

# Jets Can Make or Break Airlines

—IATA Chairman

The necessity for promoting mass travel on the world's air routes was emphasized by Sir William P. Hildred, Director General of the International Air Transport Association, at the 15th annual meeting held in Tokyo, Japan, last month. With the delivery of more high-speed jet aircraft during the coming year, the airlines would produce a greater carrying capacity than ever be-

fore, but as long as they kept the fares down — even further than they were at present — Sir William said the market was "inexhaustable".

He reported that more than 300 jets would be in operation by the end of 1959, and that within 12 months they would be producing more payload than all the remainder of the 3,400 aircraft in the fleets of IATA member airlines.

"We shall have to feed progressively larger gobbets of traffic to these monsters, or they will eat us up, capital and all," warned Sir William.

Referring to means of promoting increased travel, the Director General said this could be done only by conducting market research beyond the span of any single airline. One of the most encouraging developments on this basis was the co-operation between the Dominion Bureau of Statistics and IATA members serving Canada, to find out more about their market of 17 million consumers.

Introduction of both jet aircraft and economy fares during the past year has given the airlines for the first time a combination of highly productive aircraft with really low-fare service, Hildred said in his report. "Whether we have got the mixture in the right proportions remains to be seen, but this is the medicine we need for future growth."

He also warned that while the airlines are not now filling all the cargo capacity they produce, space available for cargo will also increase rapidly in the next few years. "Considered against the amount of cargo moving by all forms of transport the capacity we may offer may be small," he said, "but the amount of space we shall sell by our present rating systems and sales appeals will be smaller still. This presents airline managements with a greater challenge for the next decade than any in the passenger field."

International traffic of all kinds increased 14.8 percent in 1958 as against 16.4 percent in 1957. Passenger traffic was up 12.4 percent and cargo increased 12.5 percent for the year. At the same time, intra-European passenger traffic rose 9 percent and North Atlantic passenger carryings increased 26.8 percent under the impetus of the new Economy fares to a record total of 1,292,166.

"As I anticipated last year," Hildred added, "1958 saw more passengers flying the North Atlantic than crossing by sea." Traffic for the first seven months of this year was rising on an ebullient curve for both international and U.S. domestic operations. Wherever the new jets had gone into service they had been booked to capacity.

Of the work of the IATA Traffic Conferences, through which the airlines recommend international fares and rates for government approval, Hildred said: "I am confident of the ability of this world-wide industry to continue to work out its salvation year by year through voluntary association, by considering its commercial problems in the non-political atmosphere of the Traffic Conferences."

"Worldwide international agreement on fares and rates will never be popular. From time to time some nation or some airline, proud of its achievements, will resent the fact that it cannot get everything it wants because 90 others have a say in the matter. We must expect, from time to time, competitive friction. But this is not a bad thing. It will make for better airlines and a better service," Hildred said.

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