

SEASON'S GREETINGS EVERYONE



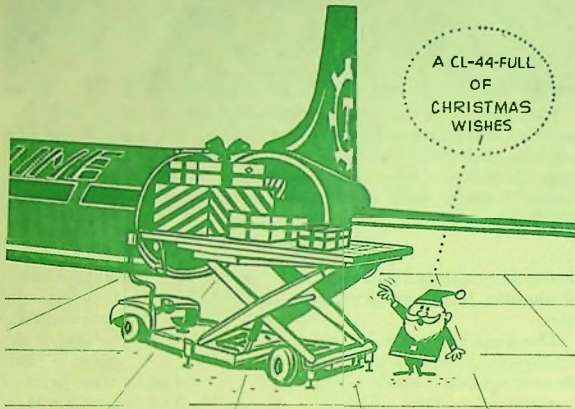
Here Now!—A New Airfreight Era with the Swing-Tail Turbo-Prop Jet CL-44

TIGERVIEW

OFFICIAL PUBLICATION OF THE FLYING TIGER LINE INC., BURBANK, CALIF.

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CL-44 OPERATING SMOOTHLY; FTL TO SHOW 3-MONTH PROFIT

The Flying Tiger Line, reporting a first quarter loss of \$376,885, now is operating in the black and should end the December 31, 1961, quarter with a profit, Robert W. Prescott, president said. Non-recurring costs arising from the introduction of a new fleet of CL-44 prop-jet aircraft into service were primarily responsible for the loss in the quarter ended September 30, 1961, the first period of the airfreight carrier's fiscal year.

The loss was equal to 27 cents a share on 1,422,190 shares of outstanding common stock, and compared with a deficit of \$566,460, equal to 41 cents a share, in the same period last year.

Although revenues for the September quarter rose nearly 40 per cent over last year, from \$6,104,279, to \$8,519,731, Prescott said start-up expenses for the new CL-44 fleet more than off-set this gain in traffic volume.

"However, these costs are now behind us and we are resuming delivery of the new aircraft, which had been stopped pending

(Continued on Page 6)

20% Annual Air Cargo Growth Rate 'Realistic', Educator Says

(TRANSPORTATION WEEK)

A quintet of transportation experts has directed its attention to various facets of the world's air cargo industry and has expressed a general opinion that air cargo, while often a disappointment in past years, faces a bright future.

None of the experts expressed belief in the oft-predicted air cargo "boom" but each saw a steady growth over the coming decade.

Ross W. Bennington, director of traffic for the United States Rubber Co., predicted "an ever-increasing trend toward the use of air cargo."

Stanley H. Brewer, professor of transportation at the University of Washington, said the airfreight market "could grow at a rate of 20 to 30 per cent a year

during the next 10 years and 15 to 20 per cent annually during the following decade."

John C. Emery, president of Emery Air Freight, expressed the belief that airfreight potential was "unlimited" and he asserted he could "see no end to the growth of airfreight."

Robert W. Prescott, president of the Flying Tiger Line, said

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Tiger Presentation To Aerospace Group

A special presentation on Flying Tiger's new tariff and its household goods program was made to the Aerospace Industries Association at its annual joint traffic committee meeting in New Orleans, October 11-12-13.

The association embraces some of the nation's largest shippers and interest in the 45-minute presentation was such that the committee extended the allotted time in order to enable the Flying Tiger representatives to answer extensive questions.

The airline was represented at the meeting by Peter T. Albert, General Sales Manager; George Zettler, Assistant to Albert; and A. D. Sachs, research analyst.

Among the companies which heard the program were Hughes Aircraft, Bendix Corp., Douglas Aircraft, Boeing Airplane Co., Allison Division of General Motors, Martin Co., Grumman Aircraft, United Aircraft, North American Aviation, General Dynamics, Lockheed, IBM, RCA, and Northrop Corp.

FTL Expands Group Charters From O'Hare

Plans for an expanded program of low-cost group charter flights to European capitals direct from Chicago's O'Hare Field were announced by The Flying Tiger Line, largest of the world's contract and charter airlines.

Announcement of the line's 1962 group charter program also disclosed that Flying Tiger will operate its international group passenger flights from O'Hare rather than Midway. Walter V. Peterson, Flying Tiger's area sales manager for group charter flights, said that several flights this season had been operated out of O'Hare and 1962 should be a record year for group charter flights from midwest airports to Europe.

Peterson and Brian Hayhoe, director of international sales for the line, made the prediction to a group of travel, aviation and business writers at a luncheon held at the Palmer House, Chicago.

"The season of 1961 saw a sharp increase in group charter flights flown from the midwest," Hayhoe said, and he pointed out that this was in the midst of an acknowledged recession period.

"With the anticipated pickup in our economy, we look for at least a doubling of our midwest

(Continued on Page 2)

Interline Revenues Up

Interline freight revenues of The Flying Tiger Line hit a new high point in September, totaling \$48,700, or \$21,400 ahead of the same month last year, George T. Cussen, vice president in charge of interline traffic, reports.

Largest sources of interline traffic were, in order, Japan Airlines, Riddle Airlines, KLM Royal Dutch Airlines, Deutsche Lufthansa, Eastern Airlines, Northwest Airlines, Pan American World Airways, American Airlines, Braniff Airlines and Swissair.

Valley Times TODAY HOME

LOOK WHO MADE THE FRONT PAGE!



Sgt. Dick Brown of the Los Angeles County Sheriff's Department and his wife did when the San Fernando Valley Chapter of the Executives' Secretaries Inc., were hosted at their fall meeting by the Valley Times Today. The newspaper ran off a special edition to salute the secretaries, of whom Sgt. Brown's wife is one but better known to Flying Tiger fellow workers as Ellen Warner, executive secretary to President Robert W. Prescott.

Intent To Bore Figures Denied By Burkhalter

Reds Declare They Will Delay Court Ruling

New Tiger Propeller Overhaul Shop Is the Only One of Its Kind in U.S.A.

The first propeller overhaul shop of its kind in the United States is functioning smoothly in Flying Tiger's new Hangar West at Burbank, less than six months after FTL's Maintenance Department broke ground on its newest project. The shop, equipped at a cost of \$115,000, which is more than \$40,000 below the cost originally budgeted, enables Flying Tiger for the first time to provide complete overhaul of propellers. Previously, overhaul of such equipment was contracted to outside maintenance services.

"We are now in a position," said James McLachlan, Director of Maintenance and Engineering, "not only to provide quick, fast overhaul of our own propeller equipment but we are also able to bid on outside work."

The shop qualifies as the first of its kind in the United States by virtue of the fact that it is the initial facility established in this country to handle the huge De Havilland propellers used on Flying Tiger's new CL-44 airfreighters.

Establishment of the shop represents two and one-half years of planning by Joe Baker, Superintendent of Shops and Facilities, and his crews under the direction of Frank Lynott, Executive Vice-President-Operations, and McLachlan, who administers Flying Tiger's Maintenance and Engineering facilities.

Started in 1959

Plans for the shop were first discussed on May 26, 1959, when D. S. Hyde, Manager of Service for the De Havilland Propeller Division, Hatfield, England, came to Burbank to meet with Lynott and McLachlan on arrangements for maintenance of the propellers to be used on Flying Tiger's newly ordered fleet of 10 CL-44 airfreighters. Conferences followed with Ian Fossett, president of the De Havilland Division in the United States,

and John Powell Williams, North American Service Manager for De Havilland in Montreal, Canada.

Baker then began a study of the question of "farming out" propeller overhaul or establishing an FTL shop for such work. An analysis of the economics of the problem "showed that we should go into our own overhaul of propellers and associated components," Baker said. The project was budgeted at \$158,000 but eventually this figure was trimmed by more than \$40,000 through use of other Flying Tiger shops to build some of the needed overhaul equipment.

After management had approved the propeller project, Lynott and McLachlan went to England for conferences with De Havilland and Rolls Royce, maker of the CL-44 Tyne engines, to formulate final plans for establishment of the shop.

Following this trip, Baker began laying out shop plans and getting personnel trained. Wallace Stevens, who was selected to become Propeller Overhaul Shop Foreman, went to England to train in the De Havilland factory on overhaul techniques, while other Maintenance personnel were sent to Trans-Canada Airline shops in Canada to study procedures set up in TCA shops.

Howard Smith, FTL's special

projects engineer, and Jack Studer, General Foreman of Shops, were assigned to do the physical layout of the new shop. Its floor space needs were tied in with requirements of Engine Build-up for expanded facilities for the new Tyne engines and the need of Ground Operations for added space. As a result, the airline decided to acquire Hangar West, located directly across from the General Office Building in Burbank. It is the third hangar to be occupied by the airline at its main base at Lockheed Air Terminal in Burbank.

The propeller shop and engine build-up occupy 13,000 square feet in the new hangar. A subsequent issue of the *Tigerreview* will tell of the new Engine Build-Up facility.

With all plans formulated, Maintenance began its move into the new hangar late last June, shortly after Flying Tiger had received its first CL-44. On September 8, the first propeller overhaul was completed. In less than three months after starting from scratch, the shop was functioning.

On a subsequent inspection of the shop, De Havilland's Hyde told McLachlan that he would not have believed such a shop could have been fully activated in such a short space of time. He commented that the shop was an excellent facility, fully equal



While Foreman Wallace Stevens (left foreground) conducts a check of a propeller, Flying Tiger and De Havilland officials check results. Left to right are James McLachlan, FTL Director of Maintenance and Engineering; D. S. Hyde, De Havilland Manager of Service from Hatfield, England; Norman Battey, FTL De Havilland representative; and Superintendent Joe Baker of FTL Shops and Facilities.

to the long-established standards of the De Havilland organization.

The shop is capable of overhauling 12 propellers a month. Normal overhaul time is a week per propeller. Each propeller, which weighs 1050 pounds and is 16 feet in diameter, is now overhauled every 1,200 hours. Baker has a goal of 2,000 hours between overhauls. Originally, overhaul was set up each 400 hours, then moved to 800 hours. Recently 1200 hours was approved by the FAA, which at a recent inspection, commented on the excellence of the facility.

Assisting Foreman Stevens in operation of the shop are Jim Bray, John Prendergast, Harry Curry, Ralph Kuhnoff, Bill Collins and Clayton Grogan.

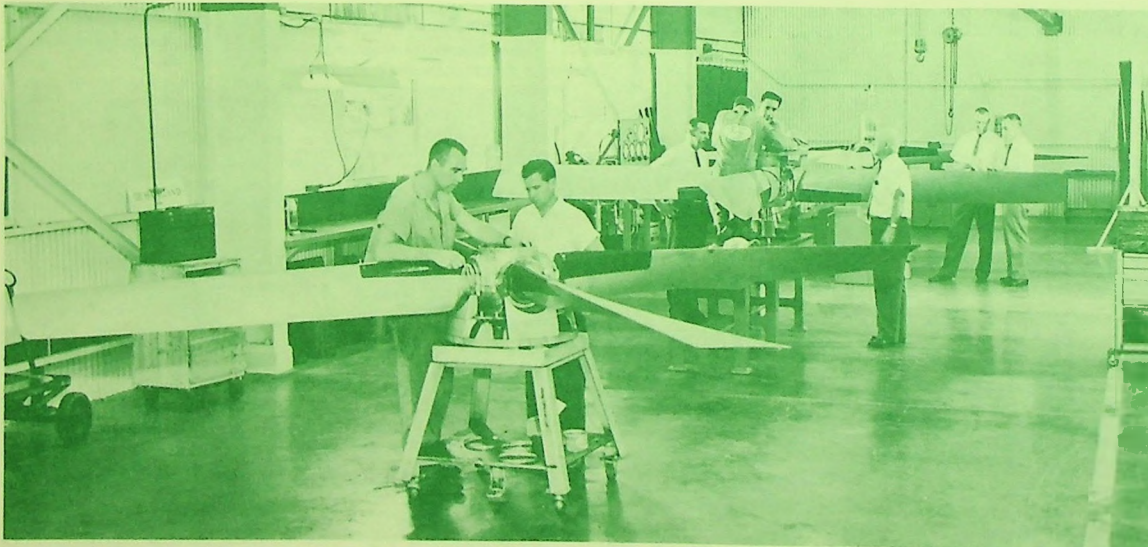
In addition, De Havilland has assigned Norman Battey to the shop as its local representative. A veteran of 25 years with the De Havilland organization, Battey has worked in most parts of the world. Starting with De Havilland as a mechanic, he subsequently became an inspector, then worked with the Royal Air Force in World War II. Following the war, he represented De Havilland in Hong Kong, Johannesburg and Rhodesia in Africa; Egypt, India; Chile, Argentine and Uruguay in South America; and Canada. Coming to the United States a year ago, he first served with Airesearch at Los Angeles, then Pacific Airmotive at Burbank before transferring to the new Tiger shop.

TIGERS EXPAND O'HARE CHARTERS

(Continued from Page 1)

business in 1962," Hayhoe said. Both Peterson and Hayhoe stated that an unprecedented number of inquiries have already been received in the firm's midwest charter headquarters at 116 Michigan Avenue, Chicago, telephone CE 6-3385.

The low-cost opportunity for air travel to Europe has led to a booming development of this market in the past few years, according to Peterson. He added that under this plan low- and middle-income groups can afford international travel for the first time under policies established by the Civil Aeronautics Board in Washington. Under this plan the cost per person for members of qualified groups and their immediate family is less than \$300 round trip Chicago to London on a planload basis.



An assembly line view of the new propeller overhaul shop with propellers passing through various work stages, which include check of blade angles, balance and pressure testing.



This \$43,000 test stand, only one of its kind in the United States, is checked out by FTL and De Havilland officials. Left to right are Clayton Grogan, operating the stand; Superintendent Baker; Roy Dickinson, De Havilland technical representative from England; Norman Battey, De Havilland FTL representative; and Director McLachlan. This stand tests the key unit of the propeller, shown in the center foreground just beyond

Grogan's elbow. It is called the propeller controller. This unit controls the revolutions per minute of the engines and the flight range, prevents over-speeding of the propeller, and regulates the positive blade angle of the propeller in the ground range of operation, or in the layman's language of one mechanic, "it lets you drive an airplane on the ground like an automobile." Total cost of the new propeller shop was \$115,000.

CREDIT UNION NEWS

Credit Union Assets Over Million Dollars

Leon Johnston, President of The Flying Tiger Employees Federal Credit Union, announced recently that the one-million-dollar mark in assets was reached on August 10, 1961.

The Flying Tiger Employees Federal Credit Union was established in 1948 with 15 members. Today with 1284 members and general offices at Burbank, California, the Credit Union serves employees in Tokyo, Japan; Frankfurt, Germany; London, England; Okinawa and Wake Island; plus ten cities in the U.S.

In addition to Mr. Johnston the remaining members of the Board of Directors are Don Conley, 1st Vice-President; Tom Haywood, 2nd Vice-President; Dick Yung, Treasurer; Laurie Marks, Secretary; Bob Bennett, Director, and Aldo Dipre, Director.

A total of \$1,245,292.94 was lent to members in 1960 for such items as home loans, household appliances, automobiles, medical expenses, furniture, taxes, vacation—almost any worthwhile purpose. Also in 1960 the Credit Union paid a dividend of 5½% to members with share accounts, which amounted to a total of over \$32,000.00.

The Flying Tiger Line Employees Federal Credit Union is a member of the California Credit Union League and of the Credit Union National Association.

Chase Heads New Air Cargo Chapter

Vernon Chase, FTL District Sales Manager at Seattle, has been elected president of the newly formed Puget Sound Chapter of the Air Cargo Association.

Other officers are H. E. Sullivan, District Manager, Airborne Freight Corp., first vice-president; Robert E. Metcalf, Cargo Service Chief, United Air Lines,

second vice-president; James Orms, Air Cargo Research Department, the Boeing Co., third vice-president; and Mrs. Ruth Becker, United Air Lines, secretary.

The association is composed of representatives of all air carriers, forwarders and air cargo cartage firms in the Seattle-Tacoma area.



Lightweight Packaging!—A most familiar sight at Flying Tiger stations for more than a decade are IBM computers. The IBM 1401 system shown here was delivered to L. A. Walden, Manager, Customer Engineering Division of International Business Machines Company Limited, in Windsor, Canada, for delivery by IBM to the London Life Insurance Company, London, Ontario. C. M. "Buck" Walworth, left, Tiger District Sales Manager at Detroit, turns the shipment over to Walden upon its arrival from IBM's California plant.

NEW DIMENSIONS OF AIR CARGO

(Editorial in *Business/Commercial Aviation*)

In August 1960 *B/CA* ran a special report "Air Cargo Jets Ahead." Part of the report dealt with the current transition in air cargo ground systems from manhandling to mechanization. Recently, the immense possibilities of this change were driven home again.

A 40-ft. trailer-truck drove onto a New Jersey pier. There, the two 20-ft boxes making up the trailer van were quickly uncoupled. One was left on the dock and the truck drove off with the other. A flying crane helicopter hovered over the box left behind by the truck. It lowered a hook, lifted the box, carried it out over the Hudson, then lowered it onto the deck of a waiting freighter.

For the Sikorsky S-60 Skycrane, it was all in a day's work. We think this demonstration foreshadows something bigger—an integrated system of air and ground transportation in which the copter is only a link. The key element of the whole system is the standardized, prepackaged container.

The use of prepackaged containers in ground transport is catching on among cargo shippers. Containers are exchanged between railroads, shipping lines, and truck companies just like freight cars are exchanged among railroads. A shipper in Iowa can load his goods into a container, have it trucked to a rail line, highball to a seaport, transfer to a freighter, cross the ocean and be delivered by rail and truck to a customer in Germany. The savings to the shipper—increased speed, lower packing and pilferage costs—are obvious and considerable.

Ground transportation people at the demonstration (they outnumbered air transport representatives) foresee a great potential for the flying crane. As the demonstration proved, ship-to-shore transfer certainly is a job tailor-made for the crane copter. A freighter, part of whose load is destined for a given port, can steam right past that port while a flying crane copter picks up its prepackaged cargo containers and delivers them to a rail yard or truck depot ashore. If there were no copter, the freighter would have to tie up in port for several days. One railroad official we talked to thinks flying crane operators will be part of tomorrow's harbor operations as much as tugboat companies are of today's.

Despite the competition between truck, ship, and rail transportation systems, all three would benefit from a standardized container system. So would the air cargo industry.

Virtually all air cargo is also trucked for some part of its journey. It doesn't take much insight to realize that it would be better if both truck and plane could use the same container. Some of the proposed systems for mechanized ground handling have taken complementary systems of transportation into account. Now is the time to plug for one of these systems that fits into the whole picture. If the air cargo industry is smart it will avoid the fix in which the passenger carriers now find themselves and make sure that transportation to and from terminals doesn't slow to a crawl while flight speeds keep going up.

—W. G. OSMUN

Scheduled Airlines' 1960 Traffic Up 12%

The world's network of scheduled airlines registered a total traffic increase of 12 per cent in 1960 with cargo and mail tonnages showing the greatest percentages of increase, according to Sir William P. Hildred, director general of the International Air Transport Association.

Sir William, in a report prepared for delivery at the seventeenth annual general meeting of IATA, termed 1960 "a year of continued transition" for the world's scheduled airlines and said that "more and more of the problems implied in the air industry's decision to change over to jets" became actualities.

"The number of passengers

carried increased by 8.2 per cent; passenger kilometers by 12.1 per cent; cargo traffic by 13.5 per cent; and mail traffic by 17.3 per cent. All traffic, as measured in ton-kilometers performed, went up 12 per cent."

Cargo and mail data developed on a regional basis showed that cargo traffic over the north Atlantic increased 28.7 per cent and that mail traffic increased 28.9 per cent, Sir William said. Over the south Atlantic, he said, cargo carryings increased 24 per cent and mail traffic 14 per cent. In intra-European traffic, cargo carryings increased 17.9 per cent and mail tonnage went up 14 per cent.

44 SETS RECORDS

The swingtail 44, in operation on Flying Tiger's overseas routes less than six months, has already established dramatic lift records, one of which probably would have been scoffed at only a year or so ago.

On its first trans-Pacific freight flight, the 44 carried a record 61,000 pounds plus of freight to Tokyo, while another ship airlifted 157 people on an initial trip.

But when Ground Operations got two complete F-104G supersonic tactical aircraft within the 44's big hold, even calloused cargo handlers tipped their caps.

Complete with engines, two tail units and two sets of wings, the F104's were easily loaded in

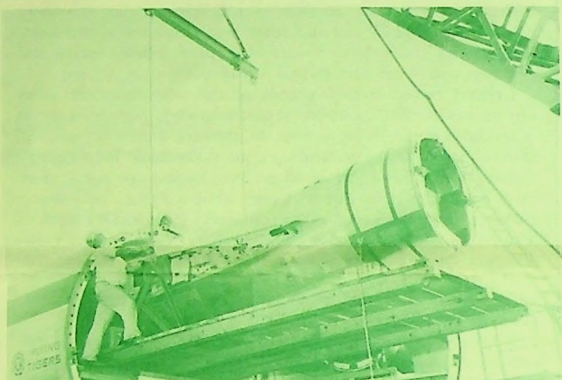
the 44 to prove that this method of transportation offers rapid and economical shipment of such aircraft to NATO nations to meet urgent delivery schedules.

Also possible is the supply of major sub-assemblies to meet production shortages anywhere in the world, or a quick return of large airframe parts or engines for overhaul and repair.

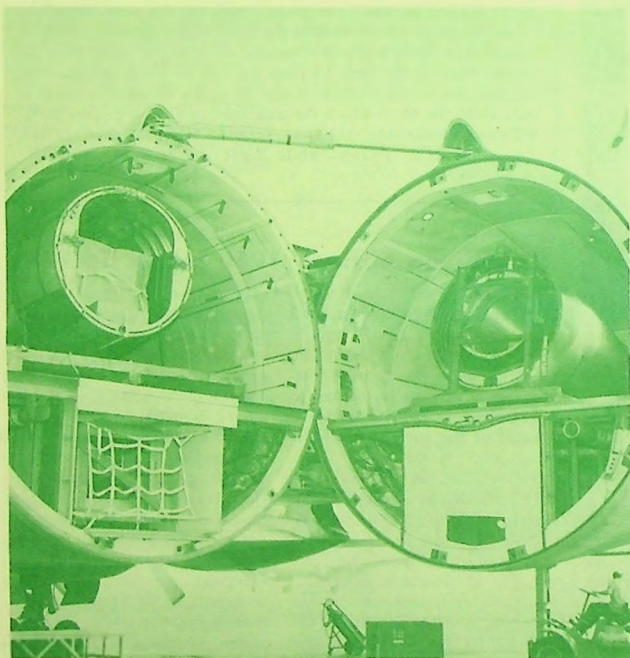
Following the initial loading at the Montreal plant of Canadair, manufacturer of the airplane, The Flying Tiger Line began the actual transportation of F104's to Germany, loading the aircraft at its Burbank base and transporting them overseas to Frankfurt.



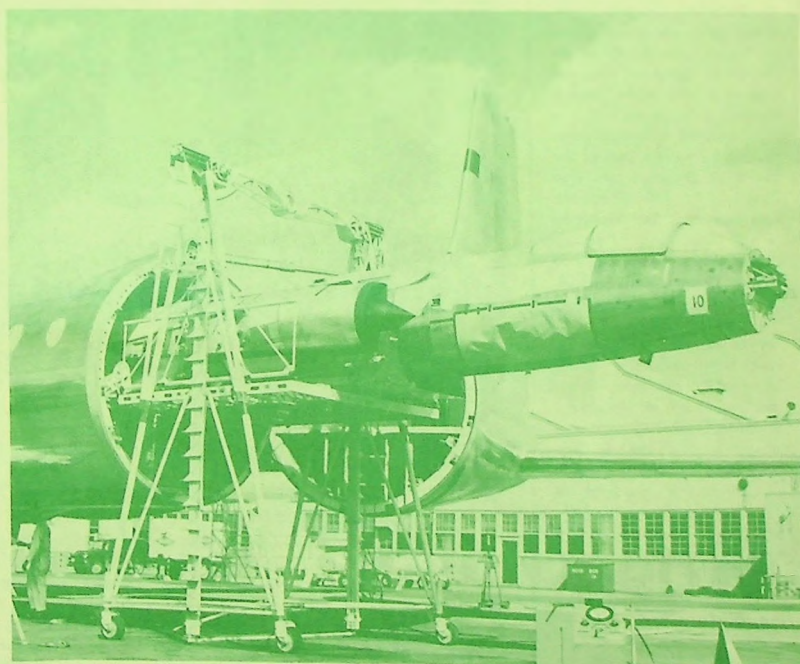
Truck-trailer backs up to CL-44 with F104 fuselage, crane standing by. Such cargos are blazing new trails in airfreight industry.



Rigger guides skidded fuselage into CL-44 cargo hold.



Fuselage secured in 44 hold; tail section tied down in tail of 44.



Trial loading of an F104G is made at the Canadair plant using an A frame as a loading device.

Judi and Horse Would've Made Pegasus Envious of Tiger Flight

By Laurie Fish
Seattle Times Special Writer

If the mythological flying horse Pegasus could have seen Canadian-born Judi Grimshaw and her palomino American saddle-bred stallion boarding a Flying Tiger Constellation at Boeing Field in Seattle recently, he would have given up his wings and begged to fly in his lucky relative's place.

Judi flew with her spirited prize-winning stallion from Seattle to Newark, N.J., after having sold him through an ad in a horse-men's magazine.

When a buyer in Rochester, New Hampshire, asked for the horse, 20-year-old Judi was faced with the seemingly impossible task of moving 1158 pounds of expensive horse across the country from her father's ranch in Saanichton, B.C.

"The only way I could think to transport 'Del' (for 'Delbourne's Golden Star') across country was by van or train," Judi wrote Vern Chase, Seattle's Tiger Sales Manager.

Neither method seemed practical. Having reared four-year-old "Del" from colthood, Judi knew his high-strung disposition would make him difficult for strangers to handle.

Then her father, a retired member of the Royal Canadian Mounted Police, called a freight company in Victoria, who in turn suggested the Flying Tigers.

"The thought of flying my horse struck me as being absurd," Judi wrote. "I was sure the cost would be beyond even considering. Your reply, Mr. Chase, changed the picture."

"After receiving your letter, I knew this was the ONLY way to get him East."

Early one morning, Judi, with the help of her brother, Bob, and a friend, loaded Del into a horse trailer and set off by ferry from Saanichton, B.C. for the long journey to Rochester, N.H.

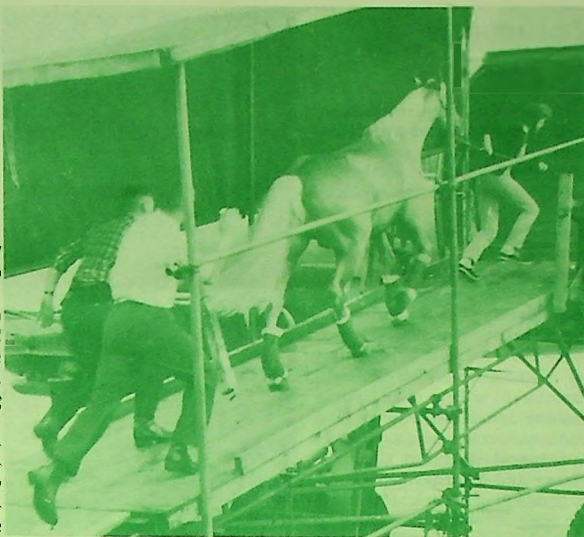
In Seattle, even under a veterinarian-administered dose of tranquilizer, the big stallion was edgy when it became apparent his mistress wanted him to mount the long, covered ramp into the waiting Connie at Boeing Field.

A final whack on the rump sent Del clattering up the ramp, with Judi tugging on the bridle. He was promptly made comfortable in a special traveling stall.

"The flight from Seattle to Newark was one I'll never forget," Judi wrote Vern Chase. "The people who work for the Tigers were most considerate."

Judi and her flying horse were met in Newark by a van, where the plucky girl once more was faced with loading a lively horse (the sedation had worn off and Del with all his 1158 pounds was in high spirits) for the last leg of the trip to Rochester.

"I must again stress," Judi concluded in her thank-you letter,



After half a dozen tries, Judi's prize-winning stallion all but flew up the ramp into the waiting Tiger Constellation.

"how impressed I was with the Flying Tiger Line. Mr. Chase, if I were being paid for all the compliments I have paid the Tigers, I'd be quite a wealthy gal. It's quite improbable that I shall ever have to ship by airfreight again, but believe me if I do, whatever 'it' is, it's going via the Flying Tiger Line.

"Thank you so much for everything, Mr. Chase. You worked hard to make everything perfect for my stallion and myself. You're all wonderful!"

TEN-YEAR PIN AWARDS IN OCTOBER

Bob Blanks, BUR; Walt Hendrick, BUR; Eddie Holohan, BUR; Guy Richards, BUR; Clare Smith, BUR; Buck Walworth, DTW; Frank Simpkins, BUR; Sam De Maio, BUR; John Kuncewitch, EWR; Earl Marshall, BUR; Dan McDonald, BUR; Julio Muller, BUR; Ervin Pilewski, MDW; John Stowell, BUR; Allen Wright, BUR; Jess Johnson, MDW; Mennen Iadonisi, SFO; George Nau, BUR; John Newcomer, EWR; Pete Rinne, SFO; Al Silver, SFO.

FIVE-YEAR PINS

O'Dell Williamson, MDW; Donald Butski, DTW; Harold Calton, SFO; Joseph Delazarda, SFO; Gene Olson, BUR; William Greentree, BUR; Fred Ognan, SFO; Ann Pedroncelli, SFO; Ken Carruthers, BUR; Gene Chisum, BUR; Eldridge Gist, BUR; John Nance, BUR; Ronald Feldman, BUR; Bill Hansman, BUR; Roy Millican, BUR; William Schuler, SFO; Jim Danek, MDW; Paul Finazzo, EWR.

Show Bull Is Unusual FTL Passenger

This VIP "passenger" on a late summer flight from California to Newark is "Polled Zato Heir the 27th," a prize Hereford bull shown upon arrival at EWR as he gets a bit of the FTL. "special care" touch from Sally Coppola, Secretary to Jim Correa of Contract Operations at Newark.

The 2,000-lb. celebrity flew east to begin a four-month personal appearance tour, the *Newark News* reported in a picture story of the event.

The animal posed patiently and professionally in the sun for 15 minutes while cameramen snapped him with various pretty girls.

Zato is a portly, pink-eyed behemoth with a brown and white coat, and a wet, pink nose. He is six years old and gentle as a day-old calf.

The \$60,000 animal has four owners, a rather unique arrangement, according to Crissinger. Dr. William Allen and Christopher Mowry of Los Angeles are the West Coast owners; Crissinger, who owns Crissinger Stock Farms in Rebeck, Pa., and John M. Franklin, board chairman of the United States Lines, own the rest of the beast.

On hand to greet the bull before his trip to Maryland was Mrs. Franklin. She welcomed the newly arrived animal by grunting at him in the Hereford dialect. Zato, who obviously is a spoiled ladies' man, chose to ignore her.



Lovely 20-year-old Judi Grimshaw happily reassured her traveling companion his troubles were over as he stood safely in his special travel stall. Tigers are noted for their special careful handling of all kinds of live animals sent via their line.



Polled Zato and Sally Coppola.

Higgins Reveals Volume and Profit Potentials at Seminar

Two potentials for business which promise large rewards in terms of increased profits and much greater volume are being overlooked today by many companies, John L. Higgins, vice-president-sales for The Flying Tiger Line, told the Fifth Annual Fall Management Conference of the University of California at Los Angeles.

Addressing a group of several hundred business leaders participating in the UCLA Executive Program, Higgins identified the two potentials as the single-inventory concept and national marketing for regional or local businesses.

He said both were based on the use of airfreight, the newest tool of transportation, and its application to the total cost of distribution theory.

Studies of the total cost of distributing products, such as warehousing, interest on capital, cartage and packaging, showed, Higgins said: "that we had paid far too little attention to that part of the program which dealt

with the ability of a company to turn over its inventory capital many more times per year."

Some companies discovered, he said, that they could turn over their inventory twice as many times as in the past by speeding up distribution from a single inventory, rather than warehousing across the country. He cited such companies as American Optical, Raytheon, Channel-Master and Whirlpool, pointing to their use of airfreight to reach any part of the nation from a single inventory source.

Market Potentials

Turning to market expansion potentials, he said:

"The majority of the firms distributing products in the United States market are on a regional basis. These firms sell only in the geographical areas where they produce. Although many products do move in national distribution, these are primarily generated by a few large firms. Many small firms overlook the possibilities of extending their distribution to new markets through airfreight. This is because, in the main, they feel such an operation would be beyond their financial capability. Too, they cannot compete on a service basis by using surface transportation because their customers insist on rapid delivery to minimize their own inventory problems.

"In selling distant markets, the



Sea-Tac Terminal—Pictured here is Flying Tiger's newest airfreight terminal, located at Seattle-Tacoma airport. The airline recently moved from Boeing Field to the Sea-Tac base. The new terminal provides 7,500-

feet of warehouse space, more than double that formerly occupied at Boeing Field. The truck receiving dock is 96 feet long. This is the latest in a series of moves to improve Tiger facilities.

CL-44 Operating Smoothly Now

(Continued from Page 1)

the completion of necessary modifications to overcome certain mechanical and operating problems," Prescott reported.

"The CL-44 is beginning to show a very good operating record. On-time schedule performance is 80 per cent and the aircraft is averaging nearly 10 hours of daily utilization, which is most satisfactory.

"The aircraft is equalling or exceeding basic cost projections on speed, fuel consumption and landing and take-off weights.

"As a result, we are now operating in the black and barring unforeseen difficulties, we should recoup our first quarter losses and end the December period with a satisfactory profit."

Stockholders Report

In comment to stockholders, he added:

"We want to assure you that we have found nothing inherently wrong in the design or structure of the airplane that would be fatal to its operational airworthiness. We are just as fully confident as ever that we have a great airplane.

"We have been using the first five of the planes in Military contract operations on the Pacific. Our losses in the first quarter have been principally due to our having to purchase substitute service when we were unable to meet our contract schedule. We have enough improvement so that since October 1, 1961, we have not had to buy any substitute service. We are, therefore, more optimistic about our results from here forward."

businessman who is presently only regionally oriented must approach the economics on the basis of marginal costs versus marginal revenue. So long as the added costs of distribution into new markets are less than the added revenue derived from these sales, the expansion is profitable.

"Airfreight can provide rapid service that will enable a distant distributor to deliver orders almost as rapidly as local sources of supply. This can be done without expansion into a large inventory stock and without incurring additional financial outlays."

NEW TARIFF UPS TIGER FREIGHT

Freight traffic on The Flying Tiger Line since the inauguration of the carrier's new tariff on October 16 has moved steadily upward, reversing a downtrend in ton-mile volume, John L. Higgins, vice president-sales, states.

November, the first full month of operation under the new tariff, showed a gain of nine per cent over October and 16 per cent over November, 1960. Ton-miles in November, 1961, totaled 6,150,000, compared with 5,663,000 in October and 5,302,000 in November, 1960.

Load factor had risen from

64.8 per cent in November, 1960, to 66.8 per cent in October, 1961, and 74.3 per cent in November, 1961. The November, 1961, figure represents a gain of approximately 15 per cent.

In the three weeks before October 16, the airline's ton-mile volume was running about 10 per cent ahead of the previous month but 19 per cent behind last year. By contrast, at the end of November 3, or three weeks after the new rates became effective, ton-mile traffic was 13 per cent ahead of the comparable period last year.



The trans-Pacific freight operation on which Flying Tiger's new CL-44's are engaged is depicted in this picture made at Travis Air Force Base near

San Francisco, showing military freight lined up for loading on the swing-tail, first of the true jet airfreighters.

20% Annual Air Cargo Growth Rate 'Realistic', Educator Says

(Continued from Page 1)

airfreight held "promise as a basic form of transportation rather than a sideline for the air carriers and an emergency tool for the shippers."

E. R. Marlin, director of technical assistance for the International Civil Aviation Organization, described the future of air cargo in the world's underdeveloped nations as "good" and envisioned "a rate of growth amongst many underdeveloped countries of 5 per cent per annum."

Symposium in Hartford

The five transport specialists addressed themselves to air cargo problems at a symposium sponsored by the Connecticut General Life Insurance Co. The symposium, "The Issues and Challenges of Air Transportation," was held November 1-3 in Hartford, Conn.

Commenting on the potential market for air cargo, Mr. Brewer said there were many factors which should bring about a dramatic growth.

"Combination carriers," he said, "have more capacity than ever before to carry cargo and this capacity is increasing rapidly. Increases in capacity have developed from large baggage holds of jets and converted piston-engine airplanes.

"All-cargo carriers have taken delivery of new turbo-prop aircraft which will enable them to cut direct operating costs in half. They are building freight terminals that promise even greater reductions for indirect costs.

Foreign Airline Activity

"Nationalized foreign airlines are considering purchase of large jet freighters to be used in military emergencies. These would be placed in commercial operations and might result in international competition that will force drastic reductions in cargo rates.

"International and United States domestic rates have already been decreased and there will be additional reductions for domestic carriers as a result of the Civil Aeronautics Board's recent order. The increased capacity of airline operators that is already resulting in better service at lower rates is beginning to attract additional traffic.

"These trends should result in an accelerated rate of growth for air cargo."

Mr. Brewer said that about 1 billion ton-miles of air cargo, excluding military freight moved in military aircraft or in commercial-military lease operations, would move in 1961. Concerning the future, he said it was "entirely possible" for the air cargo

industry to grow at an annual rate of 20 to 30 per cent for the next 10 to 20 years.

"A 20 per cent annual rate of growth," he said, "would develop a 5-billion-ton-mile U.S. domestic market by 1970, a 10-billion-ton-mile market by 1975, and a more than 30-billion-ton-mile market by 1980."

Shipper Needs

Mr. Bennington commented on shipper needs and said recent programs stimulating air-truck agreements "should be enthusiastically welcomed by shippers since any airport can be a distribution center from which radiates trucking services.

"The stage is set for an ever-increasing use of air cargo facilities," he said, "even though this form of commodity transport is considered to be premium transportation.

"But premium transportation is not necessarily premium distribution when total costs are considered. . . .

"The field of physical distribution has, generally speaking, been neglected by the management of business but offers a tremendous opportunity for real economies. This is a real challenge that can be met in many ways through the medium of air transportation as a means of reducing total costs of physical distribution. Distribution executives must be prepared to recognize its benefits."

Mr. Bennington said some companies were distributing on a national scale without operating any warehouses and were using airfreight to do so. Many firms, including his own, were reappraising warehouse practices, he said. Additionally, he said, traffic managers were no longer limited to the transportation charges alone but were concerned with the theory of total costs. Speaking of the total cost concept, he said:

"This concept is to make an analysis of present costs including, beside the cost of freight, inventory, warehousing, packing, handling, as well as taxes, insurance, rent on warehouses, salaries and interest charges on inventory.

"By eliminating much of the warehousing and related costs, shipment by airfreight can be shown to save money in many companies."

Mr. Prescott said air carriers were becoming more aware of the importance of service and that service standards were being improved.

"Some airfreight operators," he said, "are engaged in substantial research into pricing and new tariff philosophies are being developed. The first modern, low-



Flying Tiger's truck fleet in the Newark-New York area has a new paint job and, possibly for the first time among trucks, a new idea for getting your name across in unusual places—on top of the truck. Shown in the photograph at top are two of the newly painted trucks carrying the company's new insignia and lettering. The bottom photograph shows how the tops of the trucks are being utilized to carry the airline's story. The idea

was originated by Joe Ryan, Eastern Regional Sales Manager. Standing in a New York skyscraper one day, he was struck by the fact that as he looked down, he could see a great many truck roofs, all of them blank. Why not, he reasoned, put your name there, too, since a lot of people are looking out of New York buildings and if it's good to advertise to people on the ground, why not in the air?

cost cargo plane is in operation and the cost and rate structures are declining.

"Regulatory agencies are studying the airfreight industry in depth. They are also developing some sound, long-range regulatory policies. The systems approach to materials flow is rapidly gaining acceptance in industry and the cost of airfreight transportation is becoming less of a barrier."

Mr. Prescott admitted that the last 15 years of air cargo history "have been fraught with disappointment" but he said the next "year or two" should bring substantial volume increases in traffic.

"Airfreight holds promise as a basic form of transportation," he

asserted, "rather than a sideline for the air carriers and an emergency tool for the shippers."

Mr. Emery said that his firm served about 16,000 shippers, had handled more than 4 million shipments and had increased its business at an average annual rate of more than 20 per cent.

"Against this background," he said, "our conclusions about air cargo potential can be expressed in one word—unlimited. We see no end to the growth of airfreight. The rate of growth will be slowed or accelerated depending on how the carriers—airlines and forwarders—go about the business of developing more airfreight tonnage, but the result in the end will be the same—unlimited growth."

Mr. Emery said the ability of the airfreight forwarder to provide tailored service was essential in the future development of airfreight.

"The ability of the forwarder to meet special requirements is an important factor in persuading shippers to make the use that they should of airfreight," he asserted. "No two shippers' needs are exactly alike. In the main they are much the same, in detail quite different.

"The tailored service of forwarders has induced many shippers to test the usefulness of airfreight. As these tests have been successful, volume for all air carriers has grown, but the forwarder has provided the initial impetus."

TIGER PHOTO POTPOURRI



Good Steer—No Bull!—A new prize in "incentive merchandising," a 1200-pound pure-bred registered Brangus steer, was flown east on The Flying Tiger Line recently for the Stop 'N Shop Markets of Boston, to which the airline has brought many a plane-load of strawberries in the past. The steer, grand champion of its classification at the Yuma Livestock Show this spring, was purchased by the market chain and presented to the University of Massachusetts at a new store opening in Springfield. It was slated to be given away to a 4-H Club winner in the form of a scholarship. The steer was raised on the Bruce Church Ranches at Yuma. Shown in the photograph above upon loading of the steer at Burbank are, left to right, Dave Stidolph, head of sales promotion for Bruce Church, Inc.; Keith Morrill, head of the Los Angeles Premium Group; Frank Lynch, Director of Market Development for Schick Manufacturing Co., New York; and C. S. Garcia, cattle foreman of the Church Ranches. Stidolph, who accompanied the steer, said in a letter to the airline: "I would like to mention that your crew of Jack Bliss, Captain, Dick Taggart, Co-Pilot, and Frank Germain, Flight Engineer, who terminated the flight for me, proved to be such an outstanding group that I would like to tell Mr. Prescott that these fellows did a tremendous amount to sell us on the stability and dependability of The Flying Tiger Line."



Flying Tiger's Genevieve M. Ely was one of a group of airline personnel who participated in Japan Air Lines' Interline Orientation Tour to the Far East. Mrs. Ely is executive secretary to William Bartling, vice president of Research.

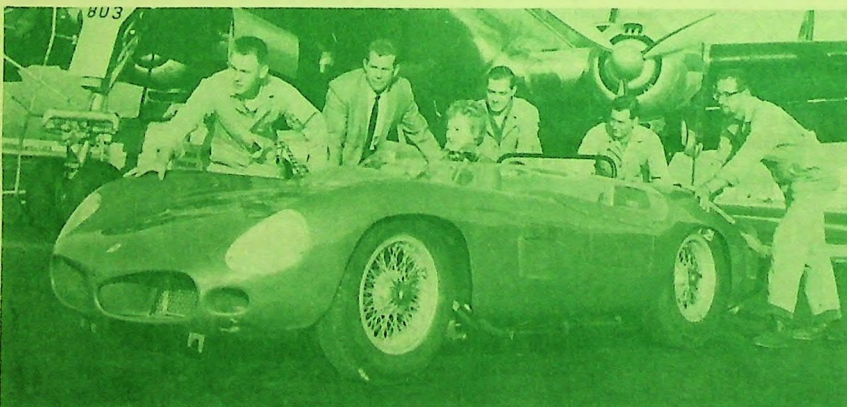


Sign Sells—First major sign to carry Flying Tiger's new insignia and letter format is this 50-foot long billboard at the airline's Binghamton terminal. The insignia is nearly eight feet in height.



MATS Visitors—Flying Tiger's operational and loading plans for its new CL-44 fleet drew another interested group of Military Air Transport Service officials to Burbank recently to confer with George Vaughan, Director of Contract Operations, and Bud Whitney, Superintendent of Methods and Procedures for Ground Operations. Since the airline was the first to offer turbine-powered all-cargo aircraft to MATS for overseas services, officials were eager to get full details on the airline's

operating program for the new aircraft. Shown here at the Burbank conference are, left to right, standing, Vaughan, Master Sgt. Ira Story, Passenger Service, WESTAF; Norman Van Duka, Station Traffic Office 1501, Air Terminal Squadron, Travis AFB; and Major Samuel Caddle, Plans, WESTAF; seated, Whitney; Major Ralph Ruebel, Air Cargo, WESTAF; and Major Thomas Tishoff, Air Traffic System, WESTAF. This is one of many similar groups to check out the 44 since it became operational.



FTL Ferries Ferrari—Just a little something to go to work in, or at least that is what Ginger Ford of Burbank Sales was dreaming, according to the photographer, when he lined up this shot of a \$21,000 hand-built Ferrari racer brought in from New York by the Tigers

for a west-coast race. Of course, it took five men to get it started with a good push. On hand to help are, left to right, Larry Bakken, Ed Trott, Bill Henry, Jess Coulter and Steve Baird. No report yet as to how the Ferrari fared in the race.

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