West Indies Status May Affect Routes

By William H. Gregory

Dominion status for the West Indian Federation and independence for British West Indian Airways which are likely to come in 18 months or two years may bring with them some changes in airline route patterns in the Caribbean.

Independence of the airline, whose shares now are 100%-owned by British Overseas Airways Corp., depends not only on the attainment of dominion status by the Federation but also on whether the Federation will be willing to acquire the airline from BOAC for operation as a national carrier.

Despite some bickering among the islands—especially from Jamaica as the largest in terms of population—U.S. government and airline sources believe the Federation will become a dominion in the British Commonwealth and that it will put up the capital to make the airline West Indian-owned.

Underscoring this belief is the search by British West Indian Airways for jet equipment. Significantly, 18-month delivery is an important element in the order.

H. O. B. Wooding, BWIA chairman, recently finished a tour of West Coast manufacturers. Other officials of the airline are continuing negotiations. A decision is expected in the next two months.

Transatlantic capability for the airline's Jamaica-New York-London route (not yet being operated) is necessary, although a long-range jet transport would not be required for Caribbean-U.S. routes. The Convair 600 was reported favored in early stages of the studies (AW Jan. 4, p. 34).

British equipment also is being considered, but the order is almost certain to go to the U.S. Longer delivery dates for long-range British jets are the prime reason.

Leased transports might be used in the meantime on BWIA's only other route to New York—perhaps Douglas DC-7s or Bristol Britannias. This route is now flown by BWIA Vickers Viscount 702s from Trinidad and Barbados to Bermuda. From Bermuda to New York, the route is flown as a BOAC flight, handled as a charter of BWIA equipment.

The Federation, looking toward its future status, has won acceptance of its request to sit in on the U.S.-United Kingdom bilateral talks which begin in Barbados this week.

U.S. airline sources are not so much concerned that the U.S. will face any direct conflict in the Caribbean. But there is some fear that there may be a repetition of previous cases where the U.S. has traded with Britain for rights in British possessions and then found it had to trade all over again for the same rights when the former colony attained independent status.

Wooding told AVIATION WEEK that he personally would like to see a BWIA route into Mexico City, where a link could be made with a U.S. carrier such as Western Air Lines. Otherwise he would not discuss what route plans the airline might be officially formulating.

Reciprocity undoubtedly will be a sensitive point with BWIA. Two cases in point are cited by BWIA officials:

- KLM Royal Dutch Airlines is regarded by BWIA as one of its principal competitors of the 16 airlines serving various islands in the Caribbean. Yet BWIA does not have routes to the Dutch islands of Aruba and Curacao in the Caribbean let alone to the home country.

- Trans-Canada Air Lines serves Jamaica, Antigua, Barbados and Trinidad from both Toronto and Montreal. BWIA in turn has traffic rights into Montreal, an agreement made by the British. But Toronto, BWIA contends, generates 80% of Canadian traffic into the West Indies.

Canada is interested in the West Indies and more than a year ago was negotiating for a merger of Trans-Canada Air Lines and BWIA. The plan foundered over an issue important to the islands: TCA wanted to consolidate all maintenance at Montreal, which would have meant closing BWIA's main base at Port of Spain, Trinidad, and the loss of jobs held by West Indians.

Canada recognizes potential for future trade in the area, however, and closer ties are likely. Meat comes to the Caribbean all the way from Australia and New Zealand now because of Empire trade agreements. Canada needs West Indian sugar, however, and has cattle much nearer at hand for the islands. Another source of possible business traffic for BWIA is bauxite, the ore that goes into aluminum. Besides deposits in Jamaica within the Federation, there are major supplies in British Guiana. BWIA serves Georgetown, British Guiana and operates British Guiana Airways for the British Guiana government.

Because of its geographic position, the Federation has some natural advantages in stage lengths for breaking jet flights between North and South America. BWIA is interested in the South American market, but has been cautious on entering it up to now with the fare-
cutting problems that have existed.
Tourist traffic is the prime source for BWIA and its Miami-Jamaica route is now its key revenue stage. Two related programs are under way to stimulate such traffic:

- **Hotel construction** is being sought by the various islands through generous tax concessions. Trinidad, for example, is permitting duty-free import of all the necessary construction materials, an income tax holiday for the first 10 years of operation and in each of any five years of the eight following the tax holiday a 20% writheoff of the hotel cost.
- **Package tours**, including a tie-in with Greyhound Bus Lines, and various on and off season excursion fares in the Caribbean offered by BWIA.

Hotel Accommodations

Hotel accommodations and air fares are mutually important in an economy where tourists play a major role and representatives of each group keep a close watch on the other.

A recent example was the opening of a route to Aruba by Trans Caribbean Airways in which the airline was guaranteed a minimum hotel accommodation for its passengers that is large enough to assure that most will have no trouble in finding places to stay.

BWIA stresses island-hopping tours which take advantage of stopover privileges. During the busy winter season, BWIA offers a five-island tour from New York to Bermuda, San Juan, St. Thomas, St. Kitts, Antigua and return for $203.60, the same price as a New York-Antigua round trip. Similarly the airline offers a Miami trip to Grand Cayman, Montego Bay and Kingston, Jamaica; San Juan, St. Thomas, St. Kitts, Antigua and return for $159.80, the same as the Miami-Antigua round trip fare.

In the summer off-season 17- and 30-day special excursion fares will cut $20-$30 off regular round trip fares. Some island-hopping trips are offered with a direct return from the last island visited or a return via the same islands.

The airline finds it to its advantage to keep the tourist moving fairly rapidly. If an island stay lasts over three days, the traveler tends to settle there for the rest of his trip, costing the airline traffic.

Inter-Island Traffic

Inter-island traffic is fairly brisk—in slightly less than a month last year Leeward Island Air Transport carried 2,123 passengers in and out of its home base at Montserrat, mostly to Antigua for shopping—but it is not yet a profitable operation in general for BWIA. This is a factor Wooding hopes the Federation will recognize.

If the Federation wants BWIA to serve low density routes such as that from Barbados to Belize in British Honduras, Central America, in the Federation's interest, then he feels such routes should be subsidized.

BOAC has been divesting itself of various subsidiary airlines throughout the world and BWIA sees no problem in coming to an agreement with BOAC if independence is decided. BWIA is known to have been irked by BOAC's latest annual report which blamed its losses on its subsidiaries' operations, but is taking care not to be drawn in any controversy over the issue.

New Company to Offer Insurance and Loans

**Washington**—Organization of a group of companies that will specialize in insurance and consumer finance for aviation employees has filed a registration statement with the Securities and Exchange Commission.

A proposed offering of 2.5 million shares of voting common stock by the holding company of the group, Aviation Employees Corp., was included in the statement.

Offering price will be $2 per share subject to SEC clearance.

Officers and directors of the holding company consist largely of top officials within the aviation industry. Executive officers are Samuel J. Solomon, president and director, former chairman of the board of California Eastern Aviation and president and chairman of the board of Northeast Airlines; Richard Fell, vice president and director, now general manager of Butler Aviation in New York; Paul Brabazon, vice president, former claim representative for Erwin-Newman Co., and Joseph Greenwood, corporation secretary and general counsel.

Directors are: Emory F. Johnson, president of Air Cargo, Inc.; Joseph P. Adams, executive director and general counsel of the Assn. of Local Transport Lines and former Civil Aeronautics Board member; Richard S. Boutelle, technical consultant to General Motors Corp. and former president of Fairchild Engine & Airplane Corp.; Paul H. Brattain, former first vice president and director of Eastern Air Lines; Frederick M. Glass, senior vice president and vice chairman of the board of directors of the Empire State Building Corp.; David R. Grace, a partner in Sterling, Grace & Co.; Thomas O. Hardin, Maj. Gen. USAF (ret.); Alexander G. Hardy, senior vice president of National Air Lines; Arthur C. Hyde, commercial real estate developer; Charles A. Rheinstrum, vice president of J. Walter Thompson Co.; Kenneth Stiles, vice president of General Dynamics Corp., and John B. Walker, president of Walker & Crenshaw.

Flight Engineers Elect New Top Executive

**Washington**—Flight Engineers International Assn. last week announced the election of Ronald A. Brown as president of the 3,600-member union for a two-year term. Election of the new president, who has served as acting head of FEIA since the resignation of George R. Petty, Jr., last August, took place at a recent meeting of the union's Master Executive Board in New York City.

Also elected to office were Harry S. O'Brien, executive vice president; Boyd S. Moore, technical vice president, and Henry J. Breen, re-elected secretary-treasurer.

A native of Kearney, Neb., Brown has been a vice president of the union for the past three years and, prior to that, was employed for eight years as a flight engineer on United Air Lines. His past experience also includes World War II combat experience as a flight engineer on Boeing B-17's in the European theater of operations as well as field service mechanic duties with Douglas Aircraft Co.

Flying Tiger Obtains Labor Injunctions

**Washington**—Flying Tiger Line hoped to return to normal operations late last week after obtaining court injunctions against pilots and engineers who had honored picket lines thrown up by the airline's navigators.

In addition, the airline also filed damages action of $6 million against the Transport Workers Union representing the navigators and the Air Line Pilots Assn., charging that the two groups had violated provisions of the Railway Labor Act in picketing activities.

Primary cause of some concern, an airline spokesman said, centers around continuing negotiations with TWU over the status of 14 navigators hired by the airline at a time the union was threatening a strike against the company.

The new navigators, who are not members of TWU, were guaranteed six months of employment by the airline before TWU successfully concluded its contract negotiations.

Suites against ALPA and TWU were filed by the airline after the navigators' union picketed Flying Tiger operations. ALPA members and some engineering personnel also refused to cross the picket lines.

A federal district court in Newark, N. J., ordered ALPA members to continue flying for the airline, while a Los Angeles County Superior Court handed down an injunction ordering the flight engineers to return to work.