

1938

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Recommended Citation

Wayne W. Parrish, *Washington Observations*, 9 J. Air L. & Com. 641 (1938)
<https://scholar.smu.edu/jalc/vol9/iss4/6>

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WASHINGTON OBSERVATIONS*

WAYNE W. PARRISH†

Down in Kansas City last week there was a national air mail feeder conference which some of you attended. It was a significant conference for several reasons, the most important reason being, in my opinion, that it was an outward expression of a genuine demand for expansion of the air mail service in this country, and the fact that if we are to have expansion of air transportation for mail, passengers and express, this demand must come from the public and not from Washington. No great tangible results came out of the Kansas City meetings. I don't suppose anyone expected anything concrete to be accomplished. But the intangible results of that meeting are of prime importance.

It was the first national meeting called together by laymen to outline a program for aviation's expansion and, as I have often stated, aviation's expansion is going to follow public demand and public planning by laymen rather than official action by government. You men of the N.A.S.A.O. have been endeavoring for years to help the people of your states encourage aviation and get the airway aids and landing facilities that would bring about the growth of a great new scheduled and unscheduled transportation agency. Many times your efforts have made little headway because of retarding influence from federal Washington. At the Kansas City meeting we had speeches from federal Washington that carried the same old retarding tone and I know we all hope that the contact of these federal officials with the laymen—your public and mine—will help them to realize that Washington departments are service institutions and that the economic advance of the nation comes through the interests and demands of the taxpaying citizens of the states.

If the negative federal attitude demonstrated at Kansas City in connection with feeder services had been the attitude of the federal government in 1925, as George Logan pointed out, air mail would never have gotten the start that makes possible its present national position in world aviation.

The state directors of aviation and the state aviation boards

* Address presented at the Eighth Annual Convention of the National Association of State Aviation Officials, October 13-15, 1938.

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or commissions are going to have greater opportunities for service as well as heavier responsibilities as the citizens of the state become more active in their demands for various forms of aviation development. The communities that ship produce and want air mail service on waybills to marketing centers, the mining men of the west who are rapidly learning the economy of doing business with the fixed base operator, the isolated communities that come to know the winter advantages of airplane star route service, the hunters who are learning that a few hours by air can get them to spots not formerly reached without days with a slow-moving pack train—all these and many others will look to state officials for counsel and advice in getting what they want.

No one wants uneconomic or unjustified expansion in any branch of aviation any more than the public wanted unreasonable things in connection with the automobile in 1912. Today we know what the automobile has done for social and economic life. Aviation with its great flexibility can do still more. And aviation's public is going to look to state aviation officials for balanced judgment first and aggressive action second whenever that becomes necessary in any difference of opinion with national planners.

In the final analysis it is the public that deserves expansion of air mail service. At Kansas City I gave an illustration which I believe is worth repeating here. The expansion of air mail should be similar to opening up a public water supply to a new subdivision of a community. No one expects a water supply in a new subdivision to pay for itself immediately, and yet no one denies that the extension of water mains is a vital need and a means to community betterment. The extension of a public utility supplying water will lead to more homes being built and eventually the new water mains will more than pay for themselves. Following this same line of reasoning, it could not be expected that a feeder air mail line would pay for itself directly in monetary terms in the first week or the first year, but yet the expansion of the air mail is a vital economic service of benefit to the entire nation, profitable to its individual users from the very beginning. Why shouldn't feeder and local air mail service be subsidized until this inevitable profitless period draws to a close? What more effective collateral could the government or its citizens ask than a well organized, efficient and complete air mail service?

Since the inauguration of the railroad postal service many years ago, the Post Office Department had been sending mail into

places where it hasn't paid its own expenses and probably never will, but one letter from a copper mine in Montana to New York City may be more important to public welfare than 100 pounds of trivial correspondence from New York to Pennsylvania, for example. Rural delivery and star routes can never become self-supporting if the revenue from stamps is balanced against the actual cost of the service. In isolated communities and particularly in the mountain regions, postmen struggle up the mountain roads for miles to isolated camps and settlers, and the stamps from the letters they deliver or collect wouldn't pay for the gas used in their cars or the hay for their horses. But that's all part of the economic system. If some mining camp deep in the Rockies is not guaranteed the same right to a postal service as the Wall Street stock broker, eventually both of them will face economic oblivion.

Mail can't possibly be gauged merely by population served and revenue obtained. A few of the largest post offices in the country furnish the Post Office Department with the vast bulk of its revenue, and yet what would happen if one of these large cities, say New York City, were set apart from the rest of the country? It is Montana and Idaho and Nevada and Nebraska, where the mail doesn't pay its own way, that keep the intricate business mechanism of New York City ticking economically. There may be numerous feeder air mail lines established which would never pay their way on the basis of the number of stamps placed on letters, but the business and cultural welfare of the nation would be benefitted many times over. If the ordinary slow postal service is admitted to be invaluable, does it require some aviation enthusiast to point out how much *more* beneficial would be a closely knit air mail transportation system with service to any and *all* parts of the country? On the other hand, there are certain to be many feeder lines that would more than pay their way financially even if no other considerations were involved.

Air transportation opens the way to a new economic life, an economic life not limited by such natural barriers as mountain ranges, rivers and oceans. So far our air routes have been built to follow the old trade routes, just as trade routes followed the Indian trails which took the lines of least resistance over the terrain. With the coming of the automobile, the old post roads with their hairpin turns and meanderings over the countryside had to be straightened out. Today we have more direct highways. We have abandoned the old Indian trails. But air transportation re-

moves the obstacles of terrain. Improved means of getting to new places will open up new trade routes of the air. Every city is a port today on the great sea of the air. Omaha, for example, is on a direct route to every other city of the nation if the air is the mode of travel. We haven't yet realized what this means in relation to commerce, to movement of mail, goods and people. The restriction and limitations to travel have been removed by the airplane, but so far we have only progressed through the initial stages of development. We are just beginning to straighten our aerial highways.

So far in the brief history of air transportation we have developed a de luxe form of travel. Passenger fares are high, because we lack volume; air mail costs are double the regular first class rate, and air express is limited to shipments where the necessity for speed removes the obstacle of cost. But our aviation people are very short-sighted if they hold the belief that air travel is going to work out its salvation on the basis of a de luxe service only. The vast majority of our citizenry have modest incomes and must have reasonable fares. If travel is costly they will travel less frequently unless forced by necessity. Air mail will always be limited in use so long as there are limited stops and pick-ups, and we can't ever have a mass volume of air express and air freight until rates are reasonable for the faster air service.

With volume, air transportation can be the cheapest mode of travel ever invented. This may sound like a startling statement. Some of you can visualize air travel costs dropping down to railroad costs, but the thought of its reaching the passenger cost of the bus may be a bit startling. But let's look far ahead and do a little figuring, and once you are convinced that air transportation can be the cheapest mode of travel ever developed, then you can begin to visualize the enormous possibilities, not only for mass movement of mail, passengers and express over trunk lines but for feeders.

In the first place air transport has a unit, the airplane, that operates on its own power and costs no more than a de luxe Pullman car—which does *not* run on its own power. If the Pullman car and the airplane have the same number of seats, that means that the airplane can carry three times as many passengers in a given time period for the airplane travels at least three times faster than the Pullman car. And what do you have to buy to keep the Pullman in motion disregarding upkeep and personnel? It must be

operated over a roadbed that costs conservatively, \$50,000 a mile to build. That's the basic improvement.

An airliner needs nothing but a couple of mile-square airports at either end of its route and airports at each stop on the way. The fewer stops, the fewer airports. More stops, more airports. It operates through free air. There is no comparison of the per mile cost of installation of airway aids to the cost of a railroad roadbed. Perhaps the airliner will need more personnel per unit, but there need be no army of laborers on constant track maintenance duty. And remember the pilot of a plane and his crew each travels at least three times the distance of a trainman.

Next, consider the bus. The cost of such a vehicle is about \$20,000, while a 21-passenger Douglas DC-3 airliner costs about \$100,000. The seating capacity of a bus is about 32, which means that three airplanes have a capacity of two buses. But the airplane has four times the speed of a bus, which means that for every 63 seats in a bus there are 252 seats in an airplane. As far as seat miles are concerned, a 21-passenger plane is equal to two and one-half 32-passenger buses.

The bus operator has to pay obligations to states, he has to pay a seat tax, a gas tax, a franchise tax, and in some states a tax based on gross earnings. True, the airline also pays taxes but not in the same measure as the bus operator, because the airline uses less public facilities provided at public expense. At the present time the bus still wins out in a comparison because the cost of 21-passenger planes is high, but with a quantity production, say of 200 such planes, the cost may drop to around \$50,000 per unit. With volume, air transportation can be cheaper even than bus travel.

Of course some statistician could probably burn up a lot of pencils to show that air transportation can never be the cheapest, but it is a safe prediction that the years ahead will prove him wrong. The advantage is all in favor of the air. The one answer is volume through public service and volume is as sure to come as tomorrow morning.

As a matter of fact we haven't even begun to figure out the possibilities. The railroads have gone into the bus business and into direct store-door delivery of cargo. Why shouldn't the airlines do the same? Why shouldn't the airlines give a complete service; for example, operate a limousine connecting communities that have no airports with larger cities that do have airports? We carry passengers thirteen miles from the heart of Cleveland to the

airport; why not carry them twenty-five miles from communities off the airline to main airport stops?

A while ago I mentioned subsidy for feeder lines and for general expansion of local air services. There is a prevalent idea that the airlines are being subsidized today, but there is also good reason to believe that there is no subsidy for the industry as a whole. A few weeks ago at St. Paul, Minnesota, Paul R. Youngs, postmaster at Charlotte, North Carolina, who was chairman of National Air Mail Week last May, reported to the National Association of Postmasters that indications are that *use of air mail will double* merely as a result of the advertising which Air Mail Week gave to flying the mail.

Let's do a little more figuring. According to the 1937 report of the Postmaster General, 12,732,530,874 pound miles of air mail was flown in that year. The Interstate Commerce Commission air mail docket No. 19 report states that according to the Post Office cost ascertainment figures air mail postage revenues have been approximately 1 mill per pound mile. Multiply the number of pounds by 1 mill and the 1937 postage revenue to the Post Office Department from air mail would be \$12,732,530. Double this amount in accordance with Mr. Youngs' report and the amount would be \$25,465,061, which is somewhere near what the Post Office Department appropriation for air mail should be if air mail is to pay its fair share of the costs of airline operation and normal development.

But let's figure this another way. The annual report of the Postmaster General shows that 19,553,543 pounds of air mail was carried in 1937. Once we took the trouble to weigh up a pound of air mail letters we were sending out and found that there were about thirty letters to a pound. Multiply the above pounds by 30 pieces of mail and the answer is 586,606,290 pieces. Then multiply this number of pieces by six, the postage in cents on each, and the answer is \$35,196,377. Even reducing 20% for the weight of the mail bags leaves an air mail revenue of over 28 million dollars. Also, something should be deducted for duplication in weighing. But it all makes some of us wonder how much more than the \$15,500,000 paid air mail carriers this year the Postmaster General will get from postage.

By every reasonable calculation, the airlines have turned in a profit to the Post Office Department for several years. This is a long way from being subsidized and any Post Office profit might

well be spent in the public interest for air mail feeder and local service.

In passenger revenues, our major airlines have climbed steadily, perhaps more so than some realize. For example, last year American Airlines had more than a million dollars more revenue from passengers than the Missouri Pacific Railroad, and the railroad has more route mileage. This same airline had two and one-half times more passenger revenue than the Norfolk and Western Railroad and almost twice as much as the Chesapeake & Ohio. Another large airline, United, received twice as much passenger revenue as the Wabash Railroad. For 1937 there were only 18 railroads reporting greater passenger revenue than the highest individual airline, but what happens when you double the airline revenue for a single year? Only seven railroads would have a higher passenger income. And certainly the airline revenue from passengers is going to double in a very short time. Naturally the total passenger revenue from railroads far out-balances the total airline passenger revenue, but the airlines will continue to gain and the figures do give an idea of how rapidly this gain is being made.

I have been rambling along, touching on a variety of subjects, but in conclusion I would like to come back to the point first raised. The demand for expansion of air service must come from the public, from such groups as this. The Civil Aeronautics Authority provides the first step in a series of necessary legislative moves that must be made to provide for sound progression of this service. But the Civil Aeronautics Authority does not have charge of the purse strings. It can authorize and regulate competition in passenger and express service by issuing a certificate of public convenience and necessity, but the Post Office Department has the answer on mail, and Congress has the answer on appropriations. Some day in the not too distant future it may be found advisable for the Civil Aeronautics Authority to have full control of the air transport system so that the problem of subsidy, of extensions, of mail payments and mail service, can be centralized in one federal body. This has been done under the Maritime Commission which now handles everything pertaining to the merchant marine, including all forms of subsidy and compensation.

So for feeder lines, for increased mail service, for extensions to major systems what we want will come through local public demand as expressed through your Congressman. The state aviation official will have both the opportunity and the responsibility of

so crystallizing the sentiment of his constituents that his Congressman and Senator in Washington will have no doubt about the character of the demand being made. Aviation planning must not be done in Washington alone. It should be done in the states where citizens in a variety of activities know its real value. Planning must be done by the people who use aviation and different states in different stages of development and having different sorts of terrain will know much better than Washington what they want and what they can use and what they are willing to pay for. The budget for aviation expansion in any field should not be formulated in Washington. It should be formulated in the sovereign states where facilities and service will be used in the public interest. It is the duty of state aviation officials to give voice to the public feeling in this connection. It will be wisdom on the part of Washington departments to consult freely with the state aviation officials.