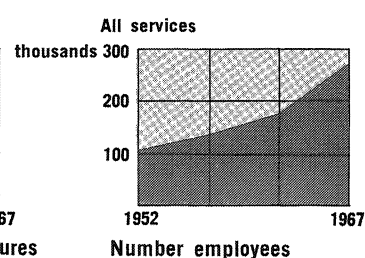
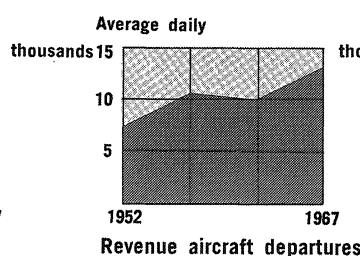
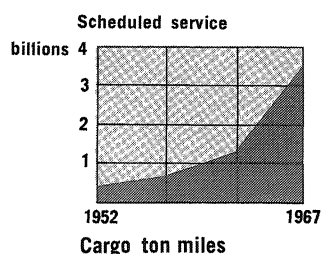
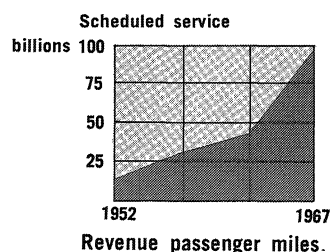


1968

**air transport
facts & figures**

1967 AT A GLANCE

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



1967 % Change

From 1966 From 1965

TRAFFIC

	1967	1966	1965	From 1966	From 1965
Passengers (000).....	132,093	109,391	94,655	20.8	39.6
Passenger Miles (000).....	98,746,641	79,889,250	68,676,459	23.6	43.8
Freight Ton Miles (000).....	2,351,108	2,050,736	1,730,295	14.6	35.9
U.S. Mail Ton Miles (000).....	975,485	751,847	482,977	29.7	102.0
Express Ton Miles (000).....	98,883	98,360	89,859	0.5	10.0
Cargo Ton Miles (000).....	3,425,476	2,900,943	2,303,131	18.1	48.7
Total Revenue Ton Miles (000).....	15,683,236	12,440,910	9,894,985	26.1	58.5

FINANCIAL

Total Operating Revenues (\$000).....	6,864,645	5,746,222	4,957,851	19.5	38.5
Total Operating Expenses (\$000).....	6,156,391	4,969,757	4,285,923	23.9	43.6
Net Operating Income (\$000).....	708,254	776,465	671,928	-8.8	5.4
Net Profit or Loss (\$000).....	415,411	428,584	367,119	-3.1	13.2
Profit Margin on Sales.....	6.1%	7.5%	7.4%	---	---
Total Investment ¹ (\$000).....	5,494,828	4,653,863	3,563,691	18.1	54.2
Rate of Return on Investment.....	9.1%	11.0%	12.0%	---	---

SERVICE

No. of Carriers.....	41	49	49	---	---
No. of Aircraft in Service.....	2,188	2,022	1,896	8.2	15.4
Plane Miles Flown (000).....	1,833,563	1,482,289	1,353,503	23.7	35.5
Available Seat Miles (000).....	174,818,524	137,844,531	124,319,945	26.8	40.6
Average No. of Scheduled Daily Flights.....	13,551	11,982	11,500	13.1	17.8
No. of Points Served ²					
Domestic.....	521	527	532	-1.1	-2.1
International.....	161	161	161	---	---
Route Miles Served					
Domestic.....	304,647	278,663	280,696	9.3	8.5
International.....	376,027	365,067	340,950	3.0	10.3
Total Payroll (\$000).....	2,491,331	2,097,582	1,755,401	18.8	41.9
No. of Employees.....	276,023	244,028	210,795	13.1	30.9
Average Annual Pay (\$)......	9,026	8,596	8,328	5.0	8.4

¹ Investment base as used by the Civil Aeronautics Board in calculating the rate of return on investment.

² Many points serve more than 1 city. Does not include Alaskan points.

The Standard Reference of U.S. Scheduled Air Transportation

AIR TRANSPORT ASSOCIATION OF AMERICA

Twenty-Ninth Edition

Facts and Figures, 1968

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Definition of Terms

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.

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

AVAILABLE SEAT MILES. Aircraft miles flown multiplied by the number of seats available for revenue passenger use.

LOAD FACTOR. Percentage of available ton miles or seat miles sold in scheduled service.

REVENUE PLANE MILES. Aircraft miles flown in scheduled service.

AIR CARGO. In the United States, any mail, freight or express moving by air. In other countries, freight only. Domestic air cargo consists of the following classes of service:

Priority Mail—Mail assured of airlift. Includes air mail and air parcel post.

Non-Priority Mail—Airlift of first class mail on a space-available basis.

Air Express—An airline/Railway Express Agency partnership for the priority movement of packages generally under 50 pounds.

Air Freight—The airlift of commodities of all kinds. Individual shipments are generally over 50 pounds.

OPERATING REVENUES. Total revenues accruing from air transportation operations.

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.

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

NET PROFIT OR LOSS. Net income after Federal income taxes, special items and non-operating income or loss.

SUBSIDY. (Public Service Revenue)—Payments by the Federal Government to insure air service to communities in the United States which otherwise could not afford it.

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

INVESTMENT TAX CREDIT. A Federal tax deduction of up to 7% resulting from the qualified investment in certain types of airline property.

RATE OF RETURN ON INVESTMENT. Total return, i.e., net profit plus interest paid on long-term debt, as a percent of average investment. Average investment is a five-quarter average of total net worth (stockholders' equity) plus long-term debt. In 1967 data, the value of equipment purchase deposits is deducted from the investment base.

As used in this report, rates of return for 1965, 1966, and 1967 reflect net profit before tax reductions resulting from the investment tax credit, in accordance with the methodology of the Civil Aeronautics Board.



STUART G. TIPTON
President
Air Transport Association
of America

AIR TRANSPORTATION AND NATIONAL GOALS

The decade of the sixties will soon be over. The airlines are now planning for the next ten years, a period which promises to produce even more change and growth than the industry has experienced in the last decade.

During the last ten years, the airlines have brought about a transportation revolution. This revolution did not happen by itself. It has taken imagination, boldness and billions of dollars of risk investment to convert the Jet Age from the vision of a few to the everyday reality taken for granted by millions.

In the process of this revolution, the airlines have emerged as a potent force in the national economy. With \$6.9 billion of revenue, over \$2 billion of annual capital expenditures, 132 million passengers, 3.4 billion ton miles of cargo and 276,000 employees, air transportation has become a major American industry.

The Jet Age has brought dependable, swift and economical transportation to literally every part of the world. The accomplishments of air transportation have gone beyond the triple mandate which the Congress has set out for the airlines: to serve the foreign and domestic commerce, the Post Office and the national defense.

As a public service industry, the airlines recognize that their primary responsibility is to advance the nation's interest. The airlines have carried millions of passengers safely and efficiently. The airlines' development of air cargo has led to a whole new pattern of distribution of the nation's freight. They have carried the mail expeditiously and in times of emergency—and the Viet-

nam War is only one example—they have served the nation's military needs.

The airlines have served the nation in other ways as well. This edition of "Facts and Figures" spells out a variety of ways in which airlines are contributing to the attainment of national goals. These include:

- **The goal of full employment.** As a dynamic industry, air transportation creates new jobs at a rate considerably in excess of the nation's industries as a whole. In the last five years, airline employment has expanded 60 per cent. Last year alone, the airlines created 32,000 new jobs and are creating as many in 1968.

Supplementing the increase of employment in the airline industry itself are the jobs created by purchases, particularly of aircraft and related equipment. Over the last three years, the airlines have invested an average of \$2 billion annually in new equipment. This rate of investment is responsible for the creation of more than 150,000 net additional jobs each year among the many firms manufacturing components of the new aircraft.

In addition to the new jobs being created in the airline industry, the airlines are joining with other industries in a program to hire and train those whose lack of skills would normally limit their employment opportunities.

- **The goal of improving the balance of payments position.** An important goal of the United States is to reduce the balance of payments deficit.

The airlines reacted quickly to the Administration's call for action by industry to encourage travel by foreign visitors to the United States. The U.S. airlines led the way toward an international agreement which cut the fares to the U.S. by about 50 per cent. The airlines have also reduced

fares for foreign visitors for air trips within the U.S. by 50 per cent. As a further stimulus, the airlines have undertaken a vigorous advertising campaign abroad and will be investing \$17 million in advertising in foreign countries this year.

• **The goal of combating inflation.** The airlines' performance in combating inflationary pressure over the last five years has served the public well. The industry has re-equipped and expanded on a massive scale, met substantially increased wage costs, as well as higher and higher material, equipment and construction costs, and at the same time has reduced its average fare per passenger mile about 13 percent during this period. The severe inroads made by steadily increasing costs on operating income raise serious questions as to the ability of the airlines to maintain this trend. The performance to date, however, is one of which industry can be justly proud and is unequaled by any other major U.S. industry.

• **The goal of using resources more efficiently.** The airlines' use of a new advanced aviation technology has made air transportation not only a modern, but a highly efficient industry. The nation's resources of capital and labor are not unlimited and the heavy airline investment in highly productive equipment and facilities has enabled them to use proportionately less and less of these resources for each passenger mile or ton mile of service produced. In addition to \$7 billion of new capital investment in the last 10 years, the airlines now have on order more than \$13 billion in new equipment, plus substantial amounts to be spent for related facilities on the ground.

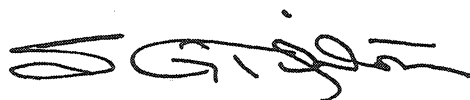
The greater technological sophistication of the aircraft and supporting equipment also allows the airlines to utilize the nation's airways as well as the airports more efficiently at a time when

growing congestion makes such efficiency exceptionally valuable.

• **Making air transportation safer.** In President Johnson's State of the Union Message this January, he urged a "program for new air safety measures." Enhancing air safety has always been a goal of the airlines. It is a goal in 1968 and it will be in future years. The steadily improving safety record of the airlines comes about through a ceaseless search for, and introduction of, improved technology. Better equipment and better management of that equipment have combined to make U.S. airlines' safety performance the envy of the world. The record is good now; it will get better. It will get better because coming up on the horizon are such significant technological innovations as warm fog dispersal, a collision avoidance system, flight simulators and a long list of electronic and mechanical improvements to the system.

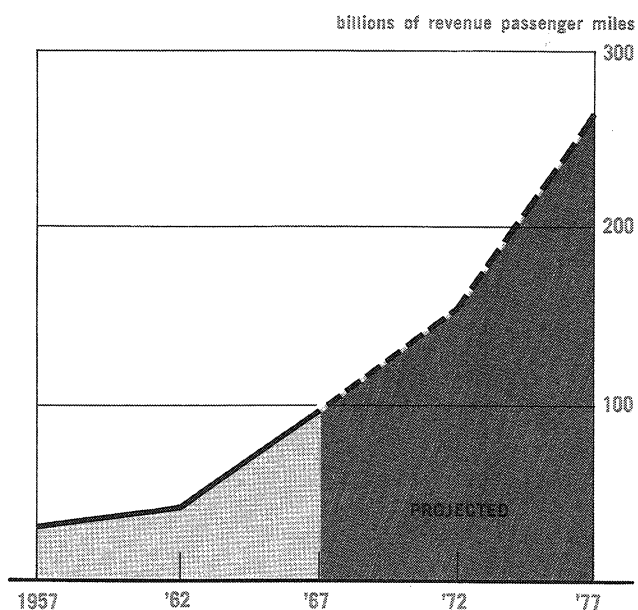
It is for the government to take leadership now in expanding and improving the aviation system in the United States. For their part, the airlines have bought aircraft, hired and trained technical personnel and invested millions in airport improvements. The present airways system—which is owned and operated by the Federal government—is safe, but it is slow. In many areas of air navigation, airline installations of airborne equipment are ahead of matching equipment which must be installed in ground facilities by the government.

Perhaps what is needed, then, is a new national goal which would have as its end result the development of a program by the government to expand the aviation system and thus cut down on the growing delays. Such a program would, at the same time, contribute to over-all efficiency and safety—a goal of the highest priority.



THE YEAR IN REVIEW

Projected growth of U.S. scheduled airline passenger traffic



In 1967, the scheduled airlines of the United States again set records in traffic and in revenues.

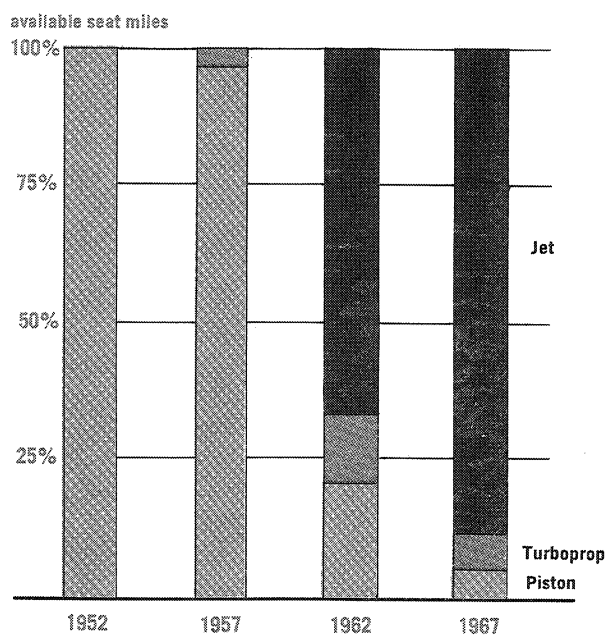
But any comparison with the year previous must be viewed against the fact that 1966's performance was distorted by a 43-day strike of the International Association of Machinists against five major trunk airlines. The struck airlines account for approximately 60 per cent of domestic airline passenger traffic. The airlines estimate that the strike resulted in net losses of 4.4 billion passenger miles and more than \$270 million in revenues.

During 1967, revenue ton miles—the overall measurement of passenger, freight and mail traffic—rose to 15.7 billion, compared with 12.4 billion in 1966, an increase of 26.1 per cent.

Traffic Highlights:

	1967	1966	Per Cent Increase
Passengers	132,093,000	109,391,000	20.8
Revenue Passenger Miles	98,746,641,000	79,889,250,000	23.6
Cargo Ton Miles	3,425,476,000	2,900,943,000	18.1

Growth of jet service
U.S. Scheduled Airlines



Air Cargo Gains Continue

A significant highlight of the traffic year was the continuing surge in air cargo, which includes freight, express and mail. The air cargo breakdown (in ton miles):

	1967	1966	Per Cent Increase
Air Freight	2,351,108,000	2,050,736,000	14.6
Air Mail	975,485,000	751,847,000	29.7
Priority	567,728,000	542,772,000	4.6
Non-Priority	407,757,000	209,075,000	95.0
Air Express	98,883,000	98,360,000	0.5

The growing use of air freight by more and more firms is indicated by the healthy increase in the freight results for the year. The surprising aspect of cargo development in 1967, however, was the startling growth in non-priority mail. Begun as an experiment in 1953 to test the ability of the airlines and the Post Office Department to move first class letter mail on a standby basis between selected cities,

the program has grown to the point where, during the last few months of 1967, the airlines were carrying almost as much non-priority mail as priority mail.

Lower Passenger Yields

The downward trend in the average revenue per passenger mile, or yield, which began in 1962, continued during 1967. The proliferating discount fares contributed to the decline. For the year, the passenger yield was 5.49 cents, a decline of 13.0 per cent from 1962.

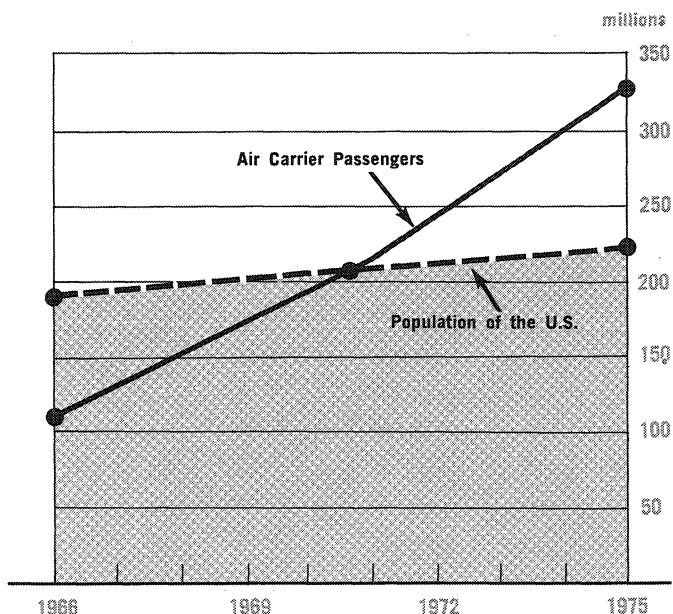
For the passenger, air transportation per mile cost less than it did in 1966. The savings came to about \$175 million.

Increasing Costs Offset Record Revenues

Increased revenues, held down by the decline in yield, were not sufficient to offset increases in operating costs with the result that net operating income declined by 8.8 per cent during the year. Net income, bolstered somewhat by non-operating income, declined 3.1 per cent.

For the full year, airline operating revenues came to \$6,864,645,000 and operating expenses to \$6,156,391,000 for an operating income of \$708,254,000. After provision for taxes and special items, and other non-operating income, or expenses, the airlines had earnings of \$415,411,000.

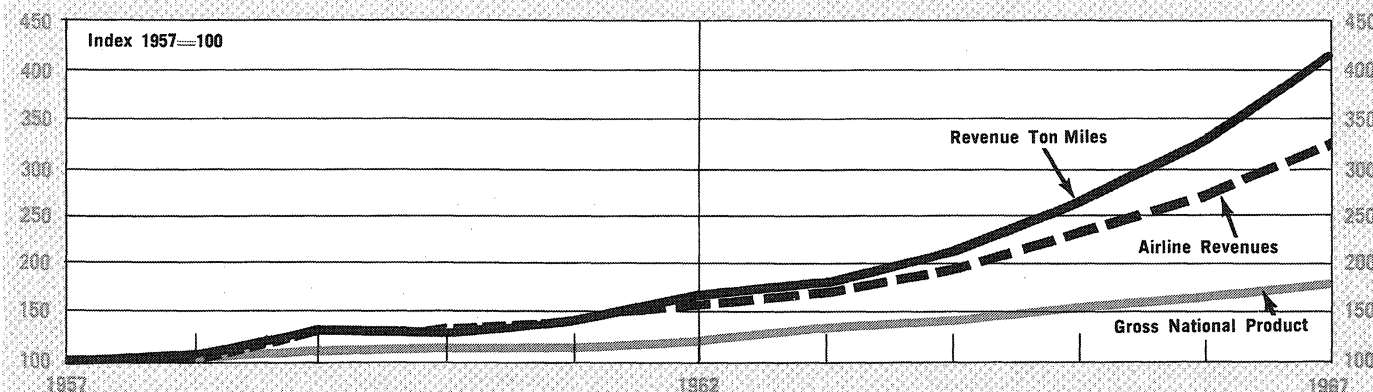
U.S. population and air carrier growth compared



Source: Bureau of the Census—Assumption II-B
Air Transport Association

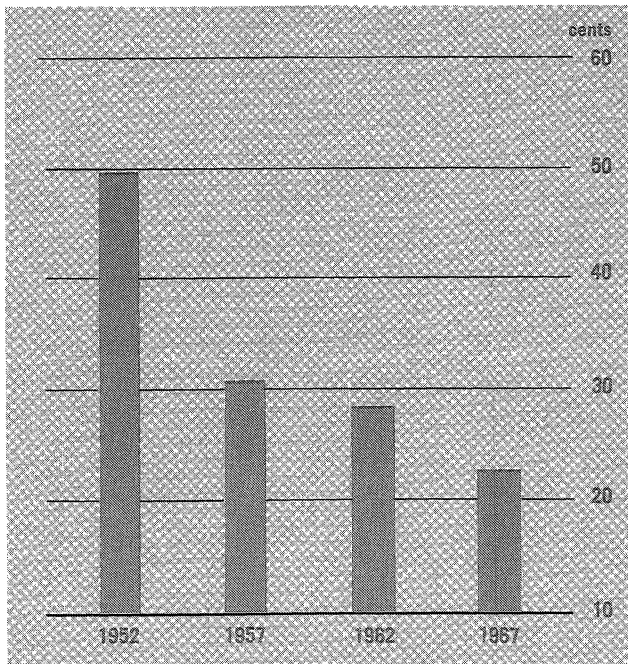
Based on present population and air traffic trends, in 1971 the number of passengers carried by the U.S. scheduled airlines will surpass the population of the U.S.

Comparative growth rate of airline traffic and revenues and gross national product (GNP)

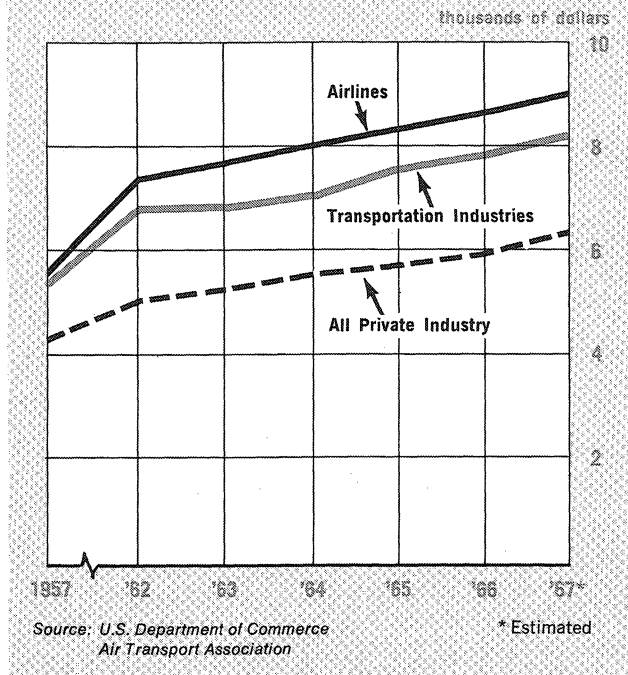


Source: U.S. Department of Commerce
Air Transport Association

Decline in air cargo yield
per ton mile of service



Annual average wages compared
Private industry, transportation industries, airlines



The Growing Squeeze on Profits

While revenues increased to an all-time high, profits declined. Over the last five years, the revenue-profit picture looks like this :

1967 Score Card: Revenues Up, Net Income Down

	Revenues (\$000)	% Change Previous Year	Net Income (\$000)	% Change Previous Year
1963	3,759,051	+ 9.3	78,480	+ 50.0
1964	4,251,302	+ 13.1	224,440	+186.0
1965	4,957,851	+ 16.6	367,119	+ 63.6
1966	5,746,222	+ 15.9	428,584	+ 16.7
1967	6,864,645	+ 19.5	415,411	- 3.1

The reasons for the profit lag are many, but center on the inability of the airlines to reduce operating costs per unit of traffic to the same extent as unit revenues. The airlines have, since 1962, steadily lowered the average revenue per revenue ton mile, or yield, while the cost of doing business, as measured by the cost of the revenue ton mile has also gone down. In 1967, however, for the first time since 1963, the unit cost failed to decrease significantly while the yield continued to decrease at the same rate.

U.S. Scheduled Airline Industry

	Rev/RTM	% Change Previous Year	Cost/ RTM	% Change Previous Year	Operating Profit	% Change Previous Year
1963	54.79¢	-0.6%	50.72¢	-2.6%	4.07¢	+33.9%
1964	53.04	-3.2	47.17	-7.0	5.87	+44.2
1965	50.10	-5.5	43.31	-8.2	6.79	+15.7
1966	46.19	-7.8	39.95	-7.8	6.24	- 8.1
1967	43.77	-5.2	39.25	-1.8	4.52	-27.6

The trend continued, and even accelerated in the first quarter of 1968. Eleven trunk airlines reported revenue ton mile yields down 3.8 per cent from the first quarter of 1967. Unit costs showed an increase of 1.3 per cent over the same period of 1967.

The first quarter statistics for these carriers continued the downward earnings and rate of return trend which began in the year under review. The rate for the year ended March 31, 1968 was 7.7 per cent, while first quarter 1968 results showed that operating profit was 1.90¢ per ton mile, 56.0 per cent under the same quarter of 1967. For these 11 airlines the dollar volume of net income in the first quarter of 1968 was 44 per cent below the same period a year ago.

The rate of return for the industry was 9.1 per cent for the year. In 1966, the rate of return was 11.0 per cent and in 1965, it was 12.0 per cent. The CAB has set 10.5 per cent as a reasonable rate of return for the trunk airlines.

Employees and Payrolls Rise in 1967

Last year more than 32,000 men and women went to work for the airlines. In the last five years, more than 100,000 new jobs have been created. 1968's new jobs should equal those of 1967. These new jobs are being created by the airlines and by the growing demand for the air transport product.

Total employment rose to 276,000 and payroll went from \$2.1 billion to \$2.5 billion. The average annual salary went a bit over \$9,000, from \$8,596 in 1966.

High Safety Rate Maintained

The overall airline safety record was again well below one fatality per 100 million revenue passenger miles. The safety rate was 0.22 compared with 0.07 in 1966 and 0.31 in 1965.

New Equipment Ordered—Jet Fleet Increases

In 1967 the airlines took delivery of 387 new jet aircraft, valued at more than \$2 billion. The new aircraft brought the airline fleet to 2,188 of which 1,723 were pure jet or turboprop.

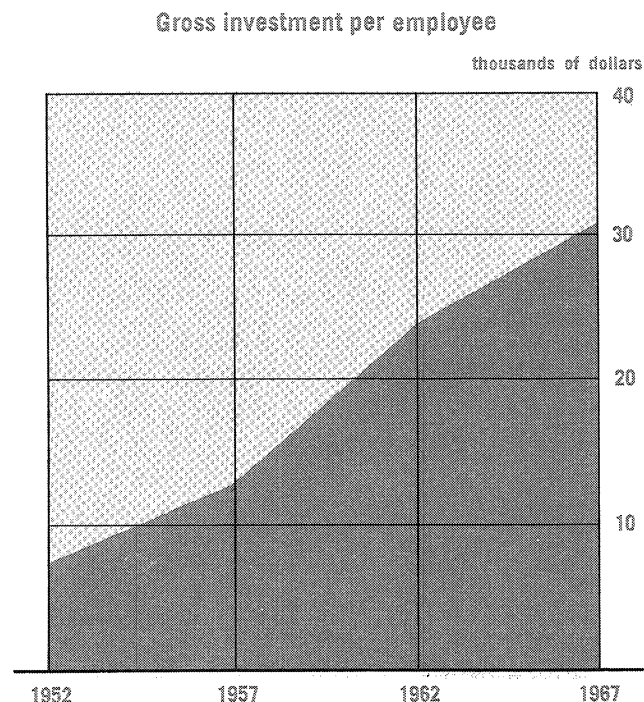
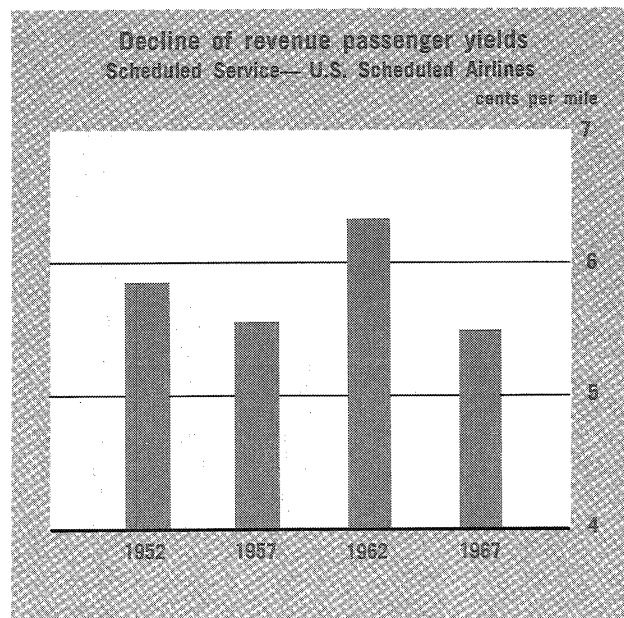
On order for delivery for 1968 through 1971, and beyond, are 1,055 new aircraft, valued at more than \$13 billion. Of this total, \$10 billion represents orders for 958 subsonic aircraft.

During 1968 alone, the airlines will be taking delivery of 451 new jets valued at approximately \$3 billion. More than 400 of this number are pure jets, the remainder are turboprops. No piston aircraft are on order.

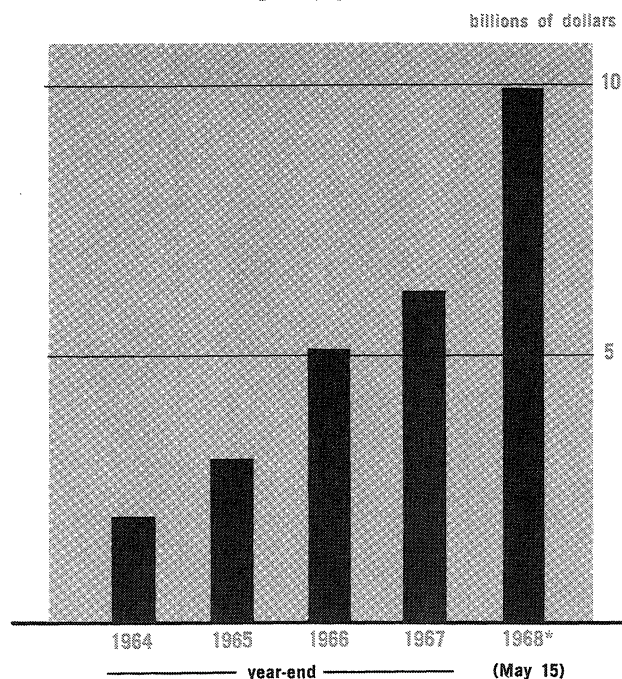
The new orders are all firm commitments and do not include options. Of the total of 1,055 new aircraft on order, 38 are supersonic Concorde, manufactured by the British Aircraft Corporation and Sud Aviation, and 59 are supersonic 2707's, manufactured by the Boeing Company. The total Concorde investment comes to \$760 million, and the 2707 order comes to about \$2.4 billion.

THE NEW ROLE OF THE AIRLINES IN MAIL TRANSPORT

Air transport of mail is now in its 50th year and has become one of the government's greatest bargains. It costs the Post Office Department 22 per



Re-equipment program continues rapid increase Value of flight equipment on order



cent less today to buy space for a sack of mail aboard an airliner than it did ten years ago. In these same years, the cost of nearly every other product and service the Post Office and other government departments buy has been on the rise.

The announcement of former Postmaster General Lawrence F. O'Brien that all first class mail that can be expedited by air transportation is now being airlifted marks an important new level of service. The Postmaster General's further announcement that he plans to ask Congress for legislation for a new single class of priority mail heralds an even higher level of mail service just ahead.

While the airlines are carrying more and more mail, they are getting paid less and less. In 1967, ton miles of air mail service rose 30 per cent while the airlines' mail revenue rose less than 12 per cent.

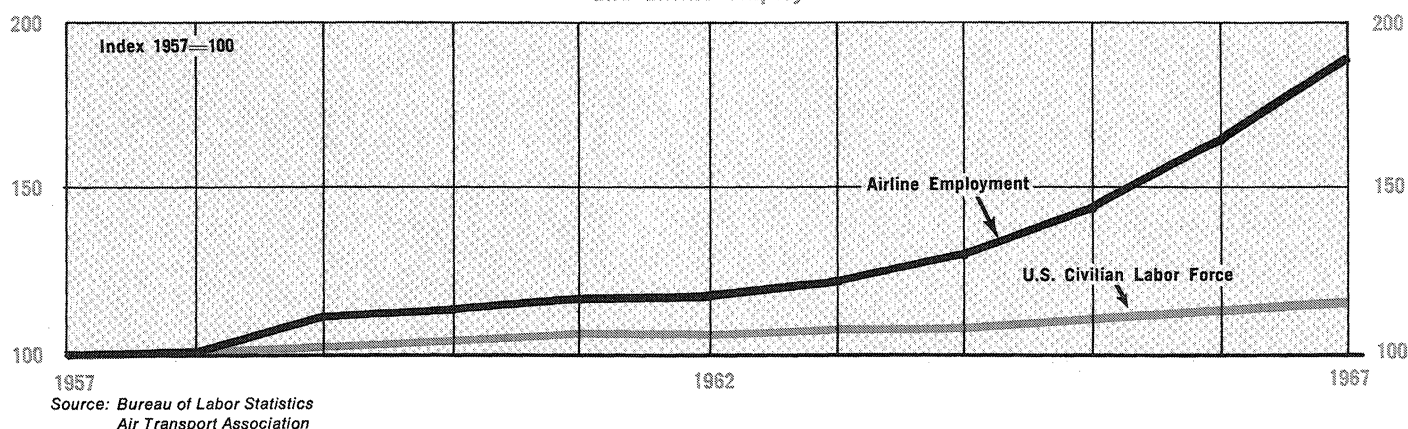
For each of the old eight-cent air mail stamps sold, the Post Office Department retained 7.3 cents and the airlines received 0.7 cents.

For each of the new ten-cent air mail stamps sold, the Post Office Department retains 9.4 cents and the airlines receive 0.6 cents.

When first class mail moves today aboard an airliner, the Post Office Department retains 5.85 cents of the cost of the new six-cent stamp and the airlines receive 0.15 cents.

While many classes of mail result in a Post Office Department deficit, letter mail returns a surplus. This is true of both first class mail and air mail, but more so of air mail.

Comparative growth rate of U.S. labor force and airline employment



First class mail, under the old five-cent rate, returned \$1.03 for every dollar of Post Office funds expended and air mail, under the old rate, returned \$1.05. Under the new six-cent rate, first class mail is now returning \$1.10 and air mail, under the ten-cent rate, \$1.19 for every dollar of Post Office expenditures.

EXPANDING THE AIR TRANSPORTATION SYSTEM

As the airlines begin to prepare for the 1970's, the problems of congestion loom larger. Projections of passenger traffic and cargo shipments lend a sense of urgency to the airline planners. Conservative estimates see a trebling of airline traffic by 1975—as compared to the 1966 level—and some experts anticipate a quadrupling of the level of traffic by 1980.

The airlines have planned for this enormous increase in traffic by their multi-billion dollar investment in flight equipment.

But aircraft equipment is only one part of the aviation system. The environment in which the aircraft must operate—the air traffic control system and the airport network—must also be expanded in the years ahead.

Considering the long lead time requirements of new airport and new air traffic control facilities, there is a pressing requirement for the government and the users of the aviation system to develop immediate programs in 1968 to handle the traffic that is already on the way.

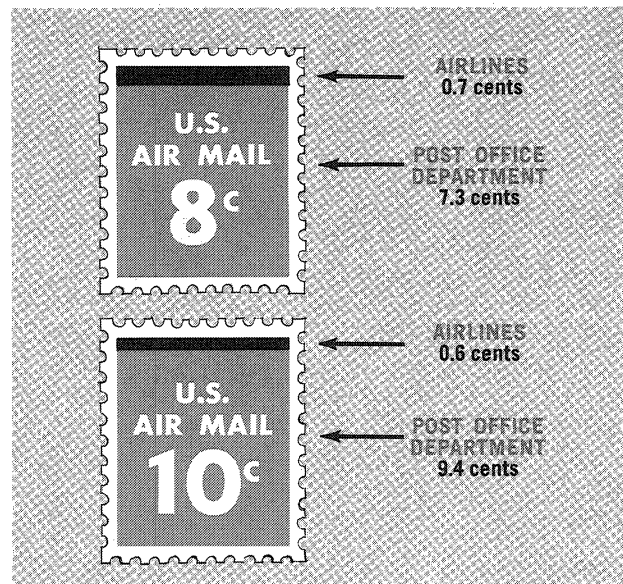
The Airports

There are presently 526 airports in the continental United States served by commercial air carriers. Despite the fact that traffic on the nation's airlines has doubled in the last five years and will triple in the next ten, the number of airports has remained practically static.

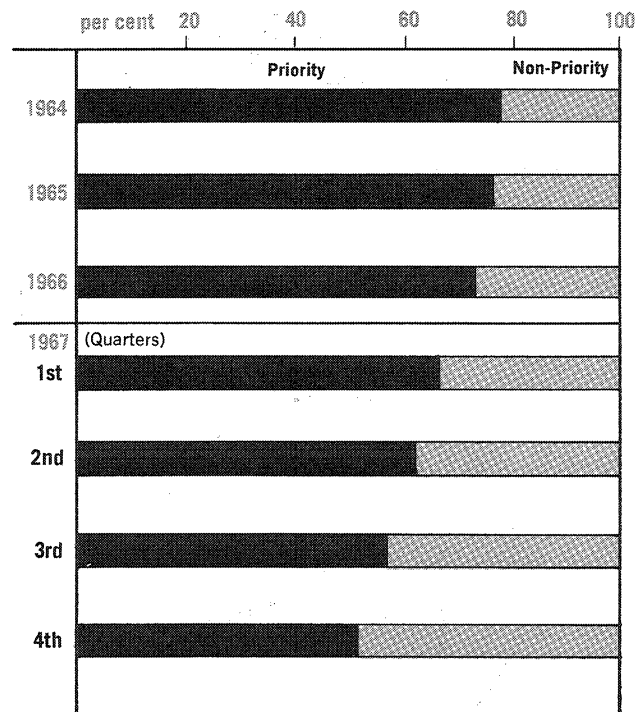
Of the airports in use today, 23 are described by the Federal Aviation Administration as major hub airports. They serve the large cities where some 65 per cent of airline traffic is generated. Most of the problems connected with airport congestion are centered here.

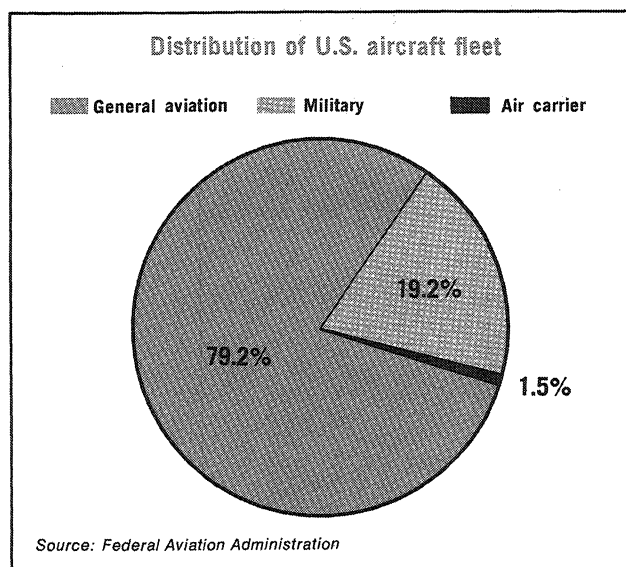
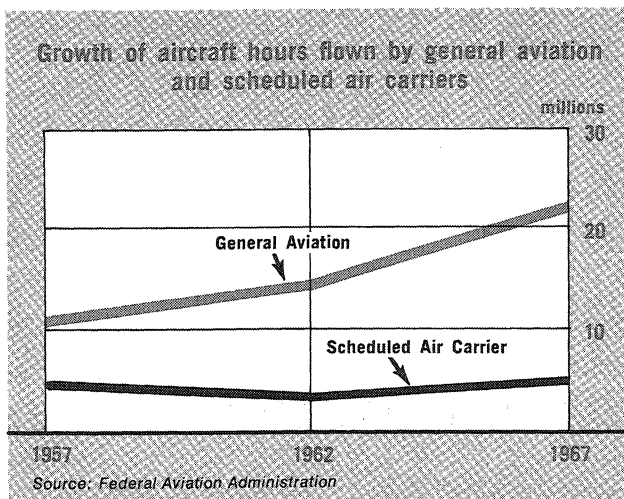
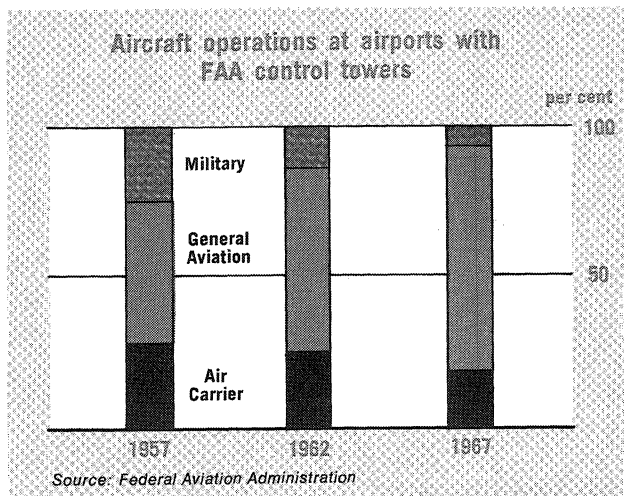
The lead time for constructing a major airport complex is some seven to ten years. At present there are only a handful of new major airports under construction or in the planning stage: Kansas City, Dallas/Ft. Worth, Houston, Jacksonville, Miami and Las Vegas.

New postal rates develop more income for Post Office Department



Rapid growth of non-priority mail





Since the number of new airports being constructed falls short of anticipated requirements, it is vital that existing airports be expanded and improved to handle the traffic of the 1970's.

The scheduled airlines have already embarked upon an improvement program with respect to the facilities which they use. In 1967, some \$120 million was spent in expanding their facilities. Through 1971, the airlines expect to spend another \$1.6 billion in new terminal facilities: hold rooms, baggage retrieval systems and other services.

The Delay Problem

The Federal Aviation Administration estimates a requirement of some \$6 billion to successfully expand and improve the nation's airport system. Much of the airport investment will be designed to provide more and better facilities for the 112,000 private aviation aircraft now using the nation's air facilities. The growing squeeze on the users of the airport system—commercial, private aviation and military—has built up an increasingly large amount of delay, particularly at the 23 large hub airports.

The airlines estimate that in 1967 their out-of-pocket costs because of delays were \$50 million. These costs include extra fuel, extra crew time and a variety of other additional costs resulting from delays in and around airports. The cost to passengers—in terms of lost productive time—comes to another \$50 million a year.

Causes of Delays

An important measure of activity in the air is the number of hours flown in each year. Although scheduled U.S. air carriers have increased their hours in the air in the last ten years, general aviation has far outstripped the carriers. By 1977, general aviation will be operating almost 35 million hours a year, compared to more than 9 million for the air carriers.

The air carrier fleet will increase over the next few years but the number of general aviation aircraft will increase at a more rapid rate. By 1977, indications are that general aviation will have 180,000 aircraft to the air carriers' 3,500 aircraft.

Since general aviation and the airlines jointly use most of the airports with FAA towers, it is interesting to note the use of these bigger airports by general aviation.

Today, general aviation operates 74.6 per cent of operations at airports with FAA towers. By 1977, this figure will be, the FAA projects, 86.1 per cent for general aviation and only 12.2 per cent for air carriers.

The Air Traffic Control System

While safe, the air traffic control system in the United States is in immediate need of expansion and overhaul. The projections of the use of the airways system indicate that by 1975 demand for air traffic control will be nearly triple what it is today. To overhaul the system, the airlines have proposed a far-ranging program which will call for an expenditure of more than \$100 million a year for the next five years.

The airlines, who now pay their fair share of the airways system through the five per cent ticket tax levied on all domestic air transportation, expect to continue to pay their fair share of the system in the future.

Last year, according to FAA figures, the airlines contributed \$200 million, just about equal to the 40 per cent share of the airways that the FAA says is the airlines' share.

The airlines, through the ATA, presented testimony in August 1967 to the House Subcommittee on Transportation and Aeronautics on a program to improve the air traffic control system. The airline program:

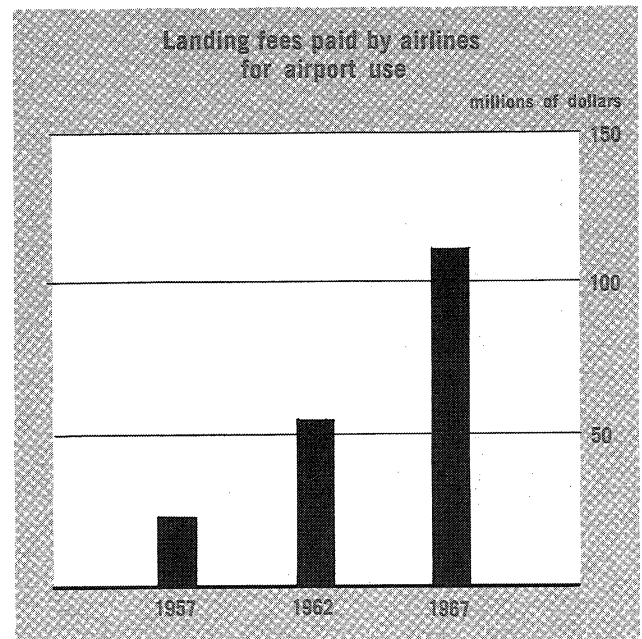
AIRLINE RECOMMENDATIONS FOR ADDITIONAL FAA FACILITIES AND SERVICES FOR FISCAL YEAR 1968

Facility or Service	Number of Requests	FY 68 Funds
Control Tower	60	\$20,000,000
Tower Radar	75	35,000,000
Bright Radar Display	85	2,000,000
Beacon Alphanumeric	15	10,000,000
System Back-up	—	3,000,000
Research and Development	—	10,000,000
Positive Control	—	5,000,000

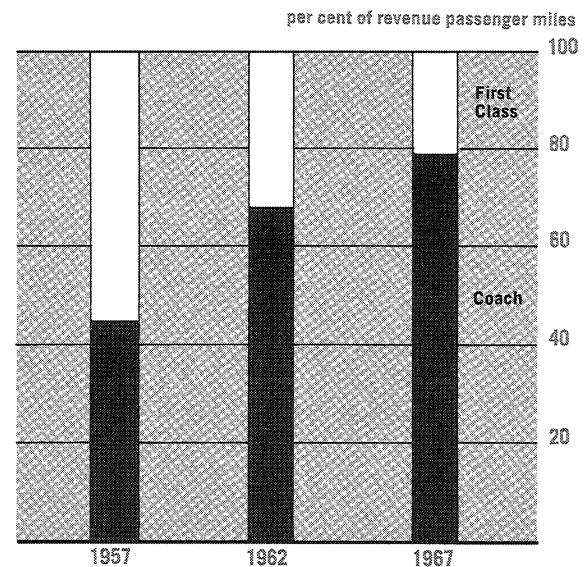
WHAT THE AIRLINES ARE DOING TODAY ABOUT TOMORROW'S TRAFFIC

Aircraft technology has historically played hare to the tortoise pace of airport design and expansion. But today the U.S. airlines are pushing the state-of-the-art in many areas of technology to insure that they will be ready to handle the jumbo jets and the increased traffic they will bring in the 1970's.

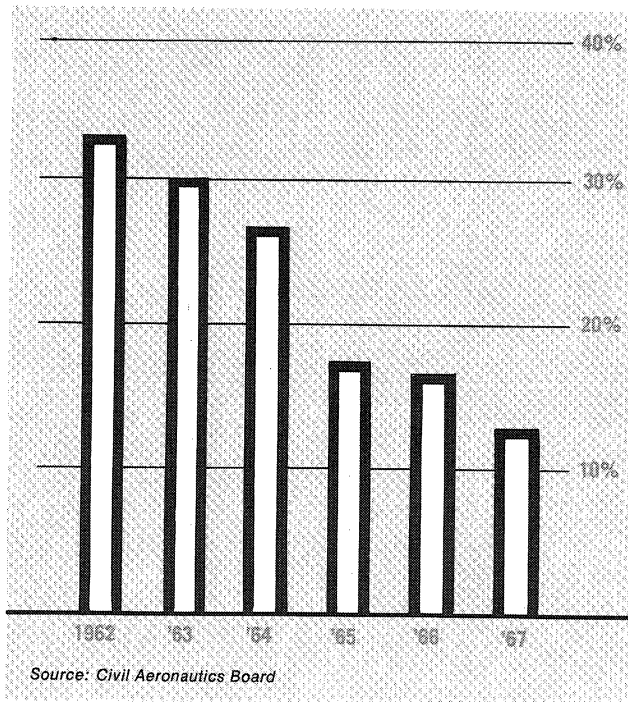
Airport Master Plan Reports are being prepared by ATA and the airlines for the 23 major hub airports that generate nearly 65 per cent of all airline traffic. Each report includes an in-depth evaluation of existing conditions and anticipated future require-



Growth of coach and first class passenger traffic



Local service subsidy
as per cent of revenues declines



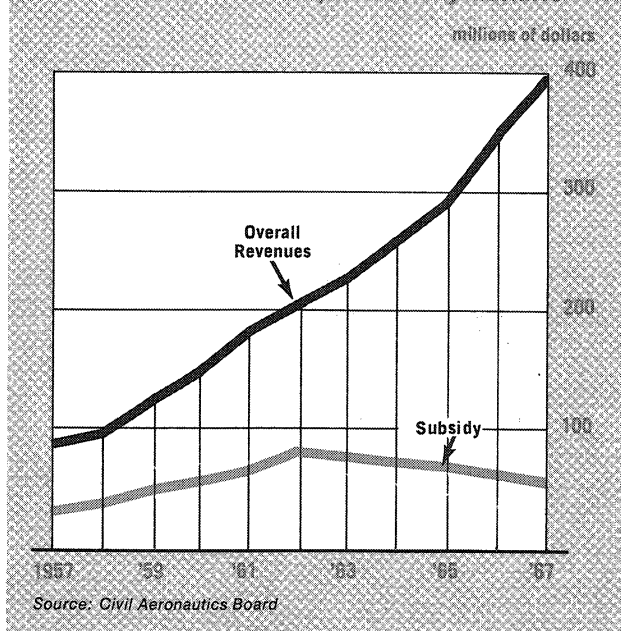
ments at each airport, including airfield facilities, surface transportation, public auto parking and terminal aircraft gates.

To accommodate the great volume ahead—in terms of baggage alone—the airlines are developing a multi-million dollar automated baggage system which will take luggage from planes, and by means of “memory units” keyed to respond to passenger baggage claim checks, will send the luggage within three minutes on a high-speed track to any of dozens of locations around the airport and its parking lots.

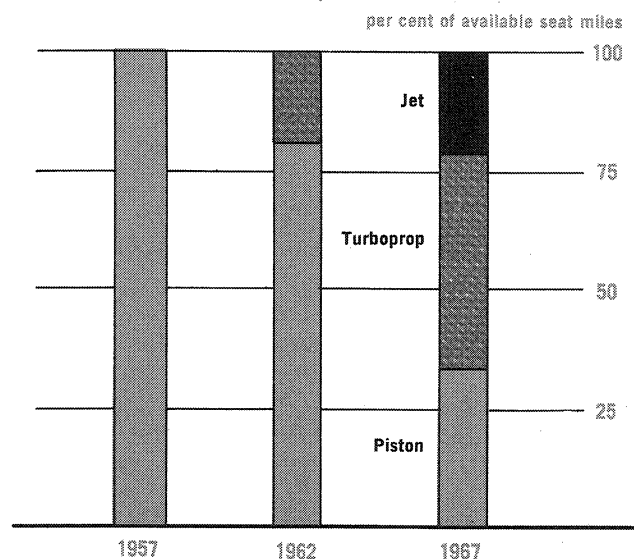
Also in the final stages of development is an automated ticketing system which will provide tickets and confirmed reservations in 80 per cent less time than it takes today. In the early 1970's, a passenger may go to a shopping center and insert a plastic credit card into a vending machine, press a button to see if there is a seat available, and punch another button and have a ticket drop into his hands—confirmed, recorded and ready to use. Quick check-in devices will enable him to go directly to the gate and avoid ticket counter check-in lines.

Another important airline project underway is the development of a common automated reservations system, which would store seat availability for all participating airlines and notify the airlines' computers of seat reservations. With a single terminal

Local service revenues up as subsidy declines



Local service airlines re-equipping
with new turbine-powered aircraft



in his office, a travel agent could receive instant confirmation of airline passage or car rental, and also calculate schedules from a microfilm retrieval system.

Some airports are already well advanced in updating terminal facilities to accommodate increased passenger traffic. Kansas City's Mid-Continent International Airport has "drive-to-the-gate" convenience with each terminal building serving 15 aircraft positions. Dallas-Ft. Worth has applied the linear concept where a passenger will park directly above the airplane terminal he plans to use. Cleveland's airport-to-downtown rapid transit system is already under construction. Beginning this fall, an air-conditioned overhead monorail will convey Braniff International passengers and their baggage from a parking lot check-in terminal at Love Field in Dallas directly to the airline's passenger loading wing.

Other time-saving, airport-relieving measures being considered include use of helicopter pods (portable lounges into which passengers are loaded and which are then hooked to a helicopter and airlifted to the appropriate airport) and development of the "STOL-port" to accommodate short takeoff and landing craft which could fly passengers from downtown to downtown between nearby cities.

MAKING AIR TRANSPORTATION SAFER AND MORE EFFICIENT

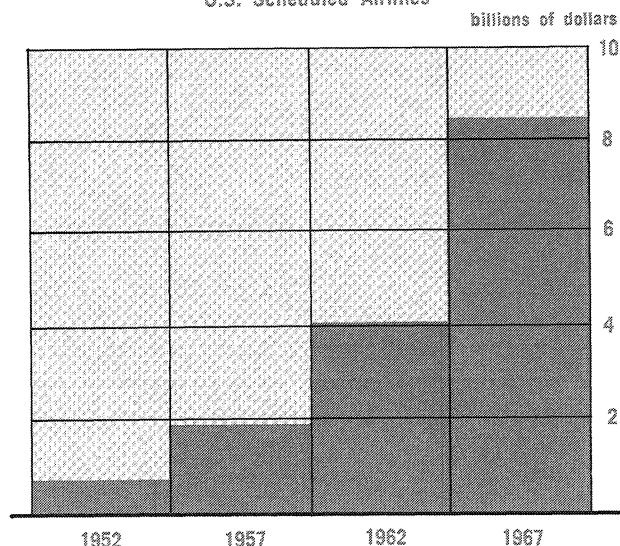
The introduction of new airline technology does not end with the placing into service of today's newest, and most advanced, jet-powered aircraft. For airline operations and maintenance people, that's just the beginning. A host of improvements is constantly being made in devices on the aircraft and in its operating environment to make air transportation more dependable, safe, and more efficient than at the beginning of the civil jet age.

The 707's that inaugurated the jet age back in 1958 and 1959 are still flying, but their capabilities have been dramatically improved in ways that most passengers never see. Even now, new technological applications are being tested and studied to accelerate this dramatic improvement in capability for both existing and future airliners. For example:

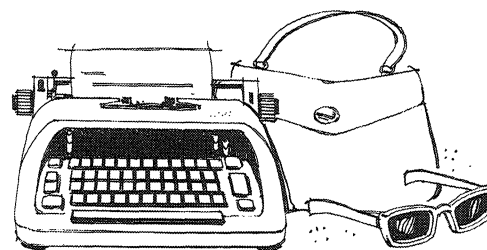
Radar Beacon System: When the early jets went into service, they were equipped with a device that would reply to interrogation by FAA's ground radar, thus reinforcing the plane's target on the radar scope used by air traffic controllers.

The air traffic control radar beacon system is now being expanded to use 4096 codes, which will

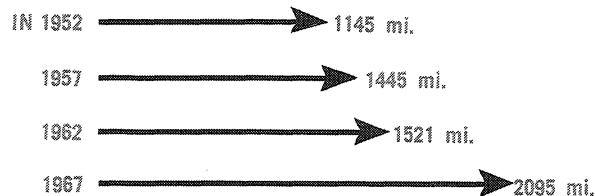
Gross investment in operating property and equipment
U.S. Scheduled Airlines



Average secretary's salary buys more air transportation today

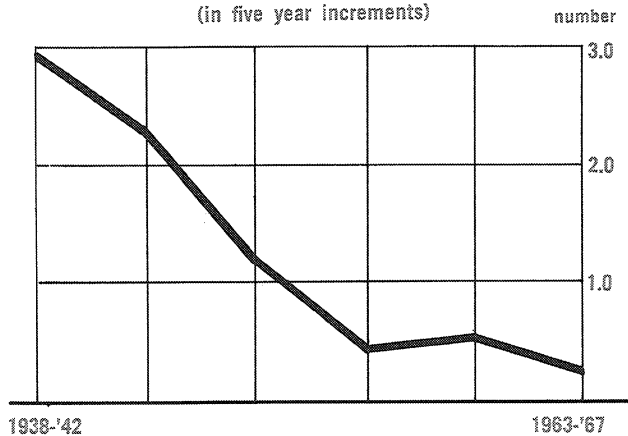


SHE WORKED A WEEK TO TRAVEL



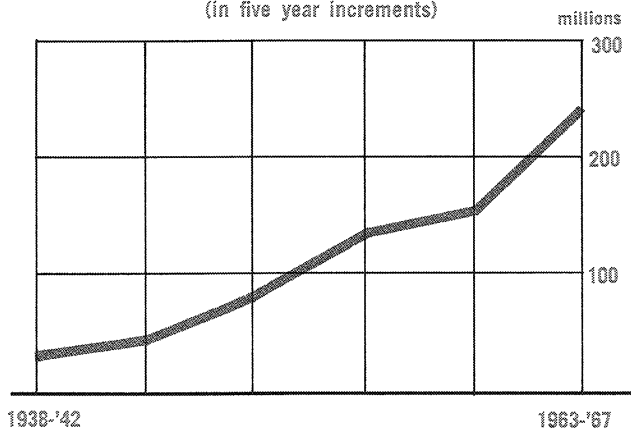
Decreasing airline fares, combined with increasing salaries, have made more travel on a week's pay possible.

Fatalities per 100 million revenue passenger miles
(in five year increments)



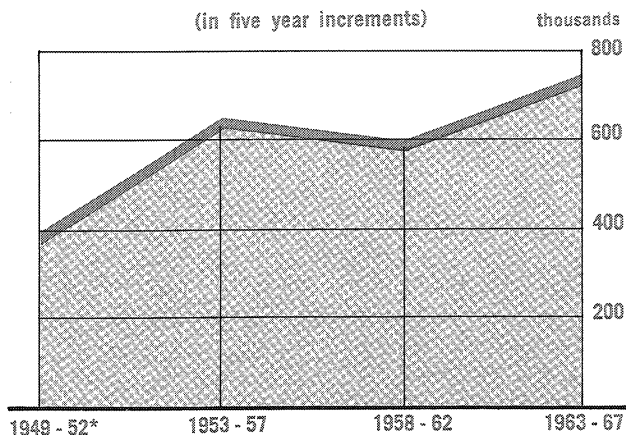
Source: Civil Aeronautics Board

Revenue plane miles per fatal accident
(in five year increments)



Source: Civil Aeronautics Board

Scheduled airline aircraft hours per fatal accident
(in five year increments)



* Data not available before 1949.

Source: Civil Aeronautics Board.

greatly improve the efficiency of air traffic control by displaying both the altitude and identity of each equipped aircraft next to its target on the controller's scope.

To make this name-tag display possible, the airlines are retrofitting existing jets with the expanded reply code equipment and a device that will encode the airplane's altitude as shown on the pilot's altimeter. By 1970, 69 per cent of the fleet will be equipped to give a name-tag display of the aircraft's identity and altitude.

Area Navigation Capability: For some 20 years, the basic navigational system in the U.S. has been the very high frequency omnidirectional range, or VOR. Using VOR, pilots select a radial path to or from the station to which their receiver is tuned, and signals from that station produce a cockpit display showing the pilot whether he is on the radial, or to the right or left of it.

The very first civil jets were equipped with the VOR receiver. Later, a new device was added on the ground and in the cockpit—distance measuring equipment (DME). This addition gave the pilot a continuous indication of the distance in miles to or from the station.

In an industry-FAA program during 1967, two airlines began testing new ways to use the VOR/DME information more efficiently. One payoff could be the ability to establish airways needed for air traffic control, without having to make additional ground installations as is often the case today. This capability holds promise of improving the capacity and efficiency of the air traffic control system without requiring large additional expenditures for ground-based navigation aids. Instead, it will be the airlines that make expenditures by their installation of airborne equipment with this new capability. Possible cost per aircraft may range from \$8,000 to \$15,000.

Collision Avoidance System (CAS): A device that will alert the pilot to a potential collision and tell him what avoidance maneuver to make, and when to make it, has long been sought by the airlines. When, in 1965, such a device finally appeared to be technologically practical, the airlines mounted a major effort to turn this promise into hardware that could be used on airline aircraft. During 1967, an airline group working with manufacturers came up with a technical description of a CAS that would meet airline requirements. This group then developed a plan for testing and proving out equipment built to this system description. The ATA Board of Directors authorized funding for the initial portion of this test program and the airlines

are now seeking a flight test management agency to perform these tests under contract with the ATA. Tests of cockpit displays are already underway in airline flight simulators. Flight testing of CAS hardware by the ATA contractor will begin in 1969. If these tests show that both the concept and the equipment are suitable for airline use, a CAS could begin to appear in daily airline operations in the early 1970's. Cost of the equipment is not yet known, but estimates put it around \$60,000 per airplane.

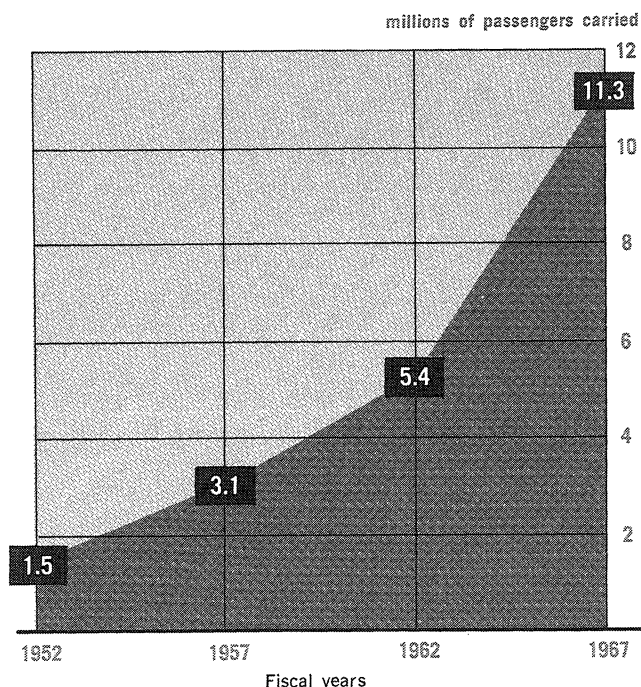
Satellite Communications: On flights over the U.S., the jets have always been able to use the high-quality VHF (very high frequency) channels for air-ground-air communications. Characteristically, VHF reception is generally limited to line-of-sight distances from the transmitting station, about 300 miles at the 30-40,000 feet altitudes normally flown by jets. Hence, over oceans, the jets still have to rely on less efficient high frequency (HF) communications channels.

To spread the use of static-free VHF communications beyond its present line-of-sight limits, the airlines have been investigating the possibility of using a communications satellite poised 22,300 miles above the earth as a relay station. First proved possible by airline tests in 1965, satellite-aircraft communications is now the subject of a cooperative industry-NASA test program. During 1967, seven airlines conducted tests, using two NASA satellites now in orbit. Several thousand individual tests were made, totalling more than 125 hours of on-the-air time. When an operational air-ground-air satellite communications system is finally established—hopefully by 1970—airlines planning to use the system will replace existing VHF transmitter/receiver units with sets adapted for airplane-satellite communications.

Warm Fog Dispersal: Fog accounts for the majority of the flight cancellations and diversions caused by weather below minimums. Cold fog (water droplets below 32 degrees F) accounts for only a small percent of below-minimum fog conditions, but it is easiest to disperse. A cold fog dispersal program started by one airline five years ago had grown to include 21 airports and 10 airlines in 1967.

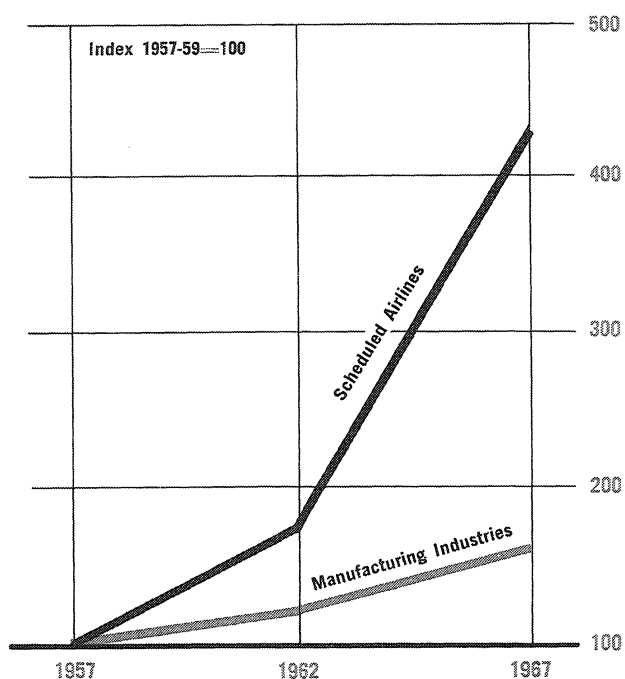
Warm fog, which accounts for 95 per cent of all fog, has eluded attempts to find a practical and economical dispersal technique until November, 1967, when the airlines began a test of new chemicals for dispersing warm fog at Sacramento, California. Midway through the tests, in January of this year, the airlines reported they were "cautiously optimistic" about the results of their \$100,000 test program. Final results of the Sacramento tests are slated to be announced by mid-1968.

Growth of air passenger travel
between U.S. and foreign countries



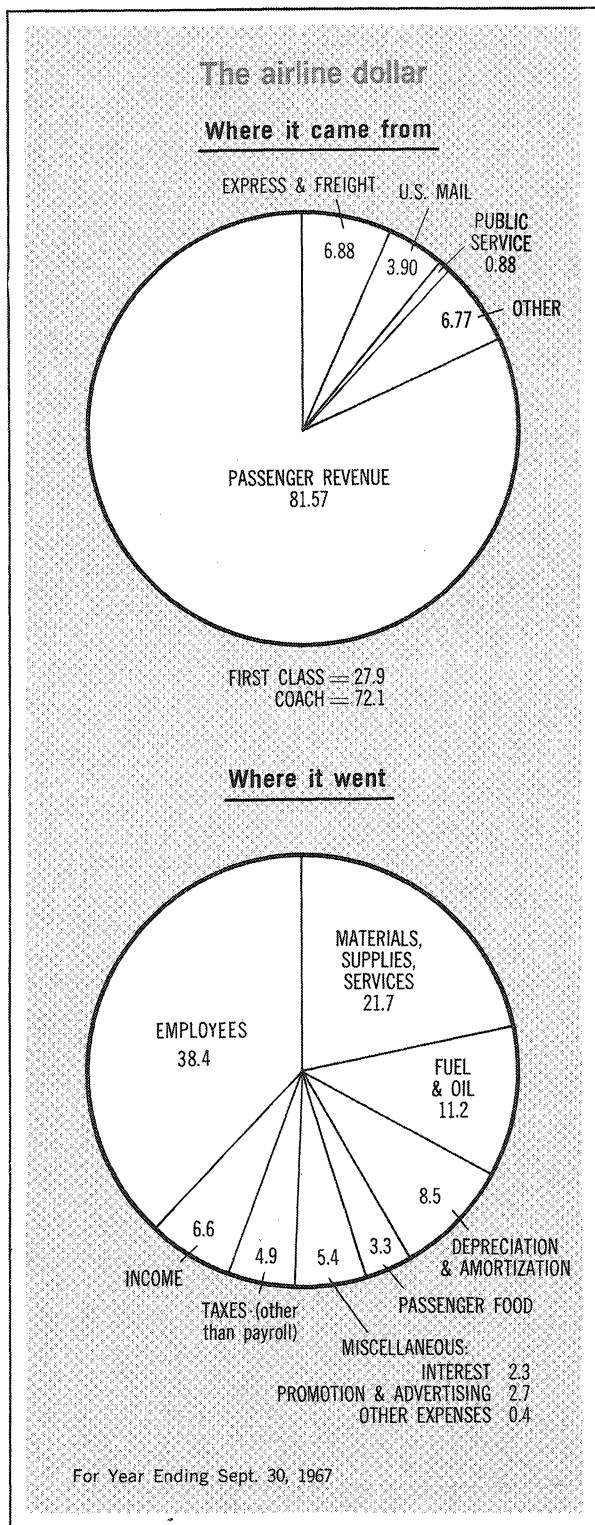
Source: U.S. Department of Justice,
Immigration and Naturalization Service

Growth in production
U.S. Scheduled Airlines vs. Manufacturing Industries



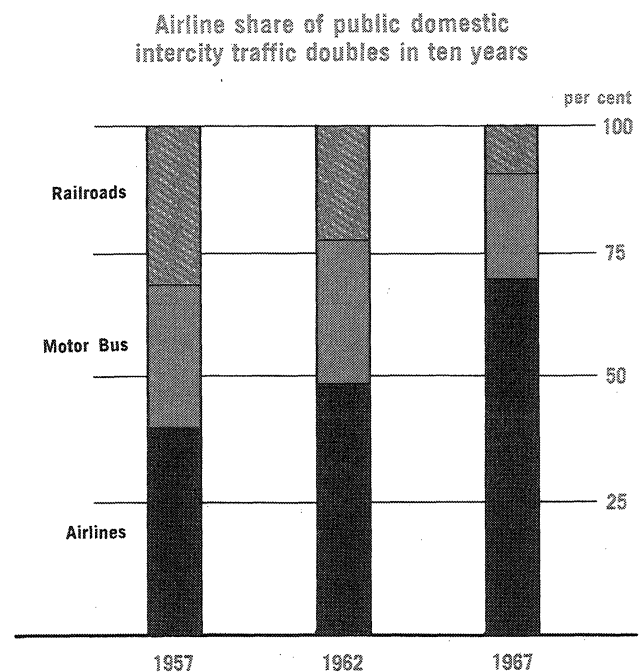
Source: U.S. Department of Commerce
Air Transport Association

The level of airline production, as measured by available seat miles offered, is increasing faster than the level of production of all manufacturing industries, as measured by the physical volume or quantity of output.



Flight Simulators: Made up of a cockpit resembling that of the real airplane, driven by electronic computers that simulate the operation, noises and response of a real airplane, flight simulators have become a valuable tool in training pilots in the characteristics of new aircraft. Now, the airlines are working with manufacturers on the development of third generation flight simulators. The airline goal is to make simulation so realistic that training heretofore done in aircraft can be done in simulators. A key part of the airline industry's attempt to reach this goal is the effort to improve visual attachments used with the simulators. What the airlines seek is a way to so reproduce the visual cues of the real world that the pilot will see the same cues when looking through the windshield of a simulator as he does in actual flight. An industry statement of requirements was adopted early in 1968 and sent to potential manufacturers of such equipment.

The present airline investment of \$65-70 million in flight simulators will be doubled over the next several years as the airlines invest another \$85 million in the planned purchase of some 35 new third generation flight simulators. According to a recent ATA survey, at least eight airlines plan to purchase 15 simulators with visual attachments.



AIRLINE SUPPORT OF MILITARY PROGRAMS

On a worldwide basis, Military Airlift Command (MAC) charter contracts with the commercial airlines account today for the movement of about 90 per cent of the passenger and more than 34 per cent of the cargo requirements of the Department of Defense. The airlines provide this capability with some 65 jets now under contract to MAC.

During fiscal year 1967, the total value of these services came to \$685 million. Fiscal 1968 MAC contracts are expected to reach \$695 million.

MAC need for commercial airlift during 1967 translated into more than 1,929,000 military passengers and 201,900 tons of military cargo, for a total of 2.3 billion ton miles of military traffic. Of this total, 1.9 billion ton miles were flown in support of the military airlift to Southeast Asia.

With the increase in airlift requirements to Vietnam, the airlines have upped their MAC charter services substantially. Currently, from 25 to 30 chartered flights leave East and West Coast bases every day for Southeast Asia. During fiscal year 1967, the airlines flew 90 per cent of all passengers and 39 per cent of all cargo flown into Southeast Asia.

Equipment Modernization Adds to Military Cost Efficiency

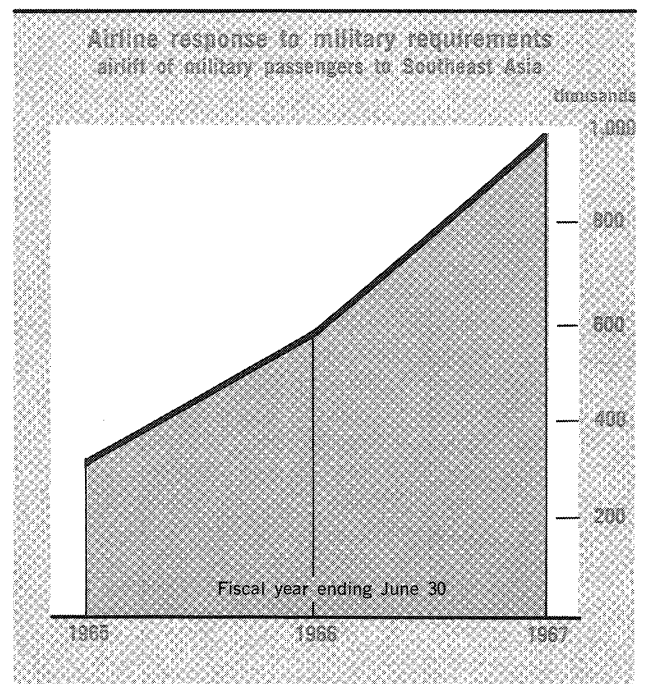
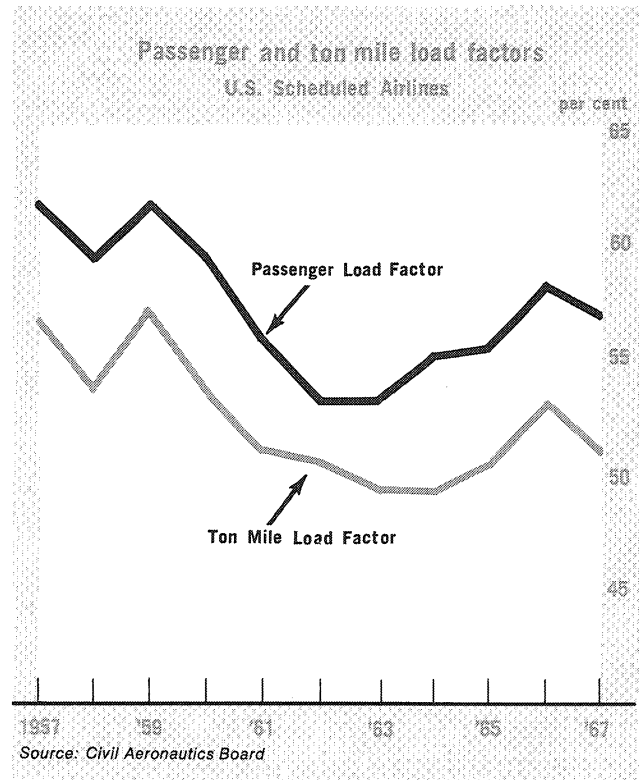
In recent months, the airlines have been negotiating new contracts with MAC. These contracts reflect the more efficient aircraft now in the airlines' inventory.

In terms of air fares, the military gets something of a bargain. It costs the Department of Defense \$308 to send a member of the Armed Forces from California to Saigon and back . . . a distance of some 17,000 miles, or a little less than 2 cents a mile.

Support of Domestic Military Needs

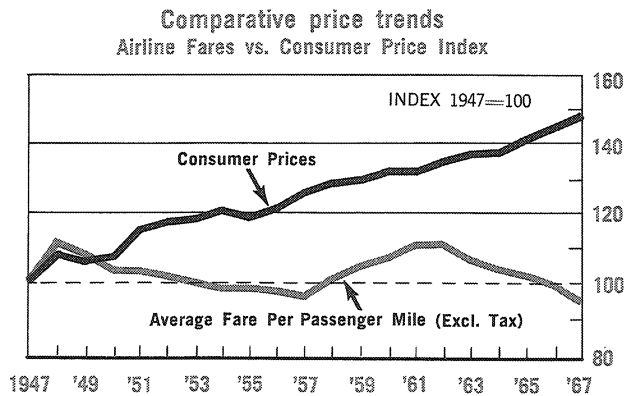
The scheduled airlines are also helping the Defense Department move military cargo within the United States. A joint Military Air Freight Transportation Agreement, which became effective January 1, 1968, is designed to be of further aid in meeting domestic military air freight needs.

The agreement was executed between the Air Transport Association, on behalf of 29 scheduled carriers, and the Military Traffic Management and Terminal Service. The latter is the Defense Department's single manager of military passenger and freight traffic within the U.S.



AIR TRAVEL VALUE: A NEW MEASURE OF INDUSTRY PERFORMANCE

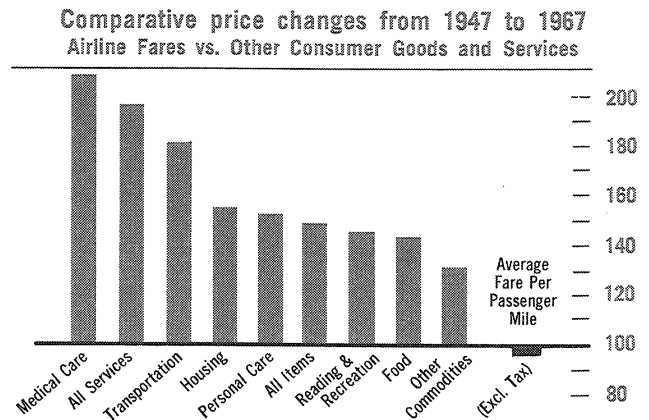
The past five years have seen an impressive downward movement of about 13 per cent in air travel costs to the public, bringing the average fare per passenger mile in 1967 to 5.49 cents, which is below the point prevailing a decade ago at the threshold of the jet age. At that time, average fare per passenger mile was already at a post-war low, following a long period of uninterrupted decline. The reduction in the past five years has more than wiped out the fare increases which were necessary in the 1957-61 period of initial financing of, and conversion to, jet equipment.



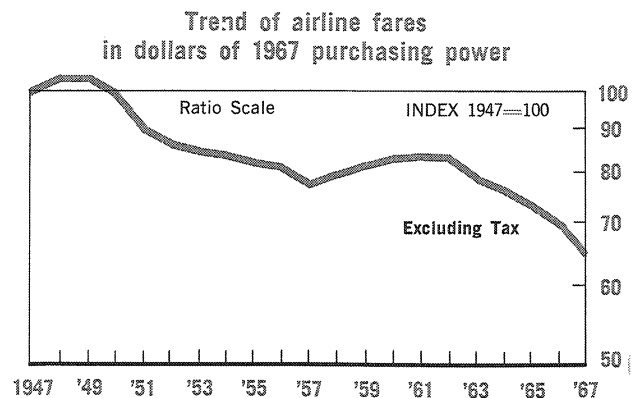
In common with all industry, the airlines have been confronted with the unrelenting price pressures generated by sharply rising costs of labor, materials, and capital goods. In contrast with industry generally, however, the airlines have, thus far, succeeded in withstanding the growing inflationary pressures of the last few years. The reductions which have occurred in average fare per passenger mile reflect a variety of fare reduction plans made possible by public response to the advantages of jet travel, and by an unremitting improvement in the economy and efficiency of operations. These reflect in large measure the favorable economic characteristics of the jet aircraft placed in service in steadily expanding numbers and in sizes and specifications best suited to meet the varied needs of the nation's extensive air route system.

The declining trend of the price of air travel is all the more significant because it runs counter to the remorseless upward trend of other prices which the consumer pays. Whereas the average fare paid by an air passenger in 1967 per mile traveled was somewhat below that paid twenty years earlier, the cost of living as a whole has increased by half over this

period. Some categories of consumer cost, particularly services, have risen even higher: the price of medical care, for example, has more than doubled, and the price of transportation, mostly by auto, has increased by 80 per cent.



This divergence in the trends of air fares and consumer prices means that air travel is in an increasingly favored position in relation to the other goods and services that compete for the consumer's dollar. It means also that, when allowance is made for the erosion in the purchasing power of the dollar, the decline of per-mile air fares has been much more significant than is indicated by current cents-per-mile comparisons. A trend of air fares in "real" terms reflects the significance to the traveler of the downward direction of the per-mile rate as compounded by the general advances occurring in the cost of living. Expressed in constant dollars of 1967 purchasing power, the average cost incurred by air passengers per mile in 1967 was more than one-third less than in 1947.

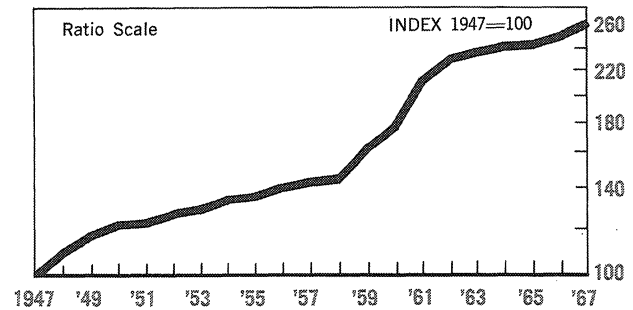


Even this measure does not convey the full story of the expanding consumer value represented by air travel. To do so requires taking into account not only the lower price, but the increased quality of the air transportation which the consumer buys. While quality is an elusive characteristic to measure, it is a matter of every day observation and experience that jet passenger transport supplies the traveling public with a service far surpassing in quality its counterpart of twenty or even ten years ago. The most evident aspect of air service quality—and, from the traveler's standpoint, perhaps the most widely valued—is the speed of the transportation itself, the diminution of time elapsed in being moved from airport to airport.

As one phase of aviation technological advance has succeeded another, the average speed of the aircraft employed in passenger transport has climbed dramatically. The DC-3 and DC-4 piston planes of the late 1940's have been superseded by the 600-mile per hour jets of the 1960's. And the developments which have made possible this revolution in transportation speed have also produced conspicuous improvement in passenger comfort and convenience through such factors as reduced cabin vibration. We have still as a nation to overcome the corollary problems of highway, airport, and airways congestion accentuated by the explosion of air travel in the jet age, but that explosion is itself a manifestation of the recognition by the public of the heightened quality of the new air service.

Using average speed per passenger mile as an indicator of air transport quality, the average of 569 miles per hour attained in 1967 was 2.6 times the average speed twenty years earlier and 1.8 times the average only ten years before. These averages are derived by weighting all domestic trunk passenger traffic by the maximum cruising speed of

Trend of air transport quality
as measured by average speed per passenger mile



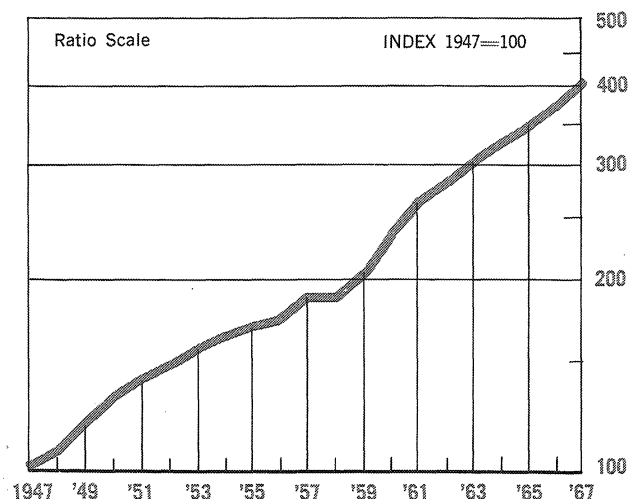
the carrying aircraft and, while not reflecting precisely the trend of actual elapsed time for all scheduled airline passengers, provide a close approximation of such a trend.

A new measure has been constructed to show in a single index the performance of the airline industry in terms of both the quality and the cost of the service it supplies the consumer. This measure may be expressed in either of two ways:

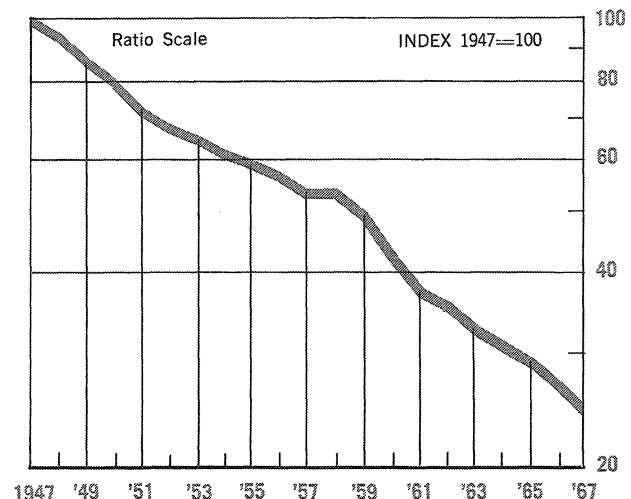
The "quality-fare index of air travel value" reveals the increase in the speed of air service enjoyed by the traveler per dollar of 1967 purchasing power expended per passenger mile. The index has advanced in spectacular fashion since the end of the war, and in 1967 was more than four times the corresponding measure of consumer value in 1947.

The "fare-quality index of air travel value" presents the same basic concept in reverse. It shows the average fare, in dollars of 1967 purchasing power, expended by passengers per mile of air service in relation to the improving quality of the service as measured by average speed. As this index is the reciprocal of the other, it has fallen drastically, by more than three-fourths, since 1947.

Quality-price index of air transport value



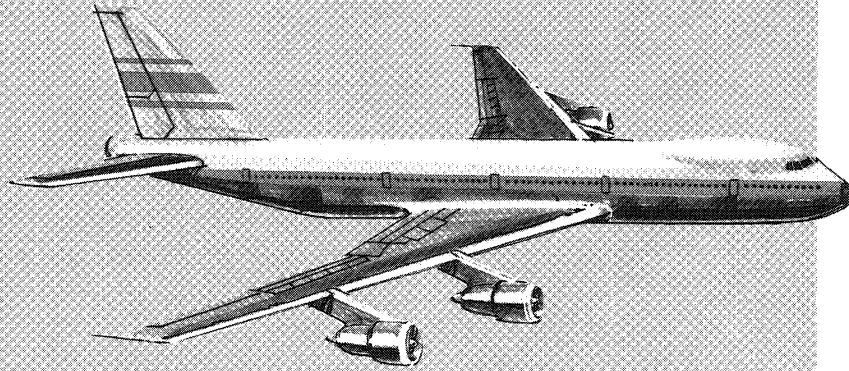
Price-quality index of air transport value



Quality index measured by average speed per passenger mile. Price index measured by average fare per passenger mile in 1967 dollars.

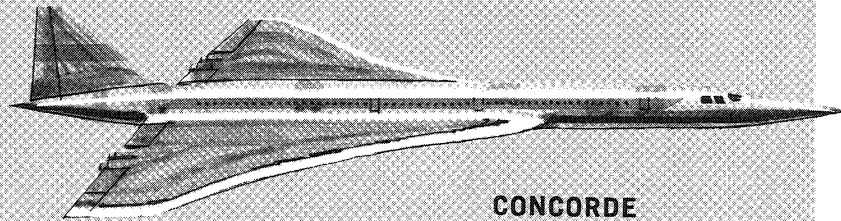
AIRCRAFT ON ORDER AS OF MAY 15, 1968

NEW AIRCRAFT OF THE SEVENTIES



B-747

4 eng., 600+ mph, 363-447
pass. cap., long range



CONCORDE

4 eng., 1,450 mph, 135-145
pass. cap., long range



DC-10

3 eng., 600 mph, 250 pass.
cap., short/med./long range

Manufacturer	Model
Boeing:	B-707 B-727 B-737 B-747
British Aircraft Corp.:	BAC-111
Douglas:	DC-8-50 DC-8-60 DC-9 DC-10
Lockheed:	L-1011
Nihon:	YS-11
Sikorsky:	S-61
Short:	Skyvan
Supersonic Transport	Concorde B-2707

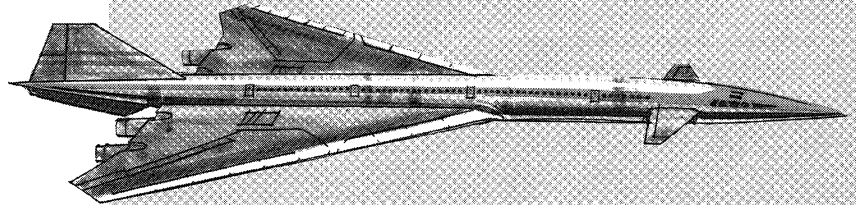
** Includes aircraft delivered
in 1st quarter of 1968*

For Delivery In

TOTAL	1968*	1969	1970	1971 onward
102	60	42	—	—
198	126	72	—	—
133	75	58	—	—
104	—	9	67	28
7	6	1	—	—
16	16	—	—	—
97	41	52	4	—
131	109	22	—	—
55	—	—	—	55
97	—	—	—	97
10	10	—	—	—
6	6	—	—	—
2	2	—	—	—
38	—	—	—	38
59	—	—	—	59
1,055	451	256	71	277

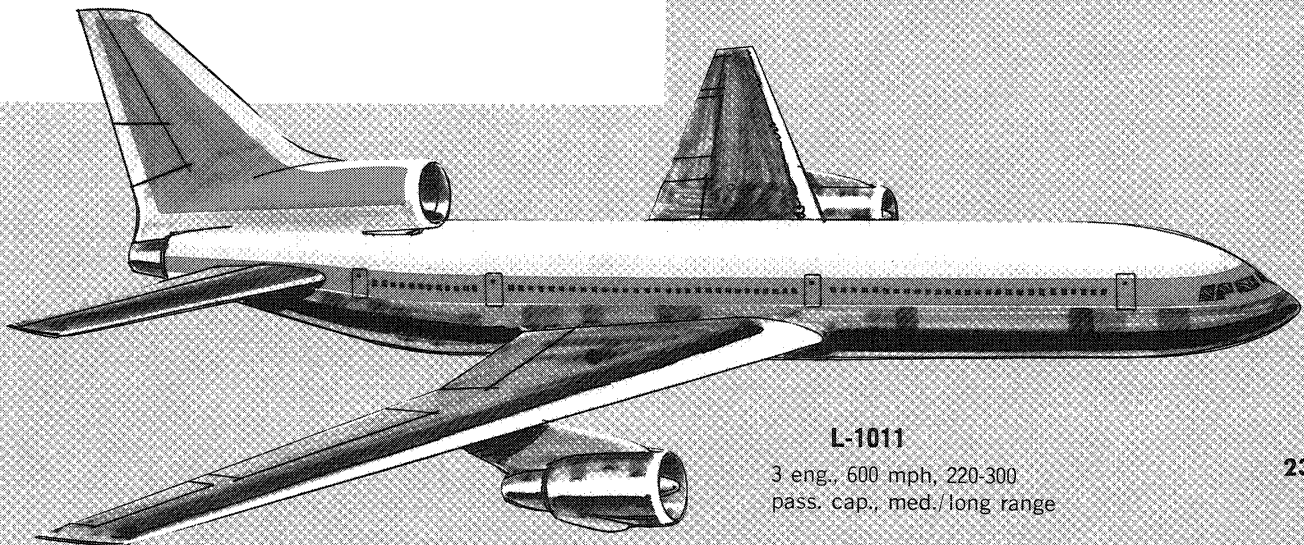
SUPERSONIC TRANSPORTS ON ORDER

U.S. scheduled airlines have placed orders for 38 British-French Concorde with an approximate value of \$760 million. In addition, the airlines hold 59 delivery positions for the Boeing 2707, the U.S. supersonic transport, and have already invested more than \$70 million in advance payments for these aircraft. The total cost of the Boeing SSTs the airlines have on order is in excess of \$2 billion.



B-2707

4 eng., 1,800 mph, 300-350
pass. cap., long range



L-1011

3 eng., 600 mph, 220-300
pass. cap., med./long range

AVAILABLE SERVICE

U. S. Scheduled Airline Industry

	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							
1957.....	5,150.4	2,720.0	52.8	39,838.2	24,499.5	61.5	711.1
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
1964.....	10,752.4	4,928.8	45.8	75,242.4	41,658.4	55.4	808.4
1965.....	12,850.6	5,983.5	46.6	88,731.2	48,987.0	55.2	926.4
1966.....	14,403.8	7,083.0	49.2	97,174.7	56,802.8	58.5	995.7
1967.....	18,769.4	8,970.9	47.8	124,141.6	70,990.1	57.2	1,258.3
Local Service Airlines							
1957.....	170.7	78.5	46.0	1,652.1	747.3	45.2	67.3
1962.....	388.6	170.3	43.8	3,797.5	1,607.7	42.3	113.0
1963.....	440.7	198.3	45.0	4,266.9	1,869.0	43.8	121.3
1964.....	504.0	239.5	47.5	4,836.3	2,244.5	46.4	133.5
1965.....	585.2	281.0	48.0	5,545.7	2,621.2	47.3	145.2
1966.....	758.2	371.1	48.9	6,908.1	3,467.5	50.2	165.1
1967.....	1,024.1	442.4	43.2	8,862.4	4,114.3	46.4	185.0
Intra-Hawaiian Airlines							
1957.....	15.9	9.1	57.2	154.8	89.5	57.8	4.7
1962.....	21.5	12.6	58.6	212.4	128.8	60.7	5.5
1963.....	25.8	14.1	54.7	239.5	144.0	60.1	5.7
1964.....	30.8	17.7	57.5	276.4	166.6	60.3	5.9
1965.....	34.2	20.2	59.1	319.7	195.2	61.0	6.7
1966.....	40.4	23.2	57.4	387.1	226.7	58.6	7.2
1967.....	49.2	27.8	56.5	463.7	274.1	59.1	7.7
Helicopter Airlines (in thousands)							
1957.....	1,072	449	41.9	8,136	3,275	40.3	1,604
1962.....	2,329	907	38.9	20,125	8,191	40.7	1,518
1963.....	3,071	1,332	43.4	27,657	12,510	45.2	1,462
1964.....	3,717	1,692	45.5	34,165	16,003	46.8	1,976
1965.....	4,338	1,968	45.4	41,413	18,811	45.4	1,984
1966.....	5,157	2,574	49.9	51,992	25,420	48.9	2,241
1967.....	6,345	2,970	46.8	62,041	29,670	47.8	2,660
Intra-Alaskan Airlines							
1957.....	25.6	13.9	54.3	93.1	39.2	42.1	6.5
1962.....	25.2	13.4	53.2	116.5	47.6	40.9	7.5
1963.....	30.6	16.4	53.6	118.0	46.6	39.5	7.5
1964.....	32.3	17.9	55.4	135.2	55.8	41.3	7.7
1965.....	31.5	18.5	58.7	149.1	65.2	43.8	7.9
1966.....	31.4	19.2	61.1	147.0	68.4	46.6	8.0
1967.....	33.2	19.7	59.3	168.1	78.1	46.5	8.5

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 1962 and 1963; Aspen Airways figures are included in industry totals for 1967.

AND UTILIZATION

(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
All-Cargo Airlines (Domestic)							
1957.....	391.7	316.3	80.8	-----	-----	-----	17.4
1962.....	615.1	472.1	76.8	-----	-----	-----	5.6
1963.....	475.6	343.3	72.2	-----	-----	-----	7.9
1964.....	550.0	395.0	71.8	-----	-----	-----	10.7
1965.....	618.3	469.2	75.9	-----	-----	-----	10.8
1966.....	705.2	554.8	78.7	-----	-----	-----	11.0
1967.....	729.3	519.5	71.2	-----	-----	-----	11.2
International and Territorial Airlines							
1957.....	1,392.9	881.0	63.2	9,312.9	5,882.0	63.2	161.6
1962.....	2,925.9	1,619.9	55.4	18,724.4	10,137.8	54.1	171.5
1963.....	3,488.2	1,856.0	53.2	22,590.2	11,905.4	52.7	192.1
1964.....	4,162.7	2,228.2	53.5	25,791.4	14,352.4	55.6	214.4
1965.....	5,139.0	2,856.7	55.6	29,532.8	16,789.0	56.8	247.8
1966.....	6,654.0	3,883.8	58.4	33,175.6	19,298.4	58.2	285.7
1967.....	9,031.0	5,112.9	56.6	41,118.7	23,259.3	56.6	250.7
All-Cargo Airlines (International)							
1957.....	82.6	63.2	76.5	-----	-----	-----	5.9
1962.....	232.2	177.5	76.4	-----	-----	-----	5.0
1963.....	243.6	173.1	71.1	-----	-----	-----	6.2
1964.....	266.6	187.2	70.2	-----	-----	-----	6.5
1965.....	397.9	264.0	66.3	-----	-----	-----	6.8
1966.....	904.3	503.1	55.6	-----	-----	-----	7.3
1967.....	1,142.4	587.0	51.4	-----	-----	-----	9.4
CONSOLIDATED INDUSTRY							
1957.....	7,230.9	4,082.4	56.5	51,059.3	31,260.8	61.2	976.2
1962.....	12,325.9	6,238.3	50.6	82,611.9	43,760.4	53.0	1,009.8
1963.....	13,930.8	6,860.3	49.2	94,844.7	50,362.0	53.1	1,095.1
1964.....	16,302.5	8,015.9	49.2	106,315.8	58,493.7	55.0	1,189.1
1965.....	19,661.0	9,895.0	50.3	124,319.9	68,676.5	55.2	1,353.5
1966.....	23,502.5	12,440.9	52.9	137,844.5	79,889.3	58.0	1,482.3
1967.....	30,785.1	15,683.2	50.9	174,818.5	98,746.6	56.5	1,833.6

REVENUE TON MILES

U. S. Scheduled Airline Industry

	Passenger	Priority U. S. Mail	Non Priority U. S. Mail	Express	Freight	Excess Baggage	Charter Flights	TOTAL
Domestic Trunk Airlines								
1957.....	2,327,336	82,061	15,139	42,751	218,433	27,983	6,335	2,720,038
1962.....	3,023,888	131,711	28,501	64,879	473,955	25,430	22,665	3,771,029
1963.....	3,456,933	138,661	28,402	64,914	520,632	23,795	24,230	4,257,567
1964.....	3,958,036	151,763	29,708	70,530	650,732	22,786	45,251	4,928,807
1965.....	4,667,700	182,673	32,866	80,424	835,118	19,355	165,401	5,983,537
1966.....	5,429,052	236,018	41,420	87,128	988,485	13,159	287,753	7,083,014
1967.....	6,788,789	267,677	120,581	89,343	1,190,067	15,557	498,919	8,970,934
Local Service Airlines								
1957.....	71,076	1,175	344	1,644	2,083	473	1,718	78,513
1962.....	152,676	3,303	529	3,772	7,218	992	1,837	170,327
1963.....	177,554	3,765	587	4,311	9,024	1,006	2,099	198,347
1964.....	213,233	4,350	655	5,080	11,923	1,194	3,047	239,481
1965.....	249,244	5,520	813	5,983	15,485	1,068	2,872	280,986
1966.....	330,286	7,770	1,050	7,099	19,782	642	4,493	371,122
1967.....	391,810	7,961	4,846	6,417	22,054	694	8,622	442,406
Intra-Hawaiian Airlines								
1957.....	7,259	64	2	-----	1,536	36	170	9,067
1962.....	10,308	90	19	-----	2,100	51	9	12,578
1963.....	11,518	93	21	-----	2,152	40	284	14,109
1964.....	14,578	99	26	-----	2,472	58	433	17,665
1965.....	17,079	106	229	-----	2,431	59	285	20,189
1966.....	19,834	114	750	-----	2,454	60	12	23,224
1967.....	23,988	119	807	-----	2,823	56	35	27,827
Helicopter Airlines								
1957.....	311	91	-----	34	7	3	3	449
1962.....	778	65	-----	44	6	3	10	907
1963.....	1,189	74	-----	44	6	5	15	1,332
1964.....	1,520	92	-----	45	6	6	24	1,692
1965.....	1,787	84	-----	60	10	6	20	1,968
1966.....	2,415	60	-----	70	10	7	13	2,574
1967.....	2,819	61	-----	64	9	8	9	2,970
Intra-Alaskan Airlines								
1957.....	3,945	1,342	-----	-----	2,303	135	6,155	13,880
1962.....	4,874	2,576	-----	-----	2,620	147	3,211	13,428
1963.....	4,797	2,832	-----	-----	2,640	156	6,025	16,449
1964.....	5,720	3,089	-----	-----	3,176	172	5,754	17,910
1965.....	6,680	3,701	-----	-----	3,617	188	4,271	18,457
1966.....	6,995	4,096	-----	-----	3,665	161	4,252	19,168
1967.....	7,976	4,246	-----	-----	3,630	161	3,662	19,675

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 1962 and 1963; Aspen Airways figures are included in industry totals for 1967.

OF TRAFFIC CARRIED

(in Thousands of Revenue Ton Miles)

	Passenger	Priority U. S. Mail	Non Priority U. S. Mail	Express	Freight	Excess Baggage	Charter Flights	TOTAL
All-Cargo Airlines (Domestic)								
1957.....		507	1,328	1,637	125,649	-----	187,153	316,274
1962.....		175	146	417	81,816	-----	389,536	472,090
1963.....		504	505	748	110,096	-----	231,409	343,262
1964.....		896	951	1,818	147,994	-----	243,350	395,008
1965.....		1,173	1,087	2,475	166,362	-----	298,111	469,208
1966.....		1,639	1,062	3,071	189,714	-----	359,331	554,817
1967.....		624	1,673	1,943	181,876	-----	333,365	519,480
International and Territorial Airlines								
1957.....	589,025	58,621	-----	287	127,952	12,691	84,140	880,960
1962.....	1,017,184	108,987	52,760	798	263,931	15,125	150,848	1,619,903
1963.....	1,187,056	115,810	54,478	794	295,610	16,822	174,411	1,855,950
1964.....	1,437,259	124,768	45,413	823	393,858	16,922	198,323	2,228,175
1965.....	1,686,674	173,158	70,579	908	596,416	22,093	296,471	2,856,655
1966.....	1,947,888	283,742	158,663	982	720,627	24,186	737,524	3,883,840
1967.....	2,345,153	277,907	272,893	1,106	795,858	22,941	1,387,434	5,112,894
All-Cargo Airlines (International)								
1957.....		-----	-----	-----	29,478	-----	33,735	63,213
1962.....		4,441	6,602	14	66,537	-----	99,759	177,497
1963.....		4,663	6,205	21	86,370	-----	75,615	173,121
1964.....		4,856	4,643	14	91,327	-----	86,188	187,202
1965.....		5,878	5,109	10	110,856	-----	141,969	263,986
1966.....		9,334	6,131	10	126,000	-----	361,606	503,149
1967.....		9,135	6,958	9	154,790	-----	415,957	586,958
CONSOLIDATED INDUSTRY								
1957.....	2,998,952	143,861	16,813	46,353	507,441	41,321	319,409	4,082,394
1962.....	4,209,940	251,349	88,563	69,924	898,187	41,748	668,135	6,238,261
1963.....	4,839,124	266,402	90,200	70,832	1,026,533	41,824	514,169	6,860,302
1964.....	5,630,345	289,913	81,396	78,310	1,301,487	41,137	582,369	8,015,941
1965.....	6,629,164	372,294	110,683	89,859	1,730,295	42,769	909,401	9,894,985
1966.....	7,736,469	542,772	209,075	98,360	2,050,736	38,215	1,754,984	12,440,910
1967.....	9,560,623	567,728	407,757	98,883	2,351,108	39,419	2,648,005	15,683,236

OPERATING

U. S. Scheduled Airline Industry

	Passenger	U. S. Mail		Public Service Revenue	Express	Freight	Other ¹	Total
		Priority	Non-Priority					
Domestic Trunk Airlines								
1957	1,287,173	33,762	2	1,127	14,667	49,871	33,015	1,419,615
1962	2,020,975	49,002	5,486	—	24,332	102,364	47,935	2,250,094
1963	2,208,430	51,247	5,471	988	25,246	116,466	44,068	2,451,915
1964	2,504,861	56,262	5,838	3,408	27,247	140,962	52,297	2,790,877
1965	2,908,045	64,181	6,354	3,508	29,703	174,150	77,615	3,263,556
1966	3,233,095	78,870	7,988	2,110	31,601	201,289	105,947	3,660,900
1967	3,901,528	76,166	23,072	2,822	30,752	235,774	149,322	4,419,436
Local Service Airlines								
1957	47,463	1,211	2	29,651	726	1,050	2,039	82,140
1962	125,467	2,674	188	67,948	2,061	4,070	3,691	206,099
1963	143,171	2,950	203	67,882	2,508	5,031	4,229	225,975
1964	169,244	3,327	220	66,242	2,781	6,698	5,679	254,192
1965	203,423	4,103	261	66,012	3,196	8,764	5,614	291,374
1966	264,949	5,316	301	56,649	3,729	10,961	8,196	350,100
1967	313,833	5,138	1,352	50,961	3,545	13,053	11,833	399,716
Intra-Hawaiian Airlines								
1957	6,976	53	2	72	—	782	477	8,360
1962	11,824	72	6	355	—	1,161	362	13,780
1963	13,129	77	6	716	—	1,179	393	15,499
1964	14,924	80	8	878	—	1,410	599	17,898
1965	17,074	86	46	1,124	—	1,378	731	20,439
1966	19,716	90	139	1,124	—	1,375	872	23,318
1967	24,344	92	145	—	—	1,540	166	26,287
Helicopter Airlines ¹								
1957	968	237	2	3,567	101	36	123	5,032
1962	2,501	174	—	5,518	215	39	135	8,583
1963	3,284	193	—	4,641	217	41	261	8,637
1964	4,814	240	—	4,300	213	54	554	10,174
1965	5,645	221	—	2,712	216	85	2,257	11,135
1966	8,603	158	—	—	295	98	4,494	13,647
1967	10,377	325	—	—	289	102	5,552	16,646
Intra-Alaskan Airlines								
1957	4,950	1,847	—	3,207	—	1,358	3,719	15,081
1962	6,326	2,873	—	5,139	—	1,691	2,705	18,735
1963	6,244	3,077	—	5,317	—	1,723	3,865	20,225
1964	7,267	3,192	—	5,590	—	2,031	3,868	21,950
1965	7,860	3,650	—	5,266	—	2,119	3,106	22,002
1966	7,972	3,926	—	5,124	—	1,996	3,339	22,357
1967	9,707	4,393	—	4,729	24	2,182	3,373	24,407

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

² Included with priority mail.

REVENUES

(In Thousands of Dollars)

		U. S. Mail		Public Service Revenue	Express	Freight	Other ¹	Total
Passenger		Priority	Non-Priority					
All-Cargo Airlines (Domestic)								
1957		453	2		543	21,780	43,409	66,185
1962		81	25		120	11,662	78,813	90,702
1963		182	83		237	15,562	51,523	67,586
1964		358	185		563	20,006	53,047	74,158
1965		447	207		681	22,817	58,128	82,279
1966		631	201		858	27,635	73,035	102,360
1967		208	326		538	25,960	67,247	94,279
International and Territorial Airlines								
1957	385,183	29,179		3,716	92	42,787	47,870	508,827
1962	595,221	53,905	13,030	3,433	235	71,017	73,603	810,446
1963	692,801	57,697	13,613	2,679	203	80,175	84,286	931,452
1964	781,649	56,943	11,527	2,851	306	99,990	86,753	1,040,020
1965	887,335	63,170	16,989	1,999	319	130,800	110,263	1,210,875
1966	995,185	96,683	33,373	1,753	314	149,215	197,956	1,474,480
1967	1,165,861	94,056	49,596	1,400	342	163,216	295,211	1,769,681
All-Cargo Airlines (International)								
1957						7,502	15,844	23,146
1962		2,380	1,785		4	11,747	23,767	39,683
1963		2,486	1,710		9	14,472	18,870	37,548
1964		2,344	1,273		4	14,506	23,907	42,032
1965		2,380	1,377		3	15,999	36,431	56,191
1966		3,578	1,479		3	19,471	74,529	99,059
1967		3,922	1,524		3	23,440	85,304	114,193
CONSOLIDATED INDUSTRY								
1957	1,732,713	66,742	2	41,340	16,129	125,166	146,296	2,128,386
1962	2,762,697	111,178	20,520	82,393	26,968	203,759	231,216	3,438,731
1963	3,067,193	117,916	21,086	82,222	28,421	234,653	207,561	3,759,051
1964	3,482,760	122,746	19,050	83,269	31,114	285,657	226,706	4,251,302
1965	4,029,383	138,238	25,234	80,622	34,118	356,113	294,142	4,957,851
1966	4,529,520	189,252	43,481	66,760	36,800	412,039	468,372	5,746,222
1967	5,425,651	184,300	76,016	59,912	35,492	465,266	618,008	6,864,645

Note: Avalon Air Transport figures are included in the Consolidated Industry totals for 1962 and 1963.

DISTRIBUTION OF

U. S. Scheduled Airline Industry

General Services & Administration								Deprecia- tion & Amorti- zation	Total Operating Expenses
Flying Operations	Maintenance	Passenger Service	Aircraft & Traffic Servicing	Promotion & Sales	Adminis- trative	Total G. S. & A.			
Domestic Trunk Airlines									
1957.....	434,788	270,327	95,504	217,210	157,561	55,164	525,439	146,967	1,377,521
1962.....	593,816	444,049	164,546	362,912	241,895	89,255	858,608	278,692	2,175,166
1963.....	626,708	464,803	179,890	394,180	261,691	93,187	928,949	302,221	2,322,682
1964.....	676,974	514,552	213,988	425,197	299,629	100,945	1,039,759	262,450	2,493,735
1965.....	767,902	566,413	266,279	484,859	348,223	116,378	1,215,739	297,253	2,847,308
1966.....	869,925	596,269	311,564	560,004	410,282	131,603	1,413,453	327,586	3,207,233
1967.....	1,101,480	735,445	396,449	704,944	501,987	167,023	1,770,403	402,002	4,009,331
Local Service Airlines									
1957.....	26,508	16,417	4,027	21,161	6,089	4,938	36,215	3,760	82,900
1962.....	55,082	42,309	9,726	48,095	16,298	10,611	84,730	10,604	192,724
1963.....	60,846	47,256	10,660	53,143	18,617	11,585	94,004	11,909	214,015
1964.....	66,787	52,735	11,739	59,053	20,639	13,051	104,482	12,805	236,809
1965.....	74,233	59,837	13,426	66,346	23,469	14,874	118,114	15,098	267,283
1966.....	88,985	69,475	17,307	80,353	29,472	18,472	145,604	21,062	325,126
1967.....	109,656	79,323	21,995	95,933	36,107	22,813	176,849	33,197	399,025
Intra-Hawaiian Airlines									
1957.....	2,211	1,422	279	1,521	1,266	867	3,933	515	8,081
1962.....	2,933	2,677	409	2,430	2,074	1,599	6,512	1,106	13,229
1963.....	3,219	2,923	512	2,706	2,337	1,866	7,420	1,129	14,690
1964.....	3,851	3,574	576	2,996	2,439	1,726	7,737	1,360	16,523
1965.....	4,514	4,002	646	3,301	2,722	1,812	8,482	1,528	18,527
1966.....	6,478	4,369	712	3,778	2,925	2,051	9,465	1,832	22,145
1967.....	8,548	4,909	859	4,404	3,761	2,214	11,239	1,831	26,528
Helicopter Airlines ¹									
1957.....	1,108	1,380	-----	-----	-----	1,764 ²	1,764	912	5,164
1962.....	1,791	2,453	-----	-----	-----	3,378 ²	3,378	1,212	8,835
1963.....	1,744	2,789	-----	-----	-----	3,305 ²	3,305	1,000	8,839
1964.....	1,941	3,541	-----	-----	-----	3,817 ²	3,817	997	10,295
1965.....	2,250	3,770	-----	-----	-----	4,354 ²	4,354	995	11,369
1966.....	3,195	5,002	-----	-----	-----	5,484 ²	5,484	1,169	14,850
1967.....	3,455	5,510	-----	-----	-----	6,379 ²	6,379	1,870	17,214
Intra-Alaskan Airlines ¹									
1957.....	4,972	3,915	-----	-----	-----	5,551 ²	5,551	869	15,307
1962.....	5,334	4,812	-----	-----	-----	6,191 ²	6,191	1,084	17,421
1963.....	6,112	5,274	-----	-----	-----	6,746 ²	6,746	1,220	19,353
1964.....	6,293	5,689	-----	-----	-----	7,138 ²	7,138	1,190	20,310
1965.....	5,751	5,919	-----	-----	-----	7,534 ²	7,534	1,383	20,587
1966.....	5,566	5,297	-----	-----	-----	7,756 ²	7,756	1,687	20,306
1967.....	6,372	6,449	-----	-----	-----	8,686 ²	8,686	1,734	23,241

¹ Detailed General Services & Administration expense data not available.

² Includes "General Services and Administration" expense.

OPERATING EXPENSES

(In Thousands of Dollars)

		General Services & Administration					Deprecia- tion & Amorti- zation	Total Operating Expenses	
Flying Operations	Maintenance	Passenger Service	Aircraft & Traffic Servicing	Promotion & Sales	Adminis- trative	Total G. S. & A.			
All-Cargo Airlines (Domestic)									
1957.....	28,639	14,554	2,783	9,064	2,987	4,156 ³	18,990	7,700	69,883
1962.....	31,061	20,849	1,847	8,411	2,169	4,033 ³	16,461	12,029	80,401
1963.....	23,112	16,518	1,744	8,478	2,342	3,784	16,348	10,330	66,308
1964.....	24,237	16,476	2,921	11,070	3,245	3,724	20,960	9,165	70,838
1965.....	24,270	19,350	1,266	12,178	3,107	3,826	20,378	9,709	73,706
1966.....	30,774	19,887	1,512	12,845	2,837	4,338	21,533	8,220	80,414
1967.....	34,139	21,339	423	12,650	3,160	4,308	20,541	7,955	83,973
International and Territorial Airlines									
1957.....	150,763	76,983	33,239	69,419	71,658	26,628	200,944	51,805	480,495
1962.....	193,422	113,602	56,045	111,892	116,745	40,790	325,472	91,357	723,853
1963.....	216,834	117,729	68,904	122,803	133,299	44,383	369,389	95,510	799,462
1964.....	238,427	145,186	78,371	142,773	151,550	51,729	424,423	88,389	896,425
1965.....	262,597	146,043	98,205	161,691	171,559	61,198	492,653	100,070	1,001,362
1966.....	329,427	181,475	126,367	194,943	197,265	67,894	586,470	123,521	1,220,894
1967.....	424,249	211,874	156,837	238,245	228,135	81,298	704,514	156,017	1,496,654
All-Cargo Airlines (International)									
1957.....	10,352	5,487	836	3,485	1,080	1,238	6,639	1,552	24,030
1962.....	12,700	8,413	1,749	5,001	1,615	2,367	10,732	4,699	36,543
1963.....	10,775	7,650	1,476	4,777	1,693	2,261	10,206	5,043	33,674
1964.....	11,384	7,613	1,794	5,239	1,700	2,887	11,621	5,173	35,790
1965.....	16,428	10,623	2,038	7,072	2,055	2,375	13,540	5,190	45,782
1966.....	34,182	18,532	1,424	11,356	2,792	3,744	19,316	6,761	78,791
1967.....	46,136	22,251	2,076	14,493	3,154	4,750	24,473	7,565	100,425
CONSOLIDATED INDUSTRY									
1957.....	659,341	390,485	136,668	321,860	240,641	100,306	799,475	214,080	2,063,381
1962.....	896,319	639,275	234,323	538,741	380,796	158,450	1,312,310	400,828	3,248,732
1963.....	949,417	665,006	263,185	586,086	419,978	167,212	1,436,462	428,379	3,479,264
1964.....	1,029,893	749,368	309,389	646,328	479,203	185,016	1,619,937	381,528	3,780,726
1965.....	1,157,945	815,958	381,860	735,447	551,134	212,351	1,880,793	431,228	4,285,923
1966.....	1,368,532	900,307	458,887	863,279	645,574	241,342	2,209,081	491,839	4,969,757
1967.....	1,734,035	1,087,099	578,639	1,070,670	776,303	297,472	2,723,084	612,172	6,156,391

³ Includes General Services and Administration expenses of Aaxico Airlines, Inc.

Note: Avalon Air Transport figures are included in the Consolidated Industry totals for 1962 and 1963.

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 Invest- ment ² (%)	Profit Margin on Sales ³ (%)
Domestic Trunk Airlines									
1957.....	1,419,615	1,377,521	42,094	16,322	18,890	23,126	27,028	4.8	1.9
1962.....	2,250,094	2,175,166	74,928	72,364	26,812	22,360	8,196	4.1	0.4
1963.....	2,451,915	2,322,682	129,233	70,103	13,626	59,640	13,117	4.3	0.5
1964.....	2,790,877	2,493,735	297,142	69,260	16,730	110,250	134,362	9.6	4.8
1965.....	3,263,556	2,847,308	416,249	73,222	26,964	148,101	221,889	11.2	6.8
1966.....	3,660,900	3,207,233	453,668	88,199	38,633	165,465	238,636	9.7	6.5
1967.....	4,419,436	4,009,331	410,106	121,346	90,677	145,250	244,475	7.7	5.5
Local Service Airlines									
1957.....	82,140	82,900	-760	671	-25	-50	-1,154	-2.6	---
1962.....	206,099	192,724	13,374	3,748	1,475	5,263	5,962	11.7	2.9
1963.....	225,975	214,015	11,959	3,905	964	4,374	4,872	9.4	2.2
1964.....	254,192	236,809	17,383	4,160	138	5,760	7,689	10.1	3.0
1965.....	291,374	267,283	24,091	5,189	2,051	8,353	12,599	10.4	4.3
1966.....	350,100	325,126	24,974	9,464	3,671	7,059	12,122	7.2	3.5
1967.....	399,716	399,025	691	21,129	12,779	-3,340	-4,312	2.6	---
Intra-Hawaiian Airlines									
1957.....	8,360	8,081	279	112	100	54	267	11.1	3.2
1962.....	13,780	13,229	551	445	-65	28	-50	4.3	---
1963.....	15,499	14,690	809	485	-402	---	-213	3.2	---
1964.....	17,898	16,523	1,375	417	104	139	868	13.7	4.8
1965.....	20,439	18,527	1,911	468	105	568	980	11.1	4.8
1966.....	23,318	22,145	1,173	660	172	206	479	6.4	2.1
1967.....	26,287	26,528	-241	875	448	-194	-1,039	-1.9	---
Helicopter Airlines									
1957.....	5,032	5,164	-132	64	33	-42	-112	-1.1	---
1962.....	8,583	8,835	-252	233	129	-223	89	4.0	1.0
1963.....	8,637	8,839	-202	303	245	-107	-154	1.6	---
1964.....	10,174	10,295	-121	318	361	103	-197	0.7	---
1965.....	11,135	11,369	-233	388	227	166	-560	-1.5	---
1966.....	13,647	14,850	-1,202	375	240	-328	-1,010	-2.7	---
1967.....	16,646	17,214	-568	407	286	-56	-634	-2.8	---
Intra-Alaskan Airlines									
1967.....	15,081	15,307	-226	162	480	-159	531	13.1	3.5
1962.....	18,735	17,421	1,314	288	46	563	531	9.0	2.8
1963.....	20,225	19,353	872	290	96	457	221	5.6	1.1
1964.....	21,950	20,310	1,640	260	21	613	1,171	14.8	5.3
1965.....	22,002	20,587	1,415	299	69	701	470	6.5	2.1
1966.....	22,357	20,306	2,051	336	49	670	1,280	12.5	5.7
1967.....	24,407	23,241	1,166	314	-99	587	160	5.9	0.6

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 These rates reflect a methodology developed by the Civil Aeronautics Board. An alternative method of computation approved by members of the Airline Finance and Accounting Conference of the Air Transport Association includes the discounted value of leased flight equipment and the current portion of long-term debt in the carriers' investment base. This method results in a rate of return of 6.27 per cent for the domestic trunk carriers for the 12-month period ended March 31, 1968.

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)									
1957.....	66,185	69,883	-3,698	1,358	4,069	473	-1,693	-0.8	---
1962.....	90,702	80,401	10,301	4,775	2,897	4,108	4,355	10.4	4.8
1963.....	67,586	66,308	1,279	4,302	1,277	-545	-1,290	3.4	---
1964.....	74,158	70,838	3,319	3,824	1,140	636	-1	4.0	---
1965.....	82,279	73,706	8,573	3,789	1,216	3,280	2,720	7.2	3.3
1966.....	102,360	80,414	21,946	3,002	1,768	8,467	12,245	17.1	12.0
1967.....	94,279	83,973	10,305	2,668	419	3,205	4,851	15.0	5.1
International and Territorial Airlines									
1957.....	508,827	480,495	28,332	5,227	8,884	13,492	20,167	7.9	4.0
1962.....	810,446	723,853	86,593	26,337	4,893	32,885	33,073	8.6	4.1
1963.....	931,452	799,462	131,991	24,234	6,247	50,287	63,012	13.1	6.8
1964.....	1,040,020	896,425	143,595	22,980	9,700	55,683	78,086	13.3	7.5
1965.....	1,210,875	1,001,362	209,513	25,896	6,578	73,572	121,883	14.6	10.1
1966.....	1,474,410	1,220,894	253,586	35,049	26,298	94,931	149,904	15.0	10.2
1967.....	1,769,681	1,496,654	273,027	46,675	27,102	88,966	162,696	13.5	9.2
All-Cargo Airlines (International)									
1957.....	23,146	24,030	-884	269	146	-416	-604	-2.6	---
1962.....	39,683	36,543	3,139	2,841	-356	---	118	7.7	0.3
1963.....	37,548	33,674	3,874	2,874	-299	---	-1,072	4.6	---
1964.....	42,032	35,790	6,242	3,039	-243	---	2,462	11.6	5.9
1965.....	56,191	45,782	10,409	2,876	22	---	6,892	21.7	12.3
1966.....	99,059	78,791	20,268	2,917	1,338	3,216	15,474	33.0	15.6
1967.....	114,193	100,425	13,768	3,780	1,502	2,278	9,213	20.9	8.1
CONSOLIDATED INDUSTRY									
1957.....	2,128,386	2,063,381	60,005	24,185	32,577	36,478	44,430	5.2	2.1
1962.....	3,438,731	3,248,732	189,999	111,036	35,829	64,984	52,319	5.7	1.5
1963.....	3,759,051	3,479,264	279,787	106,497	21,764	114,105	78,480	6.5	2.1
1964.....	4,251,302	3,780,726	470,576	104,258	27,951	173,184	224,440	10.4	5.3
1965.....	4,957,851	4,285,923	671,928	112,127	37,232	234,740	367,119	12.0	7.4
1966.....	5,746,222	4,969,757	776,465	140,001	72,168	279,686	428,584	11.0	7.5
1967.....	6,864,645	6,156,391	708,254	197,193	133,114	236,696	415,411	9.1	6.1

³ Profit as per cent of revenues.

Note: Avalon Air Transport figures are included in the Consolidated Industry totals for 1962 and 1963.

ASSETS, LIABILITIES AND

U. S. Scheduled Airline Industry

As of December 31

	1957	1962	1963	1964	1965	1966	1967
Domestic Trunk Airlines ¹							
<i>Assets</i>							
Current Assets.....	457,596	810,571	873,744	882,686	1,155,376	1,488,583	1,769,066
Investments and Special Funds.....	127,953	110,957	178,513	175,081	325,334	477,165	691,681
Flight Equipment.....	1,363,766	3,021,444	3,050,528	3,477,575	3,864,966	4,681,260	5,749,847
Reserve for Depreciation and Airworthiness.....	-639,018	-1,221,807	-1,339,415	-1,399,063	-1,509,256	-1,652,233	-1,882,877
Ground Property and Equipment.....	206,452	371,061	391,176	425,974	479,091	544,698	651,653
Reserve for Depreciation.....	-101,002	-187,769	-208,126	-231,433	-250,723	-271,971	-310,974
Other Property.....	49,668	27,316	59,060	50,547	65,734	91,558	173,939
Deferred Charges.....	23,544	58,952	33,227	38,893	35,347	58,848	69,615
Total Assets.....	1,488,959	2,990,724	3,038,708	3,420,258	4,165,869	5,417,909	6,911,949
<i>Liabilities and Equity</i>							
Current Liabilities.....	314,841	592,202	657,478	686,810	789,602	890,833	1,080,742
Long-Term Debt.....	484,487	1,449,940	1,330,921	1,436,105	1,596,918	2,277,953	2,988,632
Other Non-Current Liabilities.....	1,225	27,554	15,932	6,073	15,454	14,835	18,601
Deferred Credits.....	50,479	190,152	239,774	321,469	377,687	454,805	568,615
Stockholders' Equity—Net of Treasury Stock.....	637,927	730,875	794,605	969,798	1,386,207	1,779,483	2,255,363
Preferred Stock.....	15,804	33,552	20,672	17,433	16,134	15,262	37,070
Common Stock.....	108,499	133,085	151,927	163,032	191,742	208,237	278,970
Other Paid-In Capital.....	215,654	303,713	353,187	385,103	470,160	606,614	749,970
Retained Earnings.....	298,329	261,670	270,425	405,514	709,203	950,447	1,190,930
Less: Treasury Stock.....	359	1,143	1,608	1,284	1,031	1,077	1,578
Total Liabilities and Equity.....	1,488,959	2,990,724	3,038,708	3,420,258	4,165,869	5,417,909	6,911,949
Local Service Airlines							
<i>Assets</i>							
Current Assets.....	16,512	49,500	55,114	66,053	85,449	112,012	141,109
Investments and Special Funds.....	3,025	4,074	10,203	12,912	19,553	38,962	46,450
Flight Equipment.....	32,946	107,590	121,011	135,606	191,982	277,338	457,434
Reserve for Depreciation and Airworthiness.....	-16,824	-39,671	-46,265	-50,035	-59,423	-62,912	-69,086
Ground Property and Equipment.....	6,546	15,722	17,663	19,707	22,779	30,086	36,939
Reserve for Depreciation.....	-3,556	-8,242	-9,632	-11,143	-12,385	-14,104	-16,966
Other Property.....	608	4,295	2,576	2,597	8,343	23,745	16,143
Deferred Charges.....	1,932	4,987	5,301	5,591	6,233	14,038	24,981
Total Assets.....	41,189	138,263	155,974	181,286	262,531	419,164	637,004
<i>Liabilities and Equity</i>							
Current Liabilities.....	22,002	49,114	51,047	51,632	68,766	99,782	134,410
Long-Term Debt.....	8,656	52,624	61,540	69,732	112,039	219,741	392,755
Other Non-Current Liabilities.....	206	142	479	507	57	48	550
Deferred Credits.....	249	1,301	2,555	3,171	4,297	3,488	6,621
Stockholders' Equity—Net of Treasury Stock.....	10,076	35,083	40,354	56,247	77,372	96,105	102,670
Preferred Stock.....	163	2,323	2,100	1,887	952	755	660
Common Stock.....	6,776	11,180	12,749	15,091	17,505	19,204	20,813
Other Paid-In Capital.....	4,975	10,870	10,816	17,676	27,628	39,547	52,592
Retained Earnings.....	-1,724	10,818	14,798	21,684	31,322	36,633	28,641
Less: Treasury Stock.....	114	108	108	92	35	35	35
Total Liabilities and Equity.....	41,189	138,263	155,974	181,286	262,531	419,164	637,004

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

STOCKHOLDERS' EQUITY

(in Thousands of Dollars)

	As of December 31						
	1957	1962	1963	1964	1965	1966	1967
Intra-Hawaiian Airlines							
<i>Assets</i>							
Current Assets.....	1,964	3,462	3,152	3,405	6,465	5,721	7,142
Investments and Special Funds.....	113	11	27	318	1,963	1,681	1,801
Flight Equipment.....	5,931	12,242	13,483	14,100	13,330	17,146	22,446
Reserve for Depreciation and Airworthiness.....	-3,230	-5,995	-6,703	-7,055	-6,174	-5,304	-4,934
Ground Property and Equipment.....	1,355	2,587	2,885	3,314	3,446	4,487	5,163
Reserve for Depreciation.....	-945	-1,225	-1,374	-1,531	-1,616	-1,852	-2,132
Other Property.....	133	228	491	229	638	976	569
Deferred Charges.....	182	1,060	727	546	760	1,705	1,837
Total Assets.....	5,503	12,371	12,686	13,328	18,812	24,560	31,891
<i>Liabilities and Equity</i>							
Current Liabilities.....	2,011	3,578	3,846	3,877	4,897	4,992	7,770
Long-Term Debt.....	1,635	5,555	5,754	5,156	8,240	13,193	14,279
Other Non-Current Liabilities.....			18	113	120	173	106
Deferred Credits.....	23	71	35	87	335	440	2
Stockholders' Equity—Net of Treasury Stock.....	1,834	3,167	3,034	4,095	5,221	5,763	9,734
Preferred Stock.....		1,555	1,458	1,211	573	398	310
Common Stock.....	1,981	1,375	1,546	1,921	2,852	3,081	5,747
Other Paid-In Capital.....	832	1,793	1,799	1,866	1,405	1,413	4,543
Retained Earnings.....	-979	-1,558	-1,770	-902	391	871	-866
Less: Treasury Stock.....							
Total Liabilities and Equity.....	5,503	12,371	12,686	13,328	18,812	24,560	31,891
Helicopter Airlines							
<i>Assets</i>							
Current Assets.....	2,169	3,620	3,263	4,402	5,856	7,071	6,197
Investments and Special Funds.....	27	215	199	598	736	1,058	825
Flight Equipment.....	5,169	10,019	9,760	9,608	10,363	11,384	14,292
Reserve for Depreciation and Airworthiness.....	-2,336	-2,934	-2,958	-3,385	-3,995	-4,184	-5,157
Ground Property and Equipment.....	777	1,349	1,555	1,782	1,919	2,029	2,158
Reserve for Depreciation.....	-311	-764	-894	-1,027	-1,160	-1,202	-1,308
Other Property.....	1	113	152	126	241	165	358
Deferred Charges.....	302	859	784	884	1,205	1,296	1,040
Total Assets.....	5,798	12,474	11,861	12,987	15,165	17,617	18,407
<i>Liabilities and Equity</i>							
Current Liabilities.....	962	2,208	2,580	3,008	5,015	5,031	5,011
Long-Term Debt.....	1,033	4,923	3,944	4,509	4,352	7,059	8,618
Other Non-Current Liabilities.....		31	21	6	5	84	61
Deferred Credits.....	108	236	233	226	403	165	149
Stockholders' Equity—Net of Treasury Stock.....	3,695	5,078	5,086	5,241	5,390	5,279	4,566
Preferred Stock.....			1,043	1,456			0
Common Stock.....	734	964	982	995	2,963	3,141	3,157
Other Paid-In Capital.....	2,546	2,692	2,647	2,573	2,648	2,919	2,939
Retained Earnings.....	415	1,424	414	216	-221	-781	-1,530
Less: Treasury Stock.....							
Total Liabilities and Equity.....	5,798	12,474	11,861	12,987	15,165	17,617	18,407

ASSETS, LIABILITIES AND

U. S. Scheduled Airline Industry

As of December 31

	1957	1962	1963	1964	1965	1966	1967
International and Territorial Airlines							
<i>Assets</i>							
Current Assets.....	103,836	209,998	203,892	186,730	230,019	294,791	319,880
Investments and Special Funds.....	55,226	66,030	83,388	104,371	112,659	174,062	192,857
Flight Equipment.....	290,452	593,675	602,852	701,856	739,019	920,657	1,096,492
Reserve for Depreciation and Airworthiness.....	-136,835	-242,100	-271,755	-284,887	-262,583	-300,378	-316,310
Ground Property and Equipment.....	36,376	62,553	65,928	94,355	99,902	114,762	142,028
Reserve for Depreciation.....	-21,816	35,443	-38,682	-42,316	-47,905	-54,500	-59,798
Other Property.....	4,387	3,603	4,567	6,102	20,534	26,070	23,058
Deferred Charges.....	5,370	31,459	31,099	31,335	26,355	26,337	24,791
Total Assets.....	336,996	689,776	681,289	797,567	918,000	1,201,800	1,423,000
<i>Liabilities and Equity</i>							
Current Liabilities.....	90,087	172,339	198,760	183,236	209,828	231,231	252,577
Long-Term Debt.....	88,777	301,520	226,231	274,502	338,496	474,865	629,706
Other Non-Current Liabilities.....	1,574	4,385	1,863	19,743	2,569	2,224	1,050
Deferred Credits.....	6,607	31,305	52,531	62,293	56,714	69,302	77,533
Stockholders' Equity—Net of Treasury Stock.....	149,951	180,225	201,902	257,791	310,392	424,178	462,132
Preferred Stock.....	150						
Common Stock.....	18,766	19,483	19,239	19,703	20,064	21,884	10,797
Other Paid-In Capital.....	72,357	80,901	78,412	96,190	106,519	143,411	153,850
Retained Earnings.....	60,144	81,194	105,369	142,609	185,319	260,094	298,269
Less: Treasury Stock.....	1,466	1,352	1,115	708	1,509	1,212	783
Total Liabilities and Equity.....	336,996	689,776	681,289	797,567	918,000	1,201,800	1,423,000
Intra-Alaskan Airlines							
<i>Assets</i>							
Current Assets.....	3,218	5,395	6,559	6,580	6,623	6,151	7,662
Investments and Special Funds.....	351	819	825	659	682	1,232	2,571
Flight Equipment.....	4,358	9,509	10,475	10,601	12,203	12,531	14,360
Reserve for Depreciation and Airworthiness.....	-2,581	-4,948	-5,688	-6,002	-6,945	-7,248	-7,645
Ground Property and Equipment.....	2,999	4,138	4,369	4,909	5,842	7,089	7,369
Reserve for Depreciation.....	-1,134	-2,074	-2,298	-2,536	-2,816	-3,184	-3,611
Other Property.....	177	417	335	465	1,059	709	612
Deferred Charges.....	246	455	565	653	638	670	745
Total Assets.....	7,634	13,714	15,146	15,328	17,285	17,949	22,063
<i>Liabilities and Equity</i>							
Current Liabilities.....	2,843	4,470	5,708	5,540	5,437	5,033	5,894
Long-Term Debt.....	1,817	3,433	3,350	2,416	4,085	4,264	4,769
Other Non-Current Liabilities.....		104	129	187	173	140	129
Deferred Credits.....	68	143	181	213	242	239	190
Stockholders' Equity—Net of Treasury Stock.....	2,906	5,565	5,776	6,968	7,348	8,273	11,079
Preferred Stock.....		420	473	468	485	480	0
Common Stock.....	1,620	2,124	2,124	2,223	2,552	2,721	3,735
Other Paid-In Capital.....	155	278	279	320	487	490	2,728
Retained Earnings.....	1,131	2,744	2,899	3,958	3,824	4,581	4,616
Less: Treasury Stock.....							
Total Liabilities and Equity.....	7,634	13,714	15,146	15,328	17,285	17,949	22,063

STOCKHOLDERS' EQUITY

(In Thousands of Dollars)

	As of December 31						
	1957	1962	1963	1964	1965	1966	1967
All-Cargo Airlines ²							
<i>Assets</i>							
Current Assets	19,591	33,632	28,987	33,398	38,903	65,222	64,115
Investments and Special Funds	4,629	9,097	9,322	7,884	8,827	16,442	90,117
Flight Equipment	65,448	157,910	166,757	174,264	192,603	175,184	213,048
Reserve for Depreciation and Airworthiness	-17,501	-40,915	-53,157	-64,504	-71,827	-72,910	-86,862
Ground Property and Equipment	5,578	5,612	6,301	6,936	7,547	14,380	16,534
Reserve for Depreciation	-2,382	-2,976	-3,443	-3,777	-4,135	-4,626	-5,434
Other Property	2,682	5,618	7,688	1,906	4,548	2,155	2,384
Deferred Charges	5,122	8,620	7,181	7,070	7,202	17,583	17,234
Total Assets	83,167	176,600	169,634	163,176	183,667	213,430	311,137
<i>Liabilities and Equity</i>							
Current Liabilities	25,992	39,057	31,118	38,003	41,718	45,052	44,640
Long-Term Debt	25,120	105,080	97,767	84,542	85,707	80,385	149,466
Other Non-Current Liabilities	449	408	2,582	2,476	2,555	1,378	2,628
Deferred Credits	3,258	5,288	9,733	6,579	9,777	12,313	18,418
Stockholders' Equity—Net of Treasury Stock	28,348	26,766	28,433	31,574	43,910	74,303	95,986
Preferred Stock	1,437	1,192	1,192	1,192	991	244	244
Common Stock	8,237	23,015	24,052	24,765	26,522	17,608	20,316
Other Paid-In Capital	15,955	21,742	13,900	13,915	15,128	27,604	32,970
Retained Earnings	2,973	-19,179	-10,706	-8,294	1,269	29,090	42,700
Less: Treasury Stock	254	5	5	5	—	244	244
Total Liabilities and Equity	83,167	176,600	169,634	163,176	183,667	213,430	311,137
CONSOLIDATED INDUSTRY ³							
<i>Assets</i>							
Current Assets	604,886	1,116,229	1,174,711	1,183,254	1,528,691	1,979,551	2,315,171
Investments and Special Funds	191,324	191,204	282,477	301,823	469,755	710,602	1,026,302
Flight Equipment	1,768,070	3,912,768	3,974,866	4,523,610	5,024,466	6,095,501	7,567,919
Reserve for Depreciation and Airworthiness	-818,325	-1,558,638	-1,725,941	-1,814,931	-1,920,203	-2,105,171	-2,372,871
Ground Property and Equipment	260,083	463,098	489,877	556,977	620,525	717,531	861,844
Reserve for Depreciation	-131,146	-238,529	-264,449	-293,763	-320,740	-351,440	-400,223
Other Property	57,656	41,595	74,870	61,972	101,094	145,376	217,063
Deferred Charges	36,698	106,402	78,884	84,992	77,741	120,477	140,243
Total Assets	1,969,246	4,034,140	4,085,298	4,603,930	5,581,330	7,312,429	9,355,451
<i>Liabilities and Equity</i>							
Current Liabilities	458,738	863,091	950,537	972,106	1,125,262	1,281,953	1,531,044
Long-Term Debt	611,525	1,923,075	1,729,507	1,876,962	2,149,837	3,077,460	4,188,225
Other Non-Current Liabilities	3,454	32,624	21,024	29,105	20,933	18,882	23,125
Deferred Credits	60,792	228,532	305,042	394,038	449,456	540,752	671,528
Stockholders' Equity—Net of Treasury Stock	834,737	986,818	1,079,190	1,331,714	1,835,841	2,393,382	2,941,530
Preferred Stock	17,554	39,042	26,938	23,647	19,135	17,138	38,284
Common Stock	146,613	191,261	212,619	227,730	264,199	275,876	343,535
Other Paid-In Capital	312,474	421,989	461,040	517,643	623,975	821,999	999,592
Retained Earnings	360,289	337,137	381,429	564,785	931,108	1,280,936	1,562,760
Less: Treasury Stock	2,193	2,608	2,836	2,089	2,575	2,567	2,640
Total Liabilities and Equity	1,969,246	4,034,140	4,085,298	4,603,930	5,581,330	7,312,429	9,355,451

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 for 1962.

ACTIVE AIRCRAFT IN THE CIVIL AVIATION FLEET

1957-1967

	1957	1962	1963	1964	1965	1966	1967
Air Carrier.....							
Piston.....	1,744	1,164	1,138	1,030	875	679	460
Turbine.....	59	647	674	813	1,000	1,322	1,706
Rotorcraft.....	26	20	20	20	21	21	22
Total.....	1,829	1,831	1,832	1,863	1,896	2,022	2,188
% of Total.....	2.7%	2.1%	2.1%	2.1%	1.9%	1.9%	1.9%
General Aviation.....							
Piston.....	66,020	82,434	83,084	86,482	92,556	101,292	108,100 ^B
Turbine.....		213	245	306	574	915	1,220 ^B
Rotorcraft.....	290	967	1,171	1,306	1,503	1,622	1,730 ^B
Other.....	210	507	588	648	809	877	950 ^B
Total.....	66,520	84,121	85,088	88,742	95,442	104,706	112,000 ^B
% of Total.....	97.3%	97.9%	97.9%	97.9%	98.1%	98.1%	98.1%
Total.....	68,349	85,952	86,920	90,605	97,338	106,728	114,188 ^B

^B Estimated

Source: Federal Aviation Administration.

AIRCRAFT OPERATIONS AT AIRPORTS WITH FAA CONTROL TOWERS

1957-1967

	1957	1962	1963	1964	1965	1966	1967
Air Carrier.....	7,112,208	7,059,630	7,339,533	7,447,434	7,819,114	8,206,322	9,359,960
% of Total.....	28.3%	25.0%	23.7%	21.8%	20.6%	18.3%	18.8%
General Aviation.....	12,128,625	17,367,249	19,921,053	23,019,865	26,572,650	33,445,126	37,222,622
% of Total.....	48.2%	61.6%	64.3%	67.3%	70.2%	74.4%	74.6%
Military.....	5,908,834	3,773,691	3,716,187	3,727,360	3,478,771	3,301,368	3,304,258
% of Total.....	23.5%	13.4%	12.0%	10.9%	9.2%	7.3%	6.6%
Total.....	25,149,667	28,200,570	30,976,773	34,194,659	37,870,535	44,952,816	49,886,840

Source: Federal Aviation Administration.

AIRCRAFT HOURS FLOWN IN CIVIL AVIATION

1957-1967

	1957	1962	1963	1964	1965	1966	1967
Scheduled Air Carrier							
Domestic Service.....	3,771,098	3,038,088	3,131,898	3,266,137	3,500,027	3,602,540	4,173,399
International & Territorial Service.....	667,508	452,963	474,763	508,408	571,828	630,578	751,214
Total.....	4,438,606	3,491,051	3,606,661	3,774,545	4,071,855	4,233,118	4,924,613
% of Total.....	28.9%	19.4%	19.3%	19.3%	19.6%	16.8%	17.9%
General Aviation.....	10,938,000	14,500,000	15,106,000	15,738,000	16,733,000	21,023,000	22,600,000
% of Total.....	71.1%	80.6%	80.7%	80.7%	80.4%	83.2%	82.1%
Total.....	15,376,606	17,991,051	18,712,661	19,512,545	20,804,855	25,256,118	27,524,613

Source: Civil Aeronautics Board.

**TOTAL U. S. AIRPORTS, FAA CONTROL TOWERS AND POINTS RECEIVING
SCHEDULED AIRLINE SERVICE, 1957-1967**

	1957	1962	1963	1964	1965	1966	1967
Total Airports on Record with FAA.....	6,412	8,084	8,814	9,490	9,566	9,673	10,126
Total FAA Control Towers.....	205	270	277	278	292	303	313
Points Receiving Scheduled Airline Service.....	554	569	551	547	532	527	521

Note: Several points are served by more than one airport.

Source: Federal Aviation Administration, Civil Aeronautics Board.

**DISTRIBUTION OF AIRCRAFT OPERATIONS AT LARGE HUB AIRPORTS
1957, 1962, 1967**

	1957			1962			1967		
	Air Carrier	General Aviation	Military	Air Carrier	General Aviation	Military	Air Carrier	General Aviation	Military
O'Hare.....	27.5%	30.3%	42.2%	43.5%	47.4%	9.1%	89.1%	10.2%	0.7%
J.F.K.....	87.1	11.3	1.6	88.5	10.8	0.7	83.9	15.8	0.3
Los Angeles.....	68.0	15.3	16.7	75.7	19.1	5.1	79.7	18.3	2.0
Atlanta.....	66.1	26.9	6.9	74.2	23.6	2.3	75.5	23.7	0.8
San Francisco.....	64.3	25.7	10.0	70.8	23.7	5.5	83.0	15.4	1.6
Washington National.....	83.3	13.0	3.7	70.7	24.1	5.1	71.3	27.5	1.2
Dallas.....	52.0	36.5	11.5	53.8	44.3	1.8	61.0	38.1	0.9
Miami.....	46.5	36.4	17.1	51.1	45.3	3.6	51.7	47.5	0.9
Boston.....	54.5	24.4	21.1	65.0	28.7	6.3	66.8	30.9	2.3
LaGuardia.....	78.3	21.4	0.3	67.4	32.0	0.6	62.5	37.2	0.4
Newark.....	85.3	12.8	1.9	75.7	23.1	1.2	74.2	25.7	0.2
Philadelphia.....	56.3	26.2	17.5	62.1	33.4	4.5	64.9	33.5	1.6
Pittsburgh.....	65.0	10.2	24.8	64.6	17.0	18.4	62.0	25.3	12.7
Denver.....	28.7	56.8	14.5	36.4	59.0	4.6	29.0	70.4	0.6
Cleveland.....	50.2	48.2	1.6	56.8	42.1	1.0	45.7	53.9	0.4
St. Louis.....	45.5	28.0	26.5	39.1	51.7	9.2	42.6	50.8	6.6
Detroit Metropolitan.....	8.9	77.2	13.9	36.7	56.0	7.3	63.7	33.8	2.4
Minneapolis/St. Paul.....	39.2	23.2	37.6	41.6	31.5	26.9	39.8	48.2	11.9
Kansas City.....	43.2	55.2	1.6	44.4	54.0	1.7	49.4	49.9	0.7
Houston.....	35.8	47.2	17.0	32.4	65.4	2.3	38.1	61.6	0.4
New Orleans.....	70.4	12.5	17.1	74.1	20.8	5.1	64.7	32.9	2.4
Seattle/Tacoma.....	67.3	18.6	14.1	65.8	28.2	6.0	61.2	36.6	2.2
Cincinnati.....	68.4	26.0	5.5	67.3	28.7	3.9	60.1	38.8	1.1
Total.....	55.9	30.2	13.9	60.0	34.6	5.4	63.3	34.6	2.1

Source: Federal Aviation Administration.

COMPARATIVE TRANSPORT SAFETY RECORD

Passenger Fatality Rate per 100,000,000 Passenger Miles

	1957	1962	1963	1964	1965	1966	1967
U. S. Scheduled Airlines							
Domestic							
Fatalities.....	30	121	48	65	205	59	226
Rate.....	0.12	0.34	0.12	0.14	0.38	0.09	0.30
International and Territorial							
Fatalities.....	40	0	73	94	21	0	0
Rate.....	0.67	0.00	0.59	0.63	0.12	0.00	0.00
Total U. S. Scheduled Airlines							
Fatalities.....	70	121	121	159	226	59	226
Rate.....	0.22	0.26	0.23	0.26	0.31	0.07	0.22
Motor Buses							
Fatalities.....	100	60	150	90	100	150	130 ^P
Rate.....	0.19	0.11	0.26	0.15	0.16	0.23	0.19 ^P
Railroads							
Fatalities.....	17	27	13	9	12	27	16
Rate.....	0.07	0.14	0.07	0.05	0.07	0.16	0.09
Autos							
Fatalities.....	25,600	26,800	28,900	31,500	32,500	35,100	35,200
Rate.....	2.6	2.2	2.3	2.4	2.4	2.5	2.4

^P Preliminary.

AIRLINE REVENUES COMPARED

Average Revenue per Passenger Mile — Intercity Common Carriers

(For Selected Years, In Cents Per Mile)

	1957	1962	1963	1964	1965	1966	1967	% Change 1957/1967
Scheduled Airlines:								
Domestic—First Class.....	5.95	7.57	7.17	7.26	7.33	7.24	7.20	+21.0
Coach.....	4.25	5.76	5.62	5.58	5.52	5.28	5.13	+20.7
Total.....	5.31	6.45	6.17	6.12	6.06	5.83	5.63	+ 6.0
International—First Class.....	8.01	8.42	8.56	8.16	7.62	7.60	7.59	— 5.2
Tourist *.....	5.77	5.43	5.47	5.12	5.00	4.85	4.70	—18.5
Total.....	6.55	5.87	5.82	5.45	5.29	5.16	5.01	—23.5
Total U. S. Scheduled Airlines.....	5.54	6.31	6.09	5.95	5.87	5.67	5.49	— 0.9
Railroads, Class I								
First Class.....	3.68	3.97	4.00	3.91	3.87	3.84	3.76	+ 2.2
Coach.....	2.71	2.89	3.00	3.00	3.00	2.99	3.02	+11.4
Motor Buses, Class I.....	2.29	2.67	2.72	2.74	2.88	2.86	2.99^P	+30.6

* Includes Economy Fares.

^P Preliminary.

FREIGHT REVENUES COMPARED

Average Revenue per Ton Mile — Intercity Common Carriers

(For Selected Years, In Cents Per Mile)

	1957	1962	1963	1964	1965	1966	1967	% Change 1957/1967
Scheduled Airlines:								
Domestic.....	21.39	21.31	21.72	20.97	20.46	20.21	19.89	— 7.0
International.....	31.94	25.04	24.78	23.60	20.76	19.92	19.63	—38.5
Total U. S. Scheduled Airlines.....	24.67	22.69	22.86	21.95	20.58	20.09	19.79	—19.8
Railroads, Class I.....	1.45	1.35	1.31	1.28	1.27	1.26	1.27	—12.4
Trucks, Class I and II.....	6.20	6.40	6.30	6.50	6.60	6.50	6.70^B	+ 8.1

^B Estimated.

PERSONNEL EMPLOYED Scheduled Airline Industry ¹

Year (Dec. 31)	Pilots and Copilots	Other Flight Personnel	Purser, Stewards, Stewardesses	Communi- cations Personnel	Mechanics	Aircraft and Traffic Servicing	Office Employees	All Others	Total
1957.....	13,286	3,797	9,450	4,004	31,162	36,052	31,799	17,640	147,190
1962.....	13,820	4,151	12,178	3,418	34,925	46,696	36,952	20,687	172,827
1963.....	14,262	4,048	13,109	3,716	34,453	49,056	37,867	22,396	178,887
1964.....	15,136	4,415	14,470	3,195	39,360	51,944	40,325	22,973	191,818
1965.....	16,881	5,091	17,322	3,123	41,667	57,532	44,162	25,017	210,795
1966.....	21,019	6,788	20,925	3,174	45,327	66,641	50,961	29,193	244,028
1967.....	23,425	7,531	25,100	3,316	50,016	74,943	59,257	32,435	276,023

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

REVENUE PASSENGERS CARRIED

U. S. Scheduled Airline Industry

(For Selected Years, In Thousands of Passengers)

	1957	1962	1963	1964	1965	1966	1967
Domestic Trunk Airlines.....	40,273	46,759	53,380	60,532	69,875	79,382	97,217
Local Service Airlines.....	3,955	7,651	8,865	10,481	12,316	15,540	18,146
Helicopter Airlines.....	153	359	458	608	718	1,067	1,220
Intra-Hawaiian Airlines.....	590	877	973	1,119	1,286	1,487	1,776
Intra-Alaskan Airlines.....	191	240	225	247	264	269	301
International and Territorial Airlines.....	4,304	6,598	7,513	8,775	10,195	11,646	13,424
TOTAL SCHEDULED AIRLINE INDUSTRY.....	49,466	62,549 ¹	71,438 ¹	81,762	94,655	109,391	132,093 ²

AVERAGE LENGTH OF HAUL

Domestic Trunk Airlines.....	608	681	682	688	701	716	730
Local Service Airlines.....	189	210	211	214	213	223	227
International and Territorial Airlines.....	1,367	1,536	1,585	1,636	1,647	1,657	1,733

¹ Includes Avalon Air Transport

² Includes Aspen Airways

PASSENGER TRAVEL BETWEEN THE UNITED STATES AND FOREIGN COUNTRIES *

(Thousands of Passengers)

	1957	1962	1963	1964	1965	1966	1967
Passengers via Air.....	3,053	5,364	5,997	6,905	8,227	9,780	11,338
Passengers via Sea.....	1,262	1,568	1,639	1,710	1,652	1,549	1,467
Total via Air and Sea.....	4,315	6,932	7,636	8,615	9,879	11,329	12,805
Air Share (%).....	70.8	77.4	78.5	80.2	83.3	86.3	88.5
U.S. Citizens via Air (%).....	66.7	61.4	61.8	61.8	60.9	62.1	62.2
Passengers via Foreign-Flag Airlines.....	1,142	2,684	2,977	3,465	4,195	4,744	5,428
Passengers via U.S.-Flag Airlines.....	1,911	2,680	3,020	3,440	4,032	5,036	5,910
U.S.-Flag Airlines' Share (%).....	62.6	50.0	50.4	49.8	49.0	51.5	52.1

* 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)

	1957	1962	1963	1964	1965	1966	1967
Common Carriers							
Airlines.....	25,379	33,623	38,457	44,141	51,888	60,591	75,486
Railroads.....	20,989	15,859	14,396	14,048	13,260	12,903	10,920
Motor Bus ¹	21,500	21,300	21,800	23,300	23,800	24,600	24,600 ^B
Total.....	67,868	70,782	74,653	81,489	88,948	98,094	111,006 ^B
Air Share (%).....	37.4	47.5	51.5	54.2	58.3	61.8	68.0
Private Automobile.....	690,000	736,000	766,000	802,000	838,000	880,000	922,000 ^B
Total Common Carrier and Auto.....	757,868	806,782	840,653	883,489	926,948	978,094	1,033,006 ^B
Common Carrier Share (%).....	9.0	8.8	8.9	9.2	9.6	10.0	10.7
Air Share (%).....	3.3	4.2	4.6	5.0	5.6	6.2	7.3

¹ Includes charter

^B Estimated

AIRCRAFT IN SERVICE

		<i>(In service as of 12/31)</i>						
Manufacturer	Model	1957	1962	1963	1964	1965	1966	1967
Boeing:	377	33	---	---	---	---	---	---
	B707 (Jet)	---	117	133	157	187	239	327
	B720 (Jet)	---	99	104	112	121	129	135
	B727 (Jet)	---	---	---	88	168	277	394
British Aircraft Corp.:	BAC 111 (Jet)	---	---	---	---	17	54	57
Canadair:	CL 44 (Turboprop)	---	21	21	21	24	22	20
Convair:	240	100	50	49	51	55	30	11
	340/440	165	149	153	153	145	112	78
	580/600 (Turboprop)	---	---	---	4	20	69	113
	880 (Jet)	---	45	46	48	47	64	45
	990 (Jet)	---	15	19	19	18	17	11
Curtis:	C-46	75	40	34	22	24	16	12
Douglas:	DC-3	330	213	197	164	140	105	68
	DC-4	93	15	14	15	5	3	2
	DC-6	345	230	217	203	177	131	100
	DC-7	207	203	164	121	64	49	27
	DC-8 (Jet)	---	100	104	114	130	124	161
	DC-9 (Jet)	---	---	---	---	4	54	142
Fairchild Hiller:	F-27 (Turboprop)	---	46	50	54	63	63	48
	FH-227 (Turboprop)	---	---	---	---	---	16	58
Lockheed:	Lodestar	10	---	---	---	---	---	---
	Constellation	121	44	40	41	36	37	6
	Super Constellation	128	114	111	107	70	61	39
	Electra (Turboprop)	---	117	117	117	117	114	109
	L-382B/100 (Turboprop)	---	---	---	---	---	5	9
Martin:	202	25	17	16	15	13	---	---
	404	85	66	59	65	71	73	57
Nihon:	YS-11 (Turboprop)	---	---	---	---	---	3	2
Nord Aviation:	262 Turboprop)	---	---	---	---	5	---	12
Sud Aviation:	Caravelle (Jet)	---	20	20	20	20	20	20
Vickers:	V-700 (Series)	59	55	49	48	48	44	38
	(Turboprop)	---	---	---	---	---	---	---
	V-800 Series	---	12	11	11	11	8	---
	(Turboprop)	---	---	---	---	---	---	---
Other:		27	23	84	73	75	62	65
	Jet	---	396	426	558	712	978	1,292
	Turboprop	59	251	248	255	288	344	414
	Piston	1,744	1,164	1,138	1,030	875	679	460
Total Fixed Wing:		1,803	1,811	1,812	1,843	1,875	2,001	2,166
Helicopters:								
Bell:	B47	6	1	1	---	---	---	---
Sikorsky:	S51	2	---	1	1	---	---	---
	S55	12	5	2	2	2	2	2
	S58	6	5	4	4	4	3	3
	S61 (Turbine)	---	4	4	6	7	8	9
	S62 (Turbine)	---	---	4	3	1	1	1
Boeing Vertol:	V44B	---	1	---	---	---	---	---
	V107 (Turbine)	---	4	4	4	7	7	7
	Turbine	---	8	12	13	15	16	17
	Piston	26	12	8	7	6	5	5
Total Helicopters:		26	20	20	20	21	21	22

Source: Federal Aviation Administration

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	National
Braniff International	Northeast ¹
Continental	Northwest
Delta	Trans World
Eastern	United
Western	

- 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.

Air West ¹	North Central ¹
Allegheny ¹	Ozark
Frontier	Piedmont
Lake Central	Southern
Mohawk ¹	Trans-Texas ¹

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

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

Kodiak	Northern Consolidated
Howard J. Mays ^{2, 3}	Reeve Aleutian
Western Alaska	

- 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 ³	Los Angeles Airways
San Francisco & Oakland Helicopter Airlines ⁴	New York Airways

- 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	Northeast
American	Northwest
Braniff International	Pan American
Caribbean Atlantic	Trans Caribbean
Delta	Trans World
Eastern	United
National ³	Western

- 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 ³	Flying Tiger
Airlift International	Seaboard World
Slick ³	

- 8. Supplemental Air Carriers.** A class of air carriers now holding certificates issued by the CAB authorizing them to perform passenger and cargo charter services, supplementing the scheduled service of the certificated route air carriers. As of May 1, 1968, there were 13 such companies. Statistical data of these carriers are not included herein.

- 9. Intra-state Air Carriers.** A class of air carriers operating as intra-state common carriers, 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 approximately 150 forwarders operating in domestic interstate and foreign and overseas commerce. Statistical data for these groups of carriers are not included herein.

¹ Also certificated to provide trans-border service.

² Certificated non-mail carriers.

³ Scheduled services temporarily suspended.

⁴ Certificated to carry persons, property and mail at a service rate.

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