSES

(In Thousands of Dollars)

	Flying Operations	Maintenance	General Services & Administration: Passenger Service	Aircraft & Traffic Servicing	Promotion & Sales	Adminis-trative	Total G. S. & A.	Deprecia-tion & Amorti-zation	Total Operating Expenses
All-Cargo Airlines (Domestic)									
1958	22,555	12,560	1,867	5,314	1,670	3,128	12,733	7,551	55,399
1959	21,224	12,671	1,338	4,795	1,500	3,121	11,524	6,106	51,525
1960	20,349	11,442	1,165	5,380	1,874	3,028	11,879	5,933	49,603
1961	23,117	12,395	1,444	6,777	2,099	3,189	14,048	8,647	58,206
1962	31,061	20,849	1,847	8,411	2,169	4,032	16,461	12,029	80,401
1963 P	**23,111**	**16,518**	**1,744**	**8,478**	**2,342**	**3,784**	**16,348**	**10,330**	**66,307**
International and Territorial Airlines [3]									
1958	163,516	83,630	36,442	76,043	76,834	25,615	218,268	54,190	519,604
1959	170,391	95,776	44,070	84,235	87,091	28,999	247,120	60,366	573,653
1960	179,707	101,516	47,737	98,216	101,778	28,912	280,056	78,049	639,328
1961	186,561	109,490	52,219	103,275	107,327	31,818	298,147	104,111	698,311
1962	193,422	113,601	56,045	111,892	116,745	40,791	325,472	91,696	724,192
1963 P	**216,447**	**119,251**	**68,908**	**122,717**	**133,345**	**39,388**	**369,207**	**91,837**	**796,740**
All-Cargo Airlines (International)									
1958	9,374	5,343	638	3,567	944	1,263	6,412	1,620	22,749
1959	9,235	5,228	217	3,883	1,256	1,528	6,884	1,265	22,612
1960	11,256	5,998	534	3,968	1,292	1,697	7,491	1,587	26,332
1961	15,464	8,489	1,417	4,819	1,579	2,034	9,849	4,091	37,890
1962	12,700	8,413	1,749	5,001	1,615	2,367	10,732	4,699	36,543
1963 P	**9,984**	**7,348**	**1,389**	**4,641**	**1,588**	**1,955**	**9,573**	**4,997**	**31,902**
CONSOLIDATED INDUSTRY [3]									
1958	**670,099**	**412,716**	**145,112**	**341,752**	**253,706**	**93,524**	**844,355**	**209,282**	**2,136,452**
1959	**752,249**	**493,029**	**183,102**	**401,347**	**299,645**	**106,718**	**1,001,492**	**249,352**	**2,496,122**
1960	**812,152**	**557,180**	**207,670**	**452,103**	**333,701**	**117,635**	**1,123,161**	**314,193**	**2,806,686**
1961	**858,330**	**576,245**	**220,669**	**487,861**	**352,254**	**130,140**	**1,204,229**	**396,303**	**3,035,115**
1962	**896,319**	**639,273**	**234,323**	**538,741**	**380,796**	**158,472**	**1,312,331**	**401,473**	**3,249,397**
1963 P 2	**950,168**	**673,359**	**264,756**	**585,774**	**419,658**	**151,405**	**1,436,327**	**400,290**	**3,460,143**

[3] The total of General Services and Administration expense is greater than the sum of the detail accounts since some airlines report total expense only.

SUMMARY OF

U. S. Scheduled Airline Industry

	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									
1958	1,513,250	1,418,125	95,125	24,457	20,743	44,722	44,794	6.5	3.0
1959	1,798,610	1,693,374	105,236	32,397	38,484	53,061	61,682	7.1	3.4
1960	1,942,635	1,907,785	34,850	43,950	31,791	18,212	68	2.8	----
1961	2,026,368	2,033,937	−7,569	61,569	20,528	−12,038	−34,567	1.5	----
1962	2,250,094	2,175,470	74,623	72,364	27,184	23,160	8,308	4.7	0.4
1963 P	**2,451,787**	**2,308,904**	**142,886**	**69,470**	**16,000**	**56,603**	**16,509**	**4.0**	**0.7**
Local Service Airlines									
1958	94,993	93,335	1,658	827	246	395	1,138	9.2	1.2
1959	122,821	122,186	635	1,887	197	−178	64	4.9	0.1
1960	146,481	144,309	2,172	2,872	713	294	1,940	9.1	1.3
1961	177,056	167,696	9,359	3,274	703	3,147	4,862	11.8	2.7
1962	206,099	192,724	13,374	3,748	1,475	5,305	5,920	11.7	2.9
1963 P	**226,304**	**213,921**	**12,383**	**3,748**	**777**	**4,623**	**4,622**	**9.3**	**2.0**
Intra-Hawaiian Airlines									
1958	9,393	9,257	136	167	−2	------	−114	1.3	----
1959	11,431	11,265	166	305	83	−37	50	4.8	0.4
1960	15,217	15,468	−251	494	228	------	−512	0.2	----
1961	14,085	13,456	629	516	− 99	------	133	6.5	0.9
1962	13,681	13,250	431	445	− 35	31	−119	3.5	----
1963 P	**15,501**	**14,691**	**811**	**461**	**−128**	------	**189**	**7.5**	**1.2**
Helicopter Airlines									
1958	6,291	5,963	328	96	16	114	491	11.9	7.8
1959	7,760	7,110	650	87	50	309	501	10.7	6.5
1960	8,601	8,382	219	59	51	92	150	4.0	1.7
1961	8,603	8,807	−205	32	50	− 78	−46	0.3	----
1962	8,583	8,835	−252	234	129	−223	89	4.0	1.0
1963 P	**8,636**	**8,840**	**−204**	**294**	**234**	**− 91**	**−154**	**1.5**	----
Intra-Alaskan Airlines									
1958	12,304	12,020	284	131	108	219	92	4.2	0.7
1959	14,494	14,397	97	339	244	169	28	4.9	0.2
1960	16,031	15,055	976	318	−16	196	430	9.3	2.7
1961	18,866	16,213	2,652	295	35	1,408	922	14.5	4.9
1962	18,735	17,421	1,314	288	46	573	514	8.9	2.7
1963 P 4	**19,748**	**18,838**	**908**	**266**	**77**	**459**	**264**	**5.8**	**1.3**

P Preliminary

1 Net Profit or Loss shown is 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 per cent of net worth and long-term debt.

PROFIT OR LOSS

(In Thousands of Dollars)

	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] (%)
All-Cargo Airlines (Domestic)									
1958	56,982	55,399	1,583	1,442	639	2,041	−2,142	−1.79	----
1959	53,269	51,525	1,744	1,400	1,435	761	719	5.10	1.3
1960	49,028	49,603	− 575	1,240	730	187	−1,128	0.24	----
1961	59,381	58,206	1,174	2,365	−2,911	311	−4,578	−3.19	----
1962	90,702	80,401	10,301	4,775	2,897	4,108	4,355	10.4	4.8
1963 P	**67,587**	**66,307**	**1,279**	**3,804**	**2,288**	**215**	**—542**	**3.7**	----
International and Territorial Airlines									
1958	530,881	519,604	11,277	6,211	8,868	5,829	7,608	3.6	1.4
1959	592,226	573,653	18,573	8,831	12,757	10,453	13,156	4.5	2.2
1960	684,621	639,328	45,293	16,715	6,424	18,818	16,216	5.3	2.4
1961	722,412	698,311	24,102	24,275	4,869	5,691	−2,169	3.2	----
1962	810,400	724,192	86,208	26,337	6,016	33,233	33,585	8.8	4.1
1963 P	**929,380**	**796,740**	**132,636**	**24,042**	**5,689**	**48,821**	**64,022**	**12.3**	**6.9**
All-Cargo Airlines (International)									
1958	19,870	22,749	−2,879	326	1,111	− 689	−1,471	− 9.3	----
1959	17,860	22,612	−4,752	294	264	−1,046	−3,519	−27.8	----
1960	21,317	26,332	−5,015	583	176	− 5	−7,945	−71.9	----
1961	36,291	37,890	−1,599	1,628	− 8	------	−2,240	− 2.1	----
1962	39,683	36,543	3,139	2,841	−356	------	118	7.7	0.3
1963 P	**36,014**	**31,902**	**4,112**	**2,675**	**−495**	------	**−831**	4.7	----
CONSOLIDATED INDUSTRY									
1958	**2,243,964**	**2,136,452**	**107,512**	**33,657**	**31,729**	**52,631**	**50,396**	**5.5**	**2.2**
1959	**2,618,471**	**2,496,122**	**122,349**	**45,540**	**53,514**	**63,566**	**72,681**	**6.2**	**2.8**
1960	**2,884,277**	**2,806,686**	**77,591**	**66,232**	**40,097**	**37,794**	**9,140**	**3.2**	**0.3**
1961	**3,063,577**	**3,035,115**	**28,459**	**93,959**	**23,167**	**−1,573**	**−37,758**	**2.1**	----
1962	**3,438,586**	**3,249,397**	**189,189**	**111,035**	**37,354**	**66,187**	**52,816**	**5.7**	**1.5**
1963 P 4	**3,754,956**	**3,460,144**	**294,811**	**104,760**	**24,442**	**110,630**	**84,079**	**6.6**	**2.2**

3 Profit as per cent of revenues.

4 Kodiak Airlines not included in 1963 totals.

ASSETS, LIABILITIES AND

U. S. Scheduled Airline Industry

	1958	1959	1960	1961	1962	(Sept. 30) **1963**
Domestic Trunk Airlines[1]						
Assets						
Current Assets	504,109	633,794	681,196	694,186	810,571	**837,465**
Investments and Special Funds	184,162	132,780	130,063	139,299	110,957	**155,531**
Flight Equipment	1,521,386	1,898,778	2,327,772	2,759,623	3,022,651	**3,007,831**
Reserve for Depreciation and Airworthiness	−753,446	−834,828	−926,748	−1,083,326	−1,222,042	**−1,318,105**
Ground Property and Equipment	237,840	279,018	318,308	351,737	371,058	**384,991**
Reserve for Depreciation	−115,772	−132,553	−153,437	−175,025	−187,769	**−204,535**
Other Property	100,272	105,921	104,311	63,709	27,317	**48,642**
Deferred Charges	28,567	55,340	67,632	69,762	58,952	**55,543**
Total Assets	1,707,118	2,138,250	2,549,097	2,819,953	2,991,693	**2,967,364**
Liabilities and Equity						
Current Liabilities	332,789	474,011	499,245	523,565	592,202	**652,955**
Long-Term Debt	588,730	804,578	1,069,651	1,408,938	1,449,941	**1,275,195**
Other Non-Current Liabilities	19,713	2,014	103,438	22,263	27,552	**30,892**
Deferred Credits	78,818	114,563	137,751	148,173	190,678	**220,554**
Stockholders' Equity—Net of Treasury Stock	687,068	743,084	739,012	717,075	731,321	**787,767**
Preferred Stock	24,000	19,072	18,864	34,162	33,552	**21,286**
Common Stock	111,957	116,627	119,911	128,124	133,085	**147,795**
Other Paid-In Capital	236,106	262,522	278,465	292,126	303,713	**325,627**
Retained Earnings	315,493	345,298	322,391	263,276	262,114	**294,803**
Less: Treasury Stock	488	435	619	613	1,143	**1,745**
Total Liabilities and Equity	1,707,118	2,138,250	2,549,097	2,819,953	2,991,693	**2,967,364**
Local Service Airlines						
Assets						
Current Assets	20,004	29,911	38,131	44,257	49,512	**52,362**
Investments and Special Funds	2,894	2,055	2,487	2,428	4,066	**7,574**
Flight Equipment	46,305	67,202	82,394	95,492	107,589	**117,368**
Reserve for Depreciation and Airworthiness	−20,444	−25,175	−29,867	−36,484	−39,668	**−45,521**
Ground Property and Equipment	7,595	9,870	11,472	13,688	15,724	**17,099**
Reserve for Depreciation	−4,119	−4,871	−5,779	−6,878	−8,241	**−9,306**
Other Property	1,518	1,931	1,147	4,730	4,296	**3,886**
Deferred Charges	2,650	3,542	4,514	5,415	4,987	**5,042**
Total Assets	56,403	84,465	104,499	122,647	138,264	**148,504**
Liabilities and Equity						
Current Liabilities	25,135	34,215	43,031	44,199	49,115	**49,718**
Long-Term Debt	18,106	31,062	43,781	50,067	52,625	**57,330**
Other Non-Current Liabilities	362	4,072	159	58	142	**126**
Deferred Credits	221	293	441	618	1,301	**1,834**
Stockholders' Equity—Net of Treasury Stock	12,579	14,823	17,087	27,704	35,082	**39,495**
Preferred Stock	163	163	163	2,665	2,323	**2,100**
Common Stock	7,360	8,245	8,434	10,598	11,172	**12,325**
Other Paid-In Capital	5,732	7,180	7,474	9,254	10,877	**11,406**
Retained Earnings	−595	−691	1,089	5,263	10,819	**13,774**
Less: Treasury Stock	81	74	73	73	109	**109**
Total Liabilities and Equity	56,403	84,465	104,499	122,647	138,264	**148,504**

1 Balance sheet data for Domestic Trunk Airlines includes their international as well as domestic operations.

STOCKHOLDERS' EQUITY

(In Thousands of Dollars)

Intra-Hawaiian Airlines

	1958	1959	1960	1961	1962	(Sept. 30) 1963
Assets						
Current Assets	2,101	3,481	4,309	3,680	3,338	**3,775**
Investments and Special Funds	13	299	56	9	12	**27**
Flight Equipment	7,785	11,134	12,980	12,047	12,294	**14,643**
Reserve for Depreciation and Airworthiness	−3,735	−4,104	−4,261	−4,679	−6,016	**−7,012**
Ground Property and Equipment	1,501	1,778	2,231	2,553	2,587	**2,800**
Reserve for Depreciation	−1,043	−1,147	−1,273	−1,354	−1,226	**−1,329**
Other Property	77	144	96	269	229	**107**
Deferred Charges	634	859	1,086	1,145	1,085	**1,374**
Total Assets	7,333	12,444	15,224	13,667	12,301	**14,384**
Liabilities and Equity						
Current Liabilities	2,884	2,614	4,709	3,719	3,578	**5,336**
Long-Term Debt	2,681	6,164	7,393	6,658	5,555	**5,400**
Other Non-Current Liabilities	--------	--------	--------	--------	--------	--------
Deferred Credits	2	59	41	74	71	**87**
Stockholders' Equity—Net of Treasury Stock	1,766	3,607	3,081	3,217	3,098	**3,562**
Preferred Stock	--------	1,625	1,613	1,570	1,555	**1,511**
Common Stock	1,283	1,304	1,317	1,361	1,376	**1,420**
Other Paid-In Capital	1,534	1,792	1,792	1,793	1,793	**1,793**
Retained Earnings	−1,051	−1,114	−1,641	−1,507	−1,626	**−1,162**
Less: Treasury Stock	--------	--------	--------	--------	--------	--------
Total Liabilities and Equity	7,333	12,444	15,224	13,667	12,301	**14,384**

Helicopter Airlines

	1958	1959	1960	1961	1962	(Sept. 30) 1963
Assets						
Current Assets	2,999	3,315	3,236	3,098	3,620	**3,237**
Investments and Special Funds	53	164	471	588	214	**214**
Flight Equipment	5,023	5,488	5,612	5,347	10,018	**9,469**
Reserve for Depreciation and Airworthiness	−1,621	−2,344	−3,021	−3,488	−2,933	**−2,876**
Ground Property and Equipment	825	894	986	1,107	1,349	**1,473**
Reserve for Depreciation	−396	−497	−588	−665	−765	**−852**
Other Property	4	55	50	1,387	113	**259**
Deferred Charges	429	482	580	730	859	**818**
Total Assets	7,316	7,557	7,326	8,103	12,475	**11,741**
Liabilities and Equity						
Current Liabilities	1,804	2,021	1,762	2,303	2,207	**2,183**
Long-Term Debt	1,319	696	300	492	4,923	**4,329**
Other Non-Current Liabilities	1	1	55	38	31	**23**
Deferred Credits	5	152	199	308	235	**191**
Stockholders' Equity—Net of Treasury Stock	4,187	4,687	5,010	4,963	5,078	**5,016**
Preferred Stock	--------	--------	--------	--------	--------	--------
Common Stock	770	770	957	957	964	**964**
Other Paid-In Capital	2,686	2,686	2,672	2,673	2,692	**2,692**
Retained Earnings	731	1,231	1,381	1,331	1,423	**1,361**
Less: Treasury Stock	--------	--------	--------	--------	--------	--------
Total Liabilities and Equity	7,316	7,557	7,326	8,103	12,475	**11,741**

ASSETS, LIABILITIES AND

U. S. Scheduled Airline Industry

	1958	1959	1960	1961	1962	(Sept. 30) 1963
International and Territorial Airlines						
Assets						
Current Assets	114,131	141,000	179,258	201,285	210,175	**227,034**
Investments and Special Funds	96,983	115,982	48,752	64,220	66,511	**72,303**
Flight Equipment	321,169	426,986	596,836	548,936	593,042	**611,217**
Reserve for Depreciation and Airworthiness	−155,841	−181,146	−215,519	−206,783	−241,915	**−279,005**
Ground Property and Equipment	37,894	45,587	54,502	58,925	62,553	**64,837**
Reserve for Depreciation	−23,571	−25,130	−28,475	−32,075	−35,443	**−38,082**
Other Property	7,543	7,006	5,317	6,214	3,603	**3,309**
Deferred Charges	10,381	19,179	31,117	36,554	31,444	**32,693**
Total Assets	408,689	549,464	671,788	677,274	689,970	**694,306**
Liabilities and Equity						
Current Liabilities	64,713	105,555	137,215	157,468	172,338	**214,448**
Long-Term Debt	171,549	262,388	335,540	318,390	301,520	**237,511**
Other Non-Current Liabilities	1,445	1,532	2,568	3,131	4,403	**2,993**
Deferred Credits	8,490	10,346	24,924	28,630	31,305	**49,446**
Stockholders' Equity—Net of Treasury Stock	162,492	169,643	171,541	169,656	180,405	**189,907**
Preferred Stock	150	--------	141	--------	--------	--------
Common Stock	19,346	22,163	22,293	20,150	19,483	**19,106**
Other Paid-In Capital	82,872	80,773	78,764	79,031	80,901	**74,500**
Retained Earnings	61,566	68,253	71,915	71,859	81,372	**97,545**
Less: Treasury Stock	1,442	1,546	1,572	1,385	1,352	**1,244**
Total Liabilities and Equity	408,689	549,464	671,788	677,274	689,970	**694,306**
Intra-Alaskan Airlines						
Assets						
Current Assets	3,999	3,973	4,272	6,208	5,386	**6,043**
Investments and Special Funds	392	278	564	631	820	**862**
Flight Equipment	5,827	7,729	8,294	8,367	9,509	**10,450**
Reserve for Depreciation and Airworthiness	−2,583	−2,742	−3,594	−4,272	−4,948	**−5,472**
Ground Property and Equipment	3,075	3,475	3,725	3,886	4,138	**4,300**
Reserve for Depreciation	−1,274	−1,500	−1,631	−1,880	−2,074	**−2,257**
Other Property	402	316	137	144	418	**388**
Deferred Charges	271	371	346	469	455	**499**
Total Assets	10,109	11,900	12,113	13,550	13,704	**14,813**
Liabilities and Equity						
Current Liabilities	3,484	3,736	3,905	4,860	4,470	**5,307**
Long-Term Debt	3,250	4,841	4,081	3,695	3,432	**3,568**
Other Non-Current Liabilities	5	62	59	89	105	**145**
Deferred Credits	237	72	22	81	143	**159**
Stockholders' Equity—Net of Treasury Stock	3,133	3,189	4,046	4,826	5,554	**5,633**
Preferred Stock	--------	--------	--------	--------	420	**457**
Common Stock	2,089	2,040	2,346	2,372	2,119	**2,119**
Other Paid-In Capital	169	179	184	183	283	**283**
Retained Earnings	875	970	1,516	2,270	2,733	**2,774**
Less: Treasury Stock	--------	--------	--------	--------	--------	--------
Total Liabilities and Equity	10,109	11,900	12,113	13,550	13,704	**14,813**

STOCKHOLDERS' EQUITY

(In Thousands of Dollars)

	1958	1959	1960	1961	1962	(Sept. 30) 1963
All-Cargo Airlines[2]						
Assets						
Current Assets	20,153	20,481	18,677	28,541	33,632	**30,963**
Investments and Special Funds	3,337	20,572	28,394	21,920	9,098	**8,158**
Flight Equipment	55,701	59,027	54,884	127,996	157,912	**156,941**
Reserve for Depreciation and Airworthiness	−17,522	−22,331	−25,425	−35,620	−40,917	**−50,528**
Ground Property and Equipment	4,500	4,214	4,050	5,266	5,613	**5,879**
Reserve for Depreciation	−2,258	−2,378	−2,438	−2,735	−2,976	**−3,302**
Other Property	4,534	701	6,231	7,175	5,618	**7,950**
Deferred Charges	4,962	2,233	3,532	8,567	8,621	**7,439**
Total Assets	73,407	82,519	87,905	161,114	176,599	**163,500**
Liabilities and Equity						
Current Liabilities	22,500	22,001	17,340	39,693	39,057	**29,903**
Long-Term Debt	17,509	28,325	46,797	96,166	105,080	**96,836**
Other Non-Current Liabilities	1,900	1,385	379	35	408	**480**
Deferred Credits	3,326	3,030	2,615	1,838	5,288	**8,939**
Stockholders' Equity—Net of Treasury Stock	28,172	27,778	20,774	23,382	26,766	**27,341**
Preferred Stock	1,437	1,193	1,192	1,192	1,192	**1,192**
Common Stock	9,155	10,303	15,325	23,300	23,016	**24,044**
Other Paid-In Capital	19,257	22,370	20,569	21,633	21,742	**13,932**
Retained Earnings	−1,423	−6,078	−16,306	−22,738	−19,179	**−11,823**
Less: Treasury Stock	254	10	6	5	5	**5**
Total Liabilities and Equity	73,407	82,519	87,905	161,114	176,599	**163,500**
CONSOLIDATED INDUSTRY[3]						
Assets						
Current Assets	**667,496**	**835,955**	**929,117**	**981,291**	**1,116,285**	**1,160,880**
Investments and Special Funds	**287,834**	**272,130**	**210,788**	**229,096**	**191,667**	**244,669**
Flight Equipment	**1,963,196**	**2,476,344**	**3,089,137**	**3,558,129**	**3,913,394**	**3,927,919**
Reserve for Depreciation and Airworthiness	**−955,192**	**−1,072,670**	**−1,208,641**	**−1,374,879**	**−1,558,708**	**−1,708,521**
Ground Property and Equipment	**293,230**	**344,836**	**395,349**	**437,235**	**463,099**	**481,379**
Reserve for Depreciation	**−148,433**	**−168,076**	**−193,642**	**−220,642**	**−238,529**	**−259,662**
Other Property	**114,350**	**116,074**	**117,289**	**83,636**	**41,596**	**64,541**
Deferred Charges	**47,894**	**82,006**	**108,814**	**122,647**	**106,412**	**103,408**
Total Assets	**2,270,375**	**2,886,599**	**3,448,211**	**3,816,498**	**4,035,225**	**4,014,612**
Liabilities and Equity						
Current Liabilities	**453,309**	**644,153**	**707,362**	**775,957**	**863,089**	**959,849**
Long-Term Debt	**803,144**	**1,138,054**	**1,507,543**	**1,884,406**	**1,923,076**	**1,680,170**
Other Non-Current Liabilities	**23,426**	**9,066**	**106,658**	**25,554**	**32,642**	**34,660**
Deferred Credits	**91,099**	**128,515**	**166,008**	**179,749**	**229,056**	**281,211**
Stockholders' Equity—Net of Treasury Stock	**899,397**	**966,811**	**960,640**	**950,837**	**987,363**	**1,058,722**
Preferred Stock	**25,750**	**22,053**	**21,973**	**39,589**	**39,041**	**26,546**
Common Stock	**151,960**	**161,452**	**170,618**	**186,897**	**191,249**	**207,774**
Other Paid-In Capital	**348,356**	**377,502**	**389,920**	**406,693**	**422,000**	**430,232**
Retained Earnings	**375,596**	**407,869**	**380,398**	**319,737**	**337,680**	**397,272**
Less: Treasury Stock	**2,265**	**2,065**	**2,270**	**2,076**	**2,608**	**3,102**
Total Liabilities and Equity	**2,270,375**	**2,886,599**	**3,448,211**	**3,816,498**	**4,035,225**	**4,014,612**

2 Balance sheet data for All-Cargo Airlines includes their international as well as domestic operations.
3 Avalon Air Transport figures included only in Consolidated Industry 1960, 1961 and 1962.

COMPARATIVE TRANSPORT SAFETY RECORD

Passenger Fatality Rate per 100,000,000 Revenue Passenger Miles

(For Selected Years)

	1953	1958	1959	1960	1961	1962	**1963**
U. S. Scheduled Airlines							
Domestic							
Fatalities	86	114	209	306	124	121	**48**
Rate	0.56	0.43	0.68	0.96	0.38	0.34	**0.12**
International and Territorial							
Fatalities	2	10	59	1	0	0	**73**
Rate	0.06	0.16	0.80	0.01	0.00	0.00	**0.58**
Total U. S. Scheduled Airlines							
Fatalities	88	124	268	307	124	121	**121**
Rate	0.47	0.38	0.71	0.76	0.30	0.26	**0.23**
Motor Buses							
Fatalities	70	120	100	60	80	90	**N.A.**
Rate	0.13	0.24	0.18	0.11	0.15	0.16	**N.A.**
Railroads							
Fatalities	50	62	12	33	20	27	**13**
Rate	0.16	0.27	0.05	0.16	0.10	0.14	**0.07**
Autos							
Fatalities	23,500	24,200	24,800	24,600	24,700	26,800	**N.A.**
Rate	2.9	2.3	2.3	2.2	2.2	2.3	**N.A.**

N.A. — Not Available

AIRLINE FARES COMPARED

Average Revenue per Passenger Mile — Intercity Common Carriers

(For Selected Years, In Cents Per Mile)

	1953	1958	1959	1960	1961	1962	**1963**	% Change 1953/1963
Scheduled Airlines:								
Domestic—Coach	4.13	4.52	4.63	5.01	5.42	5.76	**5.62**	+36.1
All Services	5.43	5.64	5.88	6.09	6.28	6.44	**6.17**	+13.6
International—Tourist*	5.77	5.58	5.38	5.59	5.50	5.43	**5.47**	− 5.2
All Services	6.88	6.46	6.29	6.35	6.08	5.87	**5.82**	−15.4
Railroads, Class I								
First Class	3.38	3.75	3.84	3.83	3.94	3.97	**4.00** P	+18.3
Coach	2.53	2.76	2.77	2.77	2.84	2.89	**2.99** P	+18.2
Motor Buses, Class I	2.03	2.42	2.59	2.70	2.70	2.71	**2.74** P	+35.0

* Includes Economy Fares.
P Preliminary.

PERSONNEL EMPLOYED

By the Scheduled Airlines Industry[1]

(1955-1963)

Year (Dec. 31)	Pilots and Copilots	Other Flight Personnel	Pursers, Stewards, Stewardesses	Communi-cations Personnel	Mechanics	Aircraft and Traffic Servicing Personnel	Office Employees	All Others	Total
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	14,471	4,075	10,902	4,390	32,823	43,839	32,324	21,346	164,170
1960	13,535	3,811	10,600	4,233	34,181	43,334	35,440	21,101	166,235
1961	13,936	4,162	11,858	3,745	34,065	44,617	36,642	20,916	169,941
1962	13,820	4,151	12,178	3,418	34,925	46,696	36,952	20,687	172,827
1963*	**14,094**	**3,873**	**13,064**	**3,238**	**35,404**	**47,992**	**37,626**	**20,898**	**176,223**

1 Data for Alaskan and All-Cargo carriers not included prior to 1959.
* As of September 30, 1963.

REVENUE PASSENGERS CARRIED

U. S. Scheduled Airline Industry

(For Selected Years, In Thousands of Passengers)

	1953	1958	1959	1960	1961	1962	**1963**
Domestic Trunk Airlines	26,138	39,515	44,488	45,184	44,677	46,759	**53,381**
Local Service Airlines	2,032	4,265	5,213	5,591	6,470	7,651	**8,867**
Helicopter Airlines	1	230	366	490	430	359	**458**
Intra-Hawaiian Airlines	553	573	755	857	838	877	**973**
Intra-Alaskan Airlines	177	158	178	201	216	239	**224**
International and Territorial Airlines	2,745	4,428	4,999	5,497	5,699	6,598	**7,515**
TOTAL SCHEDULED AIRLINE INDUSTRY	**31,646**	**49,169**	**55,999**	**57,872** [1]	**58,408** [1]	**62,549** [1]	**71,418**

AVERAGE LENGTH OF HAUL

(Statute Miles)

	1953	1958	1959	1960	1961	1962	**1963**
Domestic Trunk Airlines	547	618	632	647	661	681	**682**
International and Territorial Airlines	1,257	1,383	1,413	1,510	1,539	1,536	**1,584**

1 Includes Avalon Air Transport

PASSENGER TRAVEL BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES *

(Thousands of Passengers)

	1953	1958	1959	1960	1961	1962	**1963**
Passengers via Air	1,715	3,402	4,064	4,576	4,954	5,364	**5,997**
Passengers via Sea	1,112	1,219	1,426	1,474	1,469	1,568	**1,639**
Total via Air and Sea	2,827	4,621	5,490	6,050	6,423	6,932	**7,636**
Air Share (%)	**60.7**	**73.6**	**74.0**	**75.6**	**77.1**	**77.4**	**78.5**
Passengers via U. S.-Flag Airlines	1,152	2,053	2,358	2,505	2,458	2,680	**3,020**
Passengers via Foreign-Flag Airlines	563	1,349	1,706	2,071	2,496	2,684	**2,977**
U. S. Citizens via Air (%)	65.9	66.0	64.3	63.0	61.2	61.4	**61.8**
U. S.-Flag Airlines' Share (%)	**67.2**	**60.0**	**58.1**	**54.8**	**49.6**	**50.0**	**50.4**

* Figures are for fiscal years and are exclusive of travel over land borders (except Mexican air travel), crewmen, military personnel, and travelers between continental United States and its possessions.

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

INTERCITY PASSENGER TRAVEL IN THE UNITED STATES

(Passenger Miles in Millions)

	1953	1958	1959	1960	1961	1962	**1963**
Common Carriers							
Airlines	14,794	25,375	29,308	30,557	31,062	33,623	**38,456**
Railroads	26,905	18,474	17,502	17,064	16,154	15,859	**14,527** E
Motor Bus [1]	28,400	20,800	20,400	19,900	19,700	21,000	**21,400** E
Total	70,099	64,649	67,210	67,521	66,916	70,482	**74,383**
Air Share (%)	**21.1**	**39.3**	**43.6**	**45.3**	**46.4**	**47.7**	**51.7**
Private Automobile	529,200	629,496	659,435	680,600	692,000	713,000	**723,000** E
Total Common Carrier and Auto	599,299	694,145	726,645	748,121	758,916	783,482	**797,383**
Common Carrier Share (%)	11.7	9.3	9.2	9.0	8.8	9.0	**9.3**
Air Share (%)	**2.5**	**3.7**	**4.0**	**4.1**	**4.1**	**4.3**	**4.8**

1 Includes charter

E Estimated

AIRCRAFT OWNED AND ON ORDER

By U. S. Scheduled Airline Industry

(For Selected Years)

Manufacturer	Model	1953	1959	1960	1961	1962	1963	New aircraft on order for delivery in 1964 and subsequent years* 1964
Armstrong-Whitworth:	Argosy (Turboprop)	----	----	----	7	----	----	----
Boeing:	377	44	21	3	----	----	----	----
	B707 (Jet)	----	66	91	94	117	127	23
	B720 (Jet)	----	----	22	76	99	103	8
	B727 (Jet)	----	----	----	----	----	----	176
British Aircraft Corp.:	BAC 111	----	----	----	----	----	----	44
Canadair:	CL 44 (Turboprop)	----	----	----	9	21	21	11
Convair:	240	113	46	51	46	50	50	----
	340	25	122	117	115	119	121	----
	440	----	36	31	31	30	32	----
	540 (Turboprop)	----	1	4	5	----	----	----
	880 (Jet)	----	----	14	39	45	50	----
	990 (Jet)	----	----	----	----	15	19	31
Curtiss:	C-46	75	66	42	44	40	46	----
Douglas:	DC-3	425	305	276	250	213	208	----
	DC-4	185	73	52	25	15	13	----
	DC-6	189	325	301	260	230	226	----
	DC-7	----	220	217	215	203	178	----
	DC-8 (Jet)	----	18	75	93	100	101	9
	DC-9 (Jet)	----	----	----	----	----	----	18
Fairchild:	F-27 (Turboprop)	----	34	42	44	46	49	1
Lockheed:	Lodestar	11	----	----	----	----	----	----
	Constellation	115	104	75	69	44	40	----
	Super Constellation	25	137	129	115	114	111	----
	Electra (Turboprop)	----	96	107	122	117	117	----
Martin:	202	26	19	15	17	17	18	----
	404	96	85	80	64	66	59	----
Nord Aviation:	262	----	----	----	----	----	----	8
Sud Aviation:	Caravelle (Jet)	----	----	----	17	20	20	----
Vickers:	V-700 (Series) (Turboprop)	----	67	61	57	55	57	----
	V-800 (Series) (Turboprop)	----	15	13	13	12	11	----
Other:		38	15	24	27	23	44	----
Total Fixed Wing:		1,367	1,871	1,842	1,854	1,811	1,821	329
Helicopters:								
Bell:	B47	6	5	5	1	1	1	----
Sikorsky:	S51	3	2	2	1	----	----	----
	S55	8	5	5	5	5	3	----
	S58	----	6	7	7	5	4	----
	S61 (Turbine)	----	----	----	----	4	4	3
	S62 (Turbine)	----	----	1	----	----	----	----
Boeing Vertol:	V44B	----	5	5	5	1	----	----
	V107 (Turbine)	----	----	----	----	4	4	----
Total Helicopters:		17	23	25	19	20	16	3

* The U.S. scheduled airlines have placed 19 orders for the British-French Concorde, and hold 37 tentative delivery positions for the U.S. supersonic transport.

Source for 1963 totals is Federal Aviation Agency's "The U.S. Civil Air Carrier Fleet, September 30, 1963."

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 Carriers** include those carriers which presently have permanent operating rights within the continental United States. There are currently eleven trunk lines, most of which operate high-density traffic routes between the principal traffic centers of the United States.

American	Delta	Northeast [1]	United
Braniff	Eastern	Northwest	Western
Continental	National	Trans World	

2. **The Domestic Local Service Carriers** have, with one exception, been certificated since 1945. These carriers, thirteen in number, operate routes of lesser traffic density between the smaller traffic centers and between these centers and principal centers.

Allegheny	Lake Central	Ozark	Southern
Bonanza	Mohawk [1]	Pacific	Trans-Texas
Central	North Central [1]	Piedmont	West Coast [1]
Frontier			

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

Aloha	Hawaiian

4. **The Intra-Alaskan Carriers** provide service within the State of Alaska.

Alaska Coastal-Ellis	Kodiak	Northern Consolidated	Western Alaska
Cordova	Howard J. Mays [2]	Reeve	West Coast [1]

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

Chicago Helicopter Airways	Los Angeles Airways	New York Airways	San Francisco & Oakland Helicopter Airlines [3]

6. **The International and Territorial Carriers** 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	Eastern	Pan American	Transportation Corp. of America
American	Mackey [2]	Pan American-Grace	Trans World
Braniff	National	Samoan	United
Caribbean Atlantic	Northwest	South Pacific	Western
Delta	Pacific Northern		

7. **The All-Cargo Carriers** operate scheduled flights carrying freight, express and mail between designated areas in the U. S., and in one case to the Caribbean and in another to Europe.

Aerovias Sud Americana	Flying Tiger	Slick
Airlift International	Seaboard World	

8. **Supplemental Air Carriers.** A class of air carriers now holding temporary certificates issued by the CAB authorizing them to perform passenger and cargo charter services as well as scheduled operations on a limited or temporary basis, supplementing the scheduled service of the certificated route air carriers. As of February 1, 1964, there were 15 such companies. Statistical data of these carriers is not included herein.

9. **Intra-state Air Carriers.** A class of air carriers operating as an intra-state common carrier, whose operations are limited to an area within the boundaries of a particular state, and whose operating authority is granted by the Aviation or Transportation Board of Control of that state. Statistics for this carrier group are not included in this report.

10. **Others.** Among other classes of operators are the air taxi operators and air freight forwarders. Air taxi operators are a class of air carriers operating light aircraft up to a gross weight of 12,500 lbs., and engaging in a wide variety of passenger and/or cargo transportation services, with no necessarily fixed routes. Air freight forwarders are classified as indirect air carriers and are engaged in the assembly and consolidation of cargo for transportation by a direct air carrier. There are 94 forwarders operating in domestic interstate and foreign and overseas commerce. Statistical data for these groups of carriers is not included herein.

[1] Also certificated to provide trans-boarder service.
[2] Certificated non-mail carriers.
[3] Certificated to carry persons, property and mail at a service rate.

AIR TRANSPORT ASSOCIATION OF AMERICA

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Facts and Figures, 1964

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