

Tigerreview

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Rolling-Mill Parts Help Inaugurate Sky-Highway Plan at Newark

First shipment in Flying Tiger's newly instituted Sky-Highway or truck-air-truck program was flown out of EWR on the night of Monday, February 16th, opening night for the new Sky-Highway plan.

Initial load under the combination tariff was a shipment of 2,670 lbs. of rolling-mill spare parts shipped by a large Pennsylvania steel company to one of its subsidiary plants on the west coast.

Co-starring in this "opening night" drama at EWR with FTL was Perkiomen Transfer, Inc. of Allentown, Pa., one of the first major trucking companies to pioneer with FTL in the Sky-Highway program.

Perkiomen, established in 1922, serves the New York City area to and from points in eastern Pennsylvania. Perkiomen maintains branch terminals at both New York City and Philadelphia. Its president, A. E. Enoch, Jr., has been one of the enthusiastic supporters of the FTL Sky-Highway plan.

Bornemann 'Sparkplug'

Sparkplug for FTL on arranging and selling this first Sky-Highway shipment was veteran EWR salesman, Herb Bornemann, who with cooperation from both Joe Ryan, EWR DSM, and John Brannigan, eastern regional sales manager, was the pioneer "pilot" on the first Sky-Highway shipment.

Joe Ryan obtained from the shipper a statement giving a play-by-play account. The shipper's statement follows:

"Recently a large eastern steel company with subsidiary plants on the west coast chose to ship spare parts for one of its western rolling mills via air freight. The speed of air freight was the deciding factor, the company says, since in rolling mills, continuity

(Continued on Page 6)

Air Mail Beginning

Beginning in July of 1924, regular 24-hour transcontinental air mail service was in operation and postal users paid 24 cents to send a letter across the country.

President Prescott Flies the DC-8



This picture shows President Bob Prescott at the controls of the Douglas DC-8 during an inspection flight out of Long Beach, Calif., where the new jet giant is being built. Accompanied by Vice Presidents Frank Lynott and Bill Bartling, Prescott made a thorough-going inspection of the aircraft as part of an intensive study under way by Flying Tiger management to determine the best type of jet aircraft for future cargo operations. Besides the DC-8, Prescott, Lynott and Bartling have been studying jet cargo proposals from Boeing, Lockheed and Convair. Principal problem, as President Prescott has pointed out before, is whether prop-jet aircraft such as the Lockheed Electra, or pure jet, such as the DC-8, would be most efficient on Flying Tiger freight routes. Irrespective of which type is finally selected, Prescott said his experience flying the DC-8 was "one of the greatest in my life."

TIGER AIR-FREIGHT REVENUES CONTINUE TO SET NEW RECORDS

Flying Tiger's air freight revenues continued to ring up monthly records in the first two months of 1959, continuing the trend which started in mid-1958. Both January and February set new marks.

January revenue reached \$1,208,342, while February, handicapped by a short month, totaled \$1,009,891. February was the seventh consecutive month in which revenues have exceeded the million-dollar mark.

January revenues showed a gain of 58.6 per cent over January, 1958, revenues of \$761,507. February was up 30.4 per cent over last year's \$773,954.

John L. Higgins, Vice President of Sales, reported that every station but one showed an increase over 1958 during January and that for the first two months, all but three stations were ahead of a year ago.

Detroit Leads

Detroit led the individual station gains. January traffic was up 312.6 per cent while February rose 358 per cent for a cumulative gain of 331 per cent.

Cleveland was in second place with an overall gain of 108 per cent, including 96 per cent in January and 128 per cent in February.

Chicago recorded a two-month gain of 93.8 per cent, with January traffic rising 138 per cent and February, 61 per cent.

Hartford-Springfield gained 82.2 per cent for the period, January showing a gain of 135.7 per cent and February, 28.4.

(Continued on Page 6)

Tigers Again Lead All in Air Freight

Air freight ton-mile reports of the Big Four carriers for January, 1959, show The Flying Tiger Line in first position, followed by United Airlines, American and TWA.

FTL was credited with carrying 33.3 per cent of the total air freight moved by the four lines, followed by United with 31 per cent, American, 23.4 and TWA, 12.3.

Flying Tiger's percentage represented a gain from December, when it was credited with 32.3 per cent, while United moved up from 30.8 per cent. American declined from 28.6 per cent as a result of a strike which started late in December and ended in mid-January.

MARIETTA, STEESE WIN CREDENTIALS

James C. Dunbar, Special Supervisor of the Bureau of Industrial Education, California Department of Education, has announced the successful completion of courses by Ken Marietta and Charles Steese of The Flying Tiger Line qualifying them to teach management-supervisory courses in junior colleges.

Writing to Arthur H. Meyers, FTL's Director of Industrial Relations, Dunbar said:

"Both of these men did outstanding jobs and are of the best type of teaching material. The courses of study which they turned in are masterpieces."

Marietta, who organized Flying Tiger's Supervisory Development Program, and Steese, Assistant Director of Industrial Relations, will teach the courses at night school in addition to assisting Flying Tiger personnel in the company's program for supervisors.

Meyer said the response of Flying Tiger personnel has been such that "we hope to make this Supervisory Development Program a permanent function of the Personnel Department. We are also going to try to make arrangements whereby in the future FTL employees who complete this company training program through the classes conducted by Ken will be given college credits in the subject."

Managers Honored

Three Flying Tiger Station Managers—Paul Stokes, San Francisco; Bob Beckman, Portland; and Ed Trot, Detroit—have been singularly honored by their colleagues in the air freight industry by being chosen as chairmen of the Local Airline Cartage Committees in their respective areas.

These committees, composed of one representative from each airline, handle negotiations and trucking arrangements with pick-up-and-delivery companies.

A fourth FTL Station Manager, Ray Laprocino of Cleveland, has just retired as chairman for his area.

Ready for Tailgate-to-Ramp Delivery at MDW



Three of FTL's leading midwest truckers under the new Sky-Highway program came to Midway Airport in Chicago on Tuesday, February 17th, to help inaugurate the plan. Shown here are the huge trucks of these three, left to right, Cushman Truck of Chicago, which covers the Cincinnati and Indianapolis runs; Dennis Truck of Louisville, Kentucky; and Hawkeye Motors of Cedar Rapids, Iowa. (See another picture and story on Page 6).

FINAL INSTALLMENT REVEALS HOW AIR FREIGHT CAN COST YOU LESS

In its three preceding issues, Tigereview carried the first portions of a length study reported in October Modern Materials Handling on the bearing the "total cost" concept has in effecting savings by the use of air freight. The last installment appears in this issue of Tigereview.

Costing Formula

This idea of air freight as a marketing tool, the expense of which is justified like any other sales or advertising cost, is one that has not been studied by many firms. A simple formula can show whether or not you can maintain your present profit picture when your variable costs are increased by air freight:

$$x = [(c+v/s)x + f + p]$$

In this formula x is the required new level of sales, c is the extra cost for air freight, v is all other variable costs, f is total fixed costs, p is profit and s is existing sales volume.

If your market research people can show you that you can achieve the needed volume of sales indicated by x in the formula, then air freight will be justified.

Formula for Profits

Depending upon the level of sales which is projected, it is equally easy to find how much profit will be increased by the action. Using the same elements in the equation, the new profit level p is found this way:

$$p = x - f - [(c+v/s)x]$$

A surprising aspect of total cost studies is that some firms decide on air freight even though the total cost savings do not exceed those from lower ton-mile rates of the surface carriers. Such companies found that the costs "broke even" or even favored surface companies.

Why did they ignore this and use air freight anyway? Their customers wanted air freight. The customers liked the short time between order and delivery. They liked getting fresh, frequently rotated stock right from the plant. They liked the ability to schedule their materials needs around split-second deliveries. They liked the reduction in refurbishing time and costs. And they liked the prestige involved in air freight.

Formfit Story

One firm that "broke even" but went ahead anyway is Formfit. This firm supplies the New England states from Chicago. It delivers goods directly to the planes, getting them to their customers in a matter of hours.

This swift service is a delight to the customers. They have come to depend upon it, buying only for their immediate needs and meeting sales surges on a 24-hr. basis. For Formfit, the benefits are hard to measure, al-

though goodwill generally pays off in a competitive situation.

The matter of refurbishing also comes under the heading of customer satisfaction. Refurbishing covers all of the operations needed to put a piece of equipment into use after receiving. It includes un-packing, cleaning, de-greasing, component assembly, polishing, calibration, and adjustment.

Air Traffic Simpler

A firm with a large volume of shipping will generally have also a complete traffic department. When using surface carriers, this is essential. Traffic activities, including routings and rate determination, are complicated. They require the attention of highly-trained specialists who are familiar with the regulations and rate structures connected with surface carriers.

You cannot eliminate the traffic department when using air freight. You can, however, reduce costs in traffic. Tariff rules and regulations, routes and rates, tracing, auditing and classification requirements are simpler and easier to apply with air freight.

For the smaller firm, where a complete traffic department does not exist, and which generally pays a penalty for this lack, the same principle applies on a lesser scale.

In terms of damage claims, there are fewer, which means that less time is spent processing them. Also, the nature of air freight makes it easier to locate sources of damage and allocate responsibility. For smaller firms, again, this is an important saving. Such firms have no traffic experts. When such items come up, they are attended to by supervisory people.

ERO 'Goes One Better'

Elimination of regional warehousing is good, but Ero Manufacturing Co. goes it one better. This company has eliminated some regional manufacturing operations through the use of air freight.

Ero makes seats for automobiles. They have manufacturing plants in Chicago (the home plant), Philadelphia, Los Angeles and Georgia. Formerly, all seat covers in each region were made in that region. This was fine for the mass-produced standards. But it made problems for the specially-made covers.

These specially-made covers are for those automobiles not sold by the millions each year. The demand in each region for these specials is not enough to keep production constant. Also, the patterns for them are expensive. To serve each region locally would mean four sets of patterns and materials.

So, Ero closed out the regional special manufacturing operations and concentrated them in their Chicago plant. Here, they keep

one pattern and one supply.

Speedy Delivery

According to Howard Leopold of Ero, the specials are made to order in Chicago and bulk-flown to Seattle, Los Angeles, Atlanta and Philadelphia. There, the bulk bundles are broken down at the Post Office and the pre-staged separate orders are mailed to destination. Like Square D, they get swift delivery this way.

By bundling all orders for the region and then mailing separately from the regional post office, Ero saves several times what they pay over the cost of shipping each package separately. In the bundle, a package costs about 75¢ to the east coast and \$1.50 to the west.

Marathon Electric Manufacturing Co., Wausau, Wis., has been able to save a full half of its distribution cost by using air freight for east-coast delivery of small hearing batteries. The batteries are valued at about \$1 per lb. and were formerly warehoused in New York to serve the east coast.

Distribution was costing Marathon about 20 per cent of sales costs. Today, with air freight, it costs 10 per cent.

Like Ero and Square D, Marathon makes use of the air freight-parcel post system. They make up the day's shipments for the east coast in unit bundles. Each individual parcel is post-marked in Wausau with a New York or Newark mark. The correct postage is applied.

Bundles Flown East

The bundles are trucked to Chicago and flown east where they are broken up and mailed.

In addition to the warehouse elimination, Marathon found that their customers are impressed favorably by the air freight sticker on their shipment. Also, since batteries are semi-perishable, they can rotate stock.

In their preliminary study, Marathon found that it would not pay them to ship air freight to the west coast. Their volume there is not as large and warehousing on the west coast costs less.

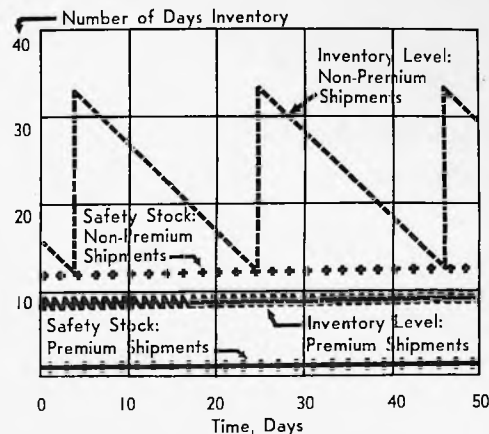
Once you start giving your customers swift service, Marathon warns, you must keep it going. This means that sufficient inventory must be kept on hand at the home base to supply demand.

A firm which uses air freight without the parcel post at the other end is Gibson Greeting Card Co., Cincinnati. Their problem is that dealers want a small inventory of highly varied items. And when they need replacements they want them right away.

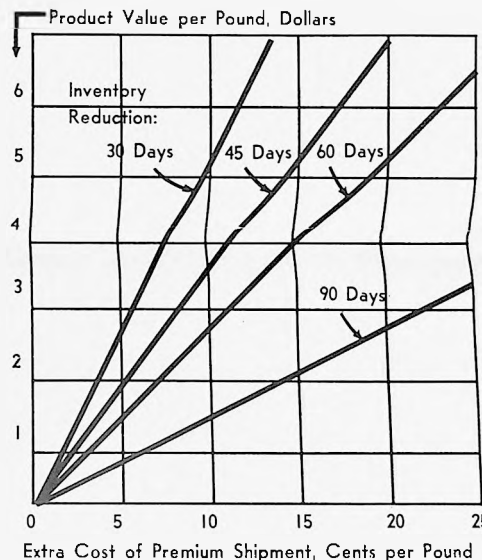
Speed Essential

Gibson feels that speed is essential, lest competition close in. Also, they want to keep their customers supplied with the latest

HOW PREMIUM SHIPMENTS CAN REDUCE INVENTORIES



DIFFERENCE IN INVENTORY LEVEL is dramatic even when comparing premium and non-premium surface shipments. In this typical case, where the warehouse was 1000 miles away, inventory and storage were cut 57 and 69 percent.



HOW TO FIND YOUR BREAK-EVEN POINT: Figure the extra cost of air freight, and the value of your product per pound. If these figures meet to the left of the break-even line for the reduction period you want, use air freight.

merchandise in a field where designs change rapidly.

With air freight, shipping direct to their dealers, Gibson gets 24-hour delivery at long distances to both coasts. Trucks are still considered best for short hauls.

Their air freight distribution is linked with a highly-developed live storage rack system in their Cincinnati operation (*AMH*, Oct. 1957, p. 138).

Another user, somewhat hard to pin down because of the experimental nature of the operation, is General Electric Co. This company has been experimenting with direct air shipments of virtually unpackaged appliances to the west coast.

Their aim, as far as can be determined, is to eliminate their regional warehouses. To date, one shipment of appliances has

been flown to the west coast, with polyethylene covers as the only packaging. General Electric say that this was merely a promotion stunt to dramatize their direct to dealer shipping.

Snuff Flown West

By way of contrast, the makers of Copenhagen Snuff have been shipping their product to the west by air for many years. In fact, the airlines call them one of the oldest of regular air freight shippers.

To sum up, you may well say without a study, that shipping the bulk of your products by air freight is ridiculous. Then a study might change your mind. Or, like so many firms, you may have a parts or a service problem that does not appear now to be a problem. The total cost approach may show it to be one.

Financial Study Tells Tiger Potential

Independent Report Praises FTL Growth in 'Competitive Field'

(Editor's Note: Recently, Oppenheimer & Co., one of the nation's leading investment houses, made an extensive study of The Flying Tiger Line. Its conclusions were summarized in a nine-page report, the highlights of which are reproduced in the Tigereview. As the conclusions of an independent financial house which has an opportunity to examine many companies, the study will be of particular interest and encouragement to employees as recognition of their management and the aid of each employee to the progress of the company.)

Oppenheimer & Co.

MEMBERS NEW YORK STOCK EXCHANGE

25 BROAD STREET • NEW YORK 4, N.Y.

The Flying Tiger line, Inc.

Perhaps the most peculiar feature of the air cargo business is that no airline but Flying Tiger can make money at it. Certainly others try. But freight is only an adjunct to their passenger business. Even the most efficient lose money on planes that fly with cargo alone.

Flying Tiger itself is newly arrived at consistently profitable freight operations. Its permanent entrance into black ink goes back only to May 1958, just after its arch-rival, Slick Airways, retired from the cargo business.

Profits for fiscal 1958 were a fairly feeble \$1.28 per share and 66% of that figure was derived from capital gains on sale of aircraft. But 1959 promises to be a record year, with revenues approaching \$40 million and per share earnings of \$2.25 or more, equivalent to \$1.75 after allowing for full conversion of outstanding debentures. This time 80% of profits will come from operations.

Charter Business Big

About 68% of Flying Tiger's revenues still stems from Military Air Transport charters and the chartering of planes . . . But a pickup in freight revenues will lead the way to the 1959 recovery. For the five months to November 30th, freight revenues were up more than 35%.

Flying Tiger stands now on the threshold of the jet age, with management thinking in terms of spending \$50 million for turbine-

powered planes, capable of hauling three times the load that the present fleet can handle.

As a freight carrier Flying Tiger will be able to use this weight-lifting advantage more effectively than passenger lines can, if for no other reason than that people are likely to object strenuously to being stacked on the floor like cartons. When an acceptable jet cargo plane becomes available, its effect on Flying Tiger's revenues, expense ratios, and earnings could be explosive. . . .

FTL Dynamic Factor

Obviously there have been times in Flying Tiger's history when the price of its stock led the promise of its future considerably. Now the pendulum has swung to the opposite extreme.

We don't know how long this dynamic factor in a growing industry will be available at less than six times estimated earnings, or twice the anticipated \$6.50 per share cash flow.

In the course of our travels around the country we have talked with many an airline about the air freight business. Most are anxious to expand cargo operations. As soon as they can discover how to fly an all cargo plane profitably, they'll do it.

Flying Tiger does it now. Its ability to make money where no one else can is a function of management's skill at corner-cutting and cost-dodging.

Flying Tiger now handles about 12% of domestic air freight. But in the lean days before the company became the largest of the air cargo carriers, its moves had to be quick and correct. A mistake in the competitive battle with giants like TWA, United, and American Airlines could have been fatal. The ability to squeeze blood from a turnip has not been lost.

Utilization High

Flying Tiger gets an unheard-of 12 hours a day utilization from its planes, and the company is looking for 13½ hours. Most airlines are happy to get eight or nine. . . .

In November Flying Tiger's planes flew at 76.3% of capacity. In December the fleet operated at an 84% load factor. Most airlines are happy to fly at 65% of capacity. . . .

Flying Tiger has not yet made any commitments for jet aircraft, even though the direct operating

Airlines' Growth

Since establishment in 1938 of the Civil Aeronautics Act, under which airlines fly, the nation's airline fleet has grown from 345 planes to more than 1,800 and the number of airlines has increased from 23 to 53. In 1938, only two airlines flew from Detroit to New York. Now there are eight.

costs of turbine powered craft are only 3 - 3½¢ per ton-mile, compared with 7½¢ for the Constellation. This saving seems too good to miss. But Flying Tiger must wait for the right cargo plane.

The problem is simple. A DC-8 can carry 120,000 pounds of cargo non-stop up to 2,500 miles. At a 600 mile an hour average speed it is in the air four hours. But as these ships are now set up, they take six hours to unload.

A 1049-H carries only 45,000 pounds. It takes eight hours to cross the continent. But it can be unloaded in two hours. As things now stand, Flying Tiger would be hard pressed to get the utilization from a DC-8 that is available from a Constellation.

The company will not be interested in spending \$50 million for new jets until loading and unloading time is cut back substantially. . . .

Financing Problem Seen

Flying Tiger began its last re-equipment program back in 1956. It was necessary to shoulder a huge debt load and even then the working-capital position became uncomfortable. The financial troubles of that time will be as nothing compared with the problem that a company with a total net worth of just over \$12 million will have when it takes on the job of financing a \$50 million aircraft acquisition program. . . .

Flying Tiger never does anything for sport or to be fashionable. There is a hard-core dollars-and-cents reason for the contemplated switch to jets.

A 4¢ saving in direct operating cost per ton-mile between jets and Constellations would translate into about \$2,280,000 per year pre-tax if just enough jets were purchased to replace the load-carrying capability of the present fleet.

That would take only about

'When Shall We Three Meet Again . . .?'



Strictly UN-posed. Many pictures in publications are known as set-ups—or posed shots—but now and then you get real-life action and this shot of three well known persons in air freight qualifies. The photographer touring Flying Tiger's Newark terminal didn't know what they were talking about—and we leave that to you—but it obviously was a problem. Left to right are Pete Healy, FTL Assistant Station Manager at Newark; Matty Mettrick of Shulman, Inc., one of the nation's largest forwarders; and John Brannigan, Eastern Regional Sales Manager for Flying Tiger. P.S. Seriously, this scene occurred during one of the nightly tours Mettrick makes of Flying Tiger facilities to discuss problems.

\$15 million. Ten jets, flying with the load factors that prevail now, would be worth about \$7 million in pre-tax savings. As volume increases, indirect costs per ton-mile will be reduced. Eventually, these savings may be worth even more than reductions in direct flight-expense costs. . . .

Flying Tiger is the only transcontinental all-freight line, and it has become big business. The company's routes serve some 16 cities in the United States from Los Angeles and San Francisco to New York and Boston. Flying Tiger has applied to the C.A.B. for authority to become the only domestic freight carrier to fly the Pacific. . . .

Air Mail Rate Cut Asked

While most followers of airline equities have worried about Flying Tiger being cut to ribbons in a freight rate war with its huge adversaries, the company has come up with a proposal to cut air mail rates from the 38.3¢ per ton-mile average the Government paid in 1958 to 23.5¢.

After all, Flying Tiger gets only about 19¢ a ton-mile for other air cargo which is considerably more costly to handle.

A goodly measure of Government attention has been turned to saving money for the Post Office. In 1958, air mail cost more than \$39.5 million. The transportation of first class mail is a billion-dollar-a-year business.

Should the Post Office adopt a single rate for all first class mail,

or if there is Governmental acceptance of Flying Tiger's offer to fly the mail at a 38% discount, then Flying Tiger, which at present has only about \$100,000 a year of mail revenue, may find itself with a substantial source of new business.

Permanent Certificate Sought

But first Flying Tiger needs to be certificated permanently and to be made eligible for subsidy. The company can't use subsidy now. Its earnings are too high. But eligibility for subsidy will help with future financing. . . .

The company has proved its ability to survive and grow under extremely harsh competitive conditions and without government help. Now that its business is firmly established, it is not likely that the C.A.B. will seek to eliminate The Flying Tiger Line by refusing to extend certification or make recognition permanent.

We are convinced that Flying Tiger is here to stay as a major factor in the expanding air freight business. As other investors come to share our sentiments, the company's earnings may be capitalized at rates more indicative of its past accomplishments and truly enormous future. . . .

Transcontinental air mail service became a reality on September 8, 1920. Even though planes flew only during daylight hours, the air mail bettered coast-to-coast train time by 22 hours.



"Operations says in effect you know what you can do with it!"

THANK YOU!

The editors wish to thank the following for their help in preparing this special report: Allis-Chalmers Manufacturing Co., Alvey Conveyor Manufacturing Co., American Airlines, American Shippers, Inc., Automatic Transportation Co., Baker Industrial Trucks Div., Boeing Airplane Co., Civil Aeronautics Board, Clark Equipment Co., Douglas Aircraft, Elwell-Parker Electric Co., Ero Manufacturing Co., Flying Tiger Lines, Formfit, General Electric Co., Gibson Greeting Card Co., Harvard University, Hyster Co., Interstate Commerce Commission, Kalamazoo Manufacturing Co., Lewis-Shepard, Marathon Electric Manufacturing Co., May-Fran Engineering Co., Pratt & Whitney, Raymond Corp., Riddle Airlines, Square D Co., Towmotor Corp., United Airlines, United States Rubber Co., Wallace Clark & Co., Western Gear Corp.

TIGER INGENUITY MAKES POSSIBLE 39,000-POUND FLIGHT OF OIL-FIELD ROTORS TO VENEZUELA

Three heavy industrial gas-turbine rotors with a combined weight of 39,000 pounds formed the payload for an interesting charter flown by Flying Tiger in one Super-H Connie from Philadelphia to Maracaibo, Venezuela.

Destined for use on oil drills and pumps on the man-made islands in Lake Maracaibo, the three heavy rotors were loaded aboard a Super-H at Philadelphia. The rotors, manufactured by Westinghouse Electric, Gas Turbine Division, Essington, Pennsylvania, were consigned to Creole Petroleum.

Walsh Tells Story

Again, Flying Tiger ingenuity helped make this interesting flight possible. Part of the story can be told in the words of John Walsh, PHL DSM:

"When first word of the charter reached PHL, these rotors were packed in steel containers for ocean transportation, dimensions were 199 inches long by 67 inches wide and 68 inches high. Weight was 17,000 lbs. each. They were too large for 1049H equipment.

"Al Del Grosso and I worked with the Westinghouse traffic department on a skid that would permit loading on 1049H aircraft and still provide protection for surface hauling and the boat trip to the man-made islands.

"The rotor itself weighed 11,000 lbs. and its dimensions were 191 inches long by 54 inches diameter. Al and I came up with a skid 193 inches long by 54 inches by 54 inches. With this skid the weight of each piece could be kept to approximately 13,000 lbs., which permitted loading of three rotors on the Connie.

9400-Pound Ballast

"To keep the nose of the Connie on the ground during loading operations, 9100 lbs. of ballast in the form of sandbags was loaded forward in the aircraft. This was in addition to the usual nose weight of 1800 lbs. which is used as normal procedure on the Connie.

"E. A. Gallagher & Sons, (rigging department of A.C.I. Truck-er in PHL) was contracted to load the rotors.

"To expedite off-loading at Maracaibo, Charles Villas, FTL Station Agent based at Chicago, went along with the charter flight. He was selected due to his ability to speak Spanish fluently.

"FTL mechanic Cris Ortega from BUR also went on the flight to look after the aircraft during unloading operations and service aircraft."

1—The special heavy rigging equipment needed to handle the industrial gas-turbine rotors is shown here during the loading operation.

2—Close-up of the 13,000-lb. Westinghouse gas-turbine rotor being steered through the Super-H cargo door.

3—Shown here in the interior of the Super-H during the loading of the Westinghouse gas-turbine rotors destined for Lake Maracaibo, Venezuela, are, in the foreground, left to right, Charles Villas, MDW Agent, Robert Griffenberg, PHL Agent, and Jerry Roman, PHL cargo handler.

4—Shown here arriving at Flying Tiger station at Philadelphia's International Airport is 39,000 lbs. of heavy gas-turbine equipment destined for Lake Maracaibo, Venezuela.



Europe, Anyone?

A two-week tour for airline employees to England, France and Switzerland, costing only \$287.90, has been announced by Air France.

The tour will take place from September 19 to October 3.

Membership in the tour is limited to full-time employees of U. S. airlines, their wives, and children under the age of 21.

The tour rate includes transportation, hotel accommodations, motorcoach excursions and airport-to-hotel transfers.

Starting in New York, the tour will go to London, Paris, Geneva, Nice, Rome and return to Paris. FTL employees may make tour arrangements through the Credit Union.

Profit-Sharing Tip: Review Routines

Routine procedures which are unnecessary add thousands of dollars a year to company costs.

The other day an example came to light and its elimination will save the company at least \$2,500 annually.

This procedure concerned the mailing of company statements.

Air freight shippers are billed after each shipment. In addition, the company formerly has mailed statements on the first and 15th of the month, recapping the charges.

Since many bills are paid directly from the invoice for the current shipment, the statement often causes added work for the shipper and in many cases it is simply discarded.

Pay Direct from Invoice

Jim Parker, Manager of Credit and Collections for FTL, attending an American Management Association Credit Management Seminar in New York, confirmed his belief that many companies were eliminating the customary statement, relying on payment directly from invoices.

Surveying his own costs, Parker found out that FTL was spending at least \$200 a month simply to mail some 6,500 to 7,000 statements, to say nothing of the costs of statement preparation and handling.

As a result, FTL has discontinued the twice-monthly statements and will save at least \$2,500 yearly in mail costs.

Other departments are encouraged to take a look at routine procedures which may be unnecessary. Elimination of them might add thousands of dollars to company profits.

Jet Age Is Coming!

More than 80 pure-jet aircraft will be flying the nation's airlines at the end of 1959 and 300 are expected to be in service by 1962. In addition, 200 prop-jet aircraft also will be flying then.

Tiger Claim Policies Well Publicized

Healy Article in "Traffic World" Tells FTL Claim-Prevention Activity

(Editor's Note: The following article on Flying Tiger's Claim Prevention Program appears in Traffic World, leading publication of the Traffic Industry. It was authored by Joseph J. Healy, Manager of Freight Operations. Traffic World asked for the article after surveying the work being done by Jack Coveney, FTL's Claims Manager. Because of the recognition paid to FTL's claims program, the article is reproduced in the Tigerreview to illustrate another factor in the company's development as the nation's leading air freight carrier.)

By Joseph J. Healy
Manager, Freight Operations

The most modern materials handling equipment in the world—and we at Flying Tiger consider our equipment among the finest—won't lick the problem of freight damage by itself.

Equipment is always run by human beings and, human beings being what they are, they are apt to get "out of kilter" a little more readily than the machines they operate.

That's why Flying Tiger centers its claim prevention activities on people, attempting in every way to minimize the margin of human error that is so often responsible for damage to freight.

Claim-Prevention 'Continual'

Since the Flying Tiger Line Claim Department is a part of the Freight Operations Department, claim prevention is a continual and ever broadening function.

There isn't a man at the freight operations management level who isn't actively participating in claim prevention in one way or another. These men, who have every reason to be aware of the tremendous importance of a low claim ratio as a tool for building sales and good will, can drive home to employees at the "grass roots" level the importance to all of careful and conscientious cargo handling.

This management-level leadership is an important thing, for if you do not have direction and active interest from the top, you have decay at the bottom.

Monthly Claim Bulletins

A particularly important weapon in the Flying Tigers' claim-prevention arsenal is the series of monthly claim bulletins sent to all stations by Claims Manager J. H. Coveney.

Far from being a maze of figures understandable only to a CPA, as so many such bulletins unfortunately are, these are terse, factual accounts of damage to freight, together with a statement of the cost to Flying Tigers. They are designed to show what commodities require the most attention, and why.

These monthly bulletins are supplemented by special bulletins complete with descriptive photographs which are sent out to the station whenever a specific commodity needs highlighting.

In addition, it is customary to notify the station causing damage by bulletin, letter and in some cases by telephone.

No Punches Pulled

Mr. Coveney's bulletins pull no punches. As an example, here is the entire text of a recent bulletin which, with supporting photographic evidence, was recently sent to all station managers:

The below photograph taken by Ford Motor Co. LAX was submitted in support of freight claim for \$312.88. The freight arrived BUR in this condition. The tail lights pictured had to be rechromed at a cost of three times their actual value. Assembly plants cannot use any chromed part if it arrives scratched. These scratches, no matter how minute, result in Ford scrapping the part. In the instant case these parts were high priority and had to be repaired. The result being FTL paid claim in full. No exceptions were taken by RML when they received the shipment from the first carrier. For this reason we must assume FTL caused the damage. Many of us take refuge in a blank statement that damages to automotive are a direct result of improper packing. This is true in many cases, but if the origination station does not take an exception on trucker's pro or other bills of lading, we can only assume the packing was acceptable when the shipment was tendered to us.

Designed To Educate

This sort of down-to-earth bulletin is designed to educate and inform all employees by giving them the complete story, to dramatize not only the cost of damaged shipments in dollars and cents but to explain in detail the inconvenience caused the customer.

This sort of treatment, it is felt, can transform a claim from a statistic into a living picture.

How many of us realize, for instance, that a scratched chrome part must be scrapped? Certainly every person reading this particular bulletin will recognize and remember its two important points; the necessity of careful handling and the importance of pinpointing the cause for damage if it results from improper packaging or some other cause beyond our immediate control.

Spot Meetings Called

In addition to issuing frequent bulletins, the claims manager has

CREDIT WISDOM FOR EVERYONE

- 1—pay cash for small purchases.
 - 2—don't borrow indiscriminately, do it in one place.
 - 3—save even while paying off debts.
 - 4—don't try to borrow too much or save too much.
- When borrowing for convenience, keep in mind the possibility that tomorrow you may have to borrow for an emergency.
- Don't save money today and draw it out tomorrow.

Your Credit Union makes these rules easy to follow. Low rates on loans—good dividends on savings.

These are important services. You may readjust your payments or refinance your loan when necessary. Every dollar is important to the Credit Union. There are no preferred customers. It's people who count—not dollars.

the authority to call spot meetings of cargo men on short notice. At these meetings it is often possible to point out actual damage to freight and to trace its source.

Rather than serving as a battlefield for exchanging recriminations, however, these sessions are oriented in the direction of preventing recurrence of avoidable errors.

Meets Have 'Urgency'

Stressing the common interests of all employees in building traffic and customer good will, rather than singling out individuals for blame, the meetings have an urgency that can't be equalled by the printed word. And the benefits have been realistic and immediate.

In the area of ground handling equipment, the Flying Tiger Line works constantly at developing equipment that will reduce such handling to an absolute minimum.

Sided pallets, often called basket pallets, are in continual use throughout the system. They are especially valuable in the safe transportation of small items from warehouse to aircraft.

Tremendous lift bed steel pallets are also used at major terminals for the safe on- and off-loading of air freight . . .

Huge Fork-lifts Used

Large fork-lifts with capacities up to 16,000 pounds were purchased several years ago and have substantially reduced ground handling. While the complement of present equipment is excellent, new terminals now on the drawing boards will stress automatic handling to an even greater degree.

As part of a cooperative industry program, the Flying Tiger Line is a member of the Airline Finance and Accounting Confer-

Named 'Citizen of the Year'



Mrs. Howard Brown is shown here accepting a bronze trophy from President Kurt Leuschner of the Northridge, Calif., Chamber of Commerce, in honor of her selection as Citizen of the Year. Leuschner cited her for her work as park chairman; organization of women in the polio-shots drive and rabies inoculation; recreational director of the Federated Women's Clubs; and chairman of the Northridge Women's Club luncheon raising funds for park improvements. Her husband is one of FTL's senior navigators, now flying the Pacific.

ence. A claims subcommittee meets twice yearly, bringing together claims managers from all major airlines. Here are presented claim prevention ideas which are adopted by the industry as standard practices for the prevention of loss and damage.

Claims Groups Set

As an example, one current program deals with the establishment of area claims groups throughout the United States. These groups will be made up of airline station managers meeting once a month to formulate area plans to prevent claims. Minutes of each meeting will be forwarded to individual airline claims managers and coordinated through the twice-yearly claims subcommittee meeting.

We believe that through these activities, and above all through recognizing the importance of the individual in claims prevention, The Flying Tiger Line is doing everything possible to keep that wheel going around, and so contribute to Perfect Shipping.

Flying Right

The importance of the right airplane in airline operation was graphically illustrated by The Flying Tiger Line in the 1958 fiscal year, when, with its Super H Constellation fleet, it generated revenues of nearly \$31,000,000 with a fleet of 24 aircraft. In the preceding year, with 35 aircraft, revenues totaled only \$24,000,000.

CHICAGO OFFICIAL PRAISES FTL FOR O'HARE FACILITY

The February dinner meeting of the Calumet Transportation Association, leading traffic organization of the Chicago, Illinois, and northwest Indiana area, held its share of interest for FTL.

Of particular interest was a remark by George DeMent, Chicago commissioner of public works.

During his address to the group, Commissioner DeMent singled out for praise officials of FTL who he said, "had shown remarkable foresight in co-operating beautifully with Chicago in planning for air freight facilities at O'Hare airport!"

As a result of this foresight, according to the commissioner, FTL has the first planned air-cargo-handling building set for construction at O'Hare.

Chairman for the airline-night affair was Hal Edgerton, veteran of Flying Tiger Chicago sales. The dinner program carried the Tiger shark insignia of FTL. One of the door prizes was a crate of California oranges flown in and presented to the Calumet group by the airline.

FTL representatives at the dinner were Frank Siwicki, MDW DSM; veteran Pat Cummings and Mrs. Cummings; and Dana Kelly, director of public relations from New York.

'BRAIN-WASHER'
(Continued from Page 6)

A—12 Miles (and easy did it).

'SKY-HIGHWAY' IS INAUGURATED AT NEWARK

(Continued from Page 1)

of operations means profitable operation.

"Modern rolling-mill practice sets up 'spare' stands in which different sets of rolls are kept on a standby basis so that when roll changes are to be made, certain stands may be lifted out of the line and other stands swung into place with minimum delay to production.

"The shipment of spare parts by this company was intended for the standby stands, to keep them in operating condition, ready to go when needed.

"The parts were boxed in one container 87 inches by 62 by 42½ inches, outside dimension, having a gross weight of 2,670 pounds and a net weight of 2,380 pounds. The shipment was trucked to Newark, N. J., airport and loaded aboard a Flying Tiger Line plane, by which it was carried to its west coast destination."

(See Pictures at Right)

Use Your Credit Union!

MIDWEST TRUCKERS LIKE 'SKY-HIGHWAY'

Inauguration of the new Sky-Highway, truck-air-truck, program met with an enthusiastic reception at Chicago's Midway Airport when three of the leading midwestern truckers participating in the program joined at the airport with Frank Siwicki, FTL DSM, to help get the program rolling.

Both Siwicki and Bob Blanks, FTL Midwest Regional Sales Manager, report that enthusiasm for the program is typified by the management of these three truck lines who made special arrangements to have their trucks available for photographs with one of the Lockheed Super H's.

As both Siwicki and Blanks point out, long truck hauls to Midway have always been a typical part of freight moving in and out of the Windy City. According to Blanks, the new program is just what is needed for FTL to realize the true air freight potential in this area. (Photo below).

'BRAIN-WASHER' by 'Chuck' Snoko

Q—Says the guy to the cop: "Well, it used to be that when I left the house every morning at the same time, I'd drive a steady 40 mph and get to the office exactly one minute late. So, then I got smart and although I leave the house at the same time, I drive a steady 45 mph, which gets me there one minute earlier."

(Undoubtedly you've guessed that the copperoo was too dumb-founded to give the poor bloke a ticket—but it may not be so easy to figure out how far the driver's office was from his residence.)

(Answer on Page 5)



"I'll toss my cap in first, and if she throws it out I've got my flight plan ready!"

Air mail service was inaugurated on May 15, 1918, when mail was flown between Washington and New York City by War Department planes and pilots.



1—Starting point for the system's first shipment under the new Sky-Highway plan (truck-air-truck) was this Perkiomen Transfer, Inc., truck shown ready to pick up a load of rolling-mill parts from a large eastern steel company.

2—Co-producers of the Sky-Highway "opening night" event at EWR are these three FTL veterans shown with the first shipment. In the EWR hangar, left to right, are Joe Ryan, EWR DSM; Herb Barnemann, EWR Sales; and John Brannigan, Eastern Regional Sales Manager.



Midwest truckers participating in the new Sky-Highway program meet with FTL representatives at Midway Airport in front of a natural setting of three huge trailer trucks and FTL's Super-H. Shown left to right are Dave Gardner, Station Manager at MDW; Frank Siwicki, DSM at MDW; E. S. Stronach, Vice President & Treasurer of Dennis Truck, Louisville, Ky.; William Gilliland, Southern Sales Manager of Dennis Truck, Louisville, Ky.; and Ted Ireland, Office Manager, Hawkeye Motors, of Cedar Rapids, Iowa.

TIGER AIR-FREIGHT REVENUES CONTINUE TO SET RECORDS

(Continued from Page 1)

Burbank reported a gain of 61 per cent, with January business up 57.5 per cent and February rising 64.6 per cent.

Akron-Canton followed with 59.3 per cent, a decline in February being offset by a gain of 132 per cent in January.

Others Gain

Boston reported an increase of 48.6 per cent, with January rising 39.5 per cent and February showing an even stronger gain to 59.8 per cent.

San Diego's gain was 40.2 per cent, with January showing 45.3 per cent and February, 32 per cent.

Providence was up 34.2 per cent for the two months, a decline in February being offset by a gain of 168.4 per cent in January.

Philadelphia traffic increased

32.6 per cent, with January rising 71.9 per cent and February, 50 per cent.

Seattle showed a 28 per cent gain. January was up 24.6 per cent and February, 31.7 per cent.

Still More Gains

San Francisco-Oakland increased 22.7 per cent, January gaining 42.4 per cent and February, 4.9.

Newark-Albany was up 9.9 per cent, a decline in February being offset by a gain of 20.1 per cent in January.

Buffalo showed a 6.2 per cent gain, a February decline being offset by a 46.7 per cent increase in January.

January gains at Portland and Milwaukee were wiped out by February decreases, while Binghamton failed to show a gain in either month.

FTL On-Schedule In Pacific at 97.2

A new record for on-schedule operation of Pacific aircraft was achieved by The Flying Tiger Line in the period between January 20 and February 16, 1959, George Vaughan, Manager of Contract Operations, announced.

In the four-week period, the airline showed 110 departures with only three delays for a record 97.2 per cent on-schedule performance. This is the highest ever achieved by a Pacific carrier.

Flying Tiger operates in the Pacific for the Military Air Transport Service together with other carriers. The performance of each carrier is constantly checked by MATS and records are made available for comparison.

The FTL record showed that in three of the four weeks, there were no flight origination delays and only one in the fourth week out of a total of 40 departures. At intermediate points, the airlines reported no delays in two weeks and only two delays in each of the other two weeks out of a total of 70 stops.

The first Congressional appropriation for air mail service—\$50,000—was in 1916—but went unused because of failure of prospective mail service bidders to obtain suitable planes.

HEAR YE, ALL SPORTSMEN!

Get in on the BUR

HORSESHOE TOURNAMENT

April 1

Is the Day for the Singles

April 15

for the Doubles

All shops are to participate and are to play according to National Horseshoe rules

TROPHIES

will be awarded to 1st and 2nd places in the Singles and 1st place in the Doubles

Trophies donated by Joe Baker of the Maintenance Department and designed by Al Cormier. They are now on display in the hangar.

Join in the Fun!

THE FLYING TIGER LINE

LOCKHEED AIR TERMINAL • BURBANK, CALIF.