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## International Air Transport Association

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# INTERNATIONAL

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## INTERNATIONAL AIR TRANSPORT ASSOCIATION

### SEVENTH ANNUAL GENERAL MEETING

**T**HE Seventh Annual General Meeting of IATA was held at London from September 10-14, 1951. The sessions were opened by the Prime Minister, the Rt. Hon. C. R. Attlee, M.P. Sir Miles Thomas, Chairman of British Overseas Airways Corporation, took office as President of IATA, succeeding Warren Lee Pierson, Chairman of the Board of Trans World Airlines.

The agenda of the Meeting was largely devoted to a review of the activities of the various standing Committees of IATA, which have been reported in previous numbers of the JOURNAL; full texts of these Committee reports and abstracts of the discussion upon them will be found in IATA Bulletin No. 14, for December, 1951.

A particular highlight of the Meeting was the Annual Report of the Director General, Sir William P. Hildred, which pointed out that during 1950, the international scheduled airlines had carried 30,000,000 passengers—15 per cent more than in 1949—and had performed 26,000,000,000 passenger kilometers. Cargo ton-kilometers had increased by 33 percent to a total of 750,000,000, while mail transport had also risen 12 percent to a total of 210,000,000 ton-kilometers. The annual gross revenues of the airlines for 1950 had been approximately \$1,500,000. Safety records had also shown a further improvement over 1949 and 1948.

The Director General reported that despite rising costs of almost all commodities and services necessary to provide scheduled air transport, improvements in operational efficiency had made it possible for the airlines to absorb by far the largest part of these rising costs without passing them on to consumers. As a result, he declared, it was just to say that in terms of the purchasing power of the dollar, air transport was cheaper than ever before.

Sir William pointed out that an American factory worker would have had to work 540 hours to earn a transatlantic ticket in 1947, but that in 1950, he could have bought a transatlantic excursion ticket for the equivalent of only 260 hours' salary.

During the same five-year period, he added, the IATA Traffic Conferences had created a world-wide pattern of rates and fares which was still flexible enough to allow for promotional rates and variations to suit the needs of regions where the standard of living and purchasing power of the public were lower than in other parts of the world. This pattern of agreement, he added, had been proved satisfactory to the many governments who exercise final jurisdiction over rates and fares and who have recognized the function of the Traffic Conferences in this field through bilateral agreements.

The Director General stressed the necessity of arriving eventually at a complete, all-year-round, two-level fare system which would give the public the choice between regular, luxury service and a less commodious, but cheaper, tourist service on the international airlines. He expressed the feeling that widespread introduction of tourist services would clear up the competitive picture because some airlines had been too preoccupied with competition for the existing first-class market, to the exclusion of the mass market which would become available through lower fares.

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## TOURIST FARES

A substantial part of the discussion in the General Meeting at London was devoted to the question of tourist fares. Such a second-level fare for North Atlantic operations had been agreed at the Traffic Conferences at Bermuda in May, 1951, to become effective on October 1, 1952. Due to objections by some governments, notably a provision for certain frequency limits during an initial experimental period of operation, this Bermuda resolution could not become effective and the matter was again before the Traffic Conferences for action. The consensus of the General Meeting, which cannot act on fares and rates matters, nevertheless indicated that the airlines were widely agreed in principle on the introduction of these fares.

Although it had been hoped that a substitute agreement to replace the disapproved Bermuda resolution could have been arrived at by mail vote of the airline members concerned, it was necessary to put the matter to a further full session of the Traffic Conferences at Nice, France, beginning November 27, 1951, in order to arrive at mutually acceptable definitions of tourist service, starting dates and fares. On December 5 following, an agreement was reached which awaits the approval of governments at the time of writing.

This tourist fare agreement provides for tourist fares across the North Atlantic, to begin May 1, 1952, without limitation as to frequency. The base rate—computed as between New York and London with variations for other gateway points—will be \$270 one way, as against \$395 for the regular first-class services. The round-trip fare will be \$486. An off-season tourist fare service will be available for \$417 round-trip during the months of November through March. The agreement also provides minimum capacities for various types of aircraft to be used in tourist services and stipulates that meal service will be simple and paid for by the passenger; that baggage allowances will be 20 kilograms, as against 30 kilograms on first-class services; that no bar service will be provided; and that passengers will pay for transport between airports and city centers.

It was estimated that enough tourist services would be operated by the 11 IATA member airlines concerned during 1952 to make possible a 40 percent increase in passenger traffic over the North Atlantic route. At the same time, the fare itself, supplemented by all-expense package tours which would bring the cost of a three-week vacation in Europe to as low as \$600, would find a large and almost entirely new market, particularly in the United States.

In order further to encourage tourist traffic in Europe, the Nice Conferences also provided for a range of special low fares on heavily-travelled European routes, and created a special sub-committee to make recommendations to the next Conference sessions at Buenos Aires in May, 1952 on instituting tourist services as such in Europe at the earliest practicable date.

## TECHNICAL MATTERS

In their reports to the General Meeting, both the Director General and the Technical Committee stressed the fact that the technical activities of both IATA and the International Civil Aviation Organization had moved into a new phase. Now that the Annexes to the Chicago Convention had been drafted and promulgated by ICAO—a monumental work to which the Director General paid special tribute—it was no longer possible to place technical problems in narrow compartments and it was now necessary to approach them with a greater degree of technical sophistication.

A case in point was the question of air traffic control in Europe and the Mediterranean area which had been rendered serious by the growing con-

gestion of traffic there. IATA technical groups, combining technicians in the fields of operations, communications and navigation aids, had drafted and presented to ICAO proposals for the setting up of "reserved air lines" along the principal routes of traffic flow. To make this possible, they had further worked out a suggested realignment of existing equipment in the countries concerned in order to form a coordinated pattern.

In the same way, the IATA Flight Technical Group have more recently drafted the first detailed recommendations for the standardization of approach and threshold lighting and threshold and runway marking. This task had also required the services of experts in a number of different specialties.

#### ELECTION OF PRESIDENT

Dr. Walter Berchtold, Chairman of Swiss Air Transport Company, was elected President of IATA at the close of the London General Meeting, to take office at the Eighth Annual General Meeting in Switzerland in 1952.