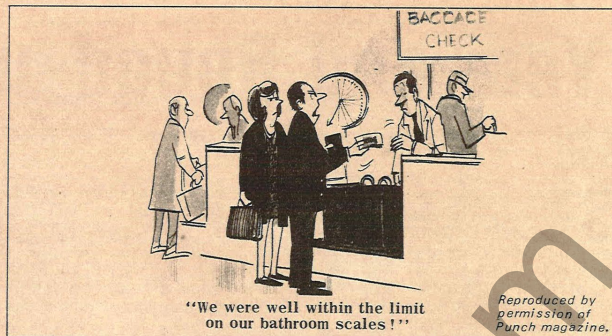


The Magic Carpet



VOL. 16 NO. 12 THE STAFF MAGAZINE OF AIR-INDIA DECEMBER 1972



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Lisa Tinkenberg, our Reservations Agent in Amsterdam, smiles happily after winning a prize in Miss Aviation International Festival 1972, which was held for the first time in Europe in Amsterdam. She was chosen Miss Interline Holland in 1972.

RISING COSTS CUT INTO PROFITS

Relatively minor loss

FOR the first time since nationalisation in 1953, Air-India suffered a relatively minor net loss of Rs.1.66 crores in 1971-72. There were a number of reasons for this reversal of fortunes - the sharp recession in air traffic during 1969-70 and 1970-71 which affected revenues, the steep increases in costs due to unabated inflation, the impact of massive investments in new aircraft, the burden of an increase of nearly Rs.2.00 crores in additional wages and large scale cancellation of foreign bookings due to fears amongst tourists created by our refugee problem, rumour of epidemics and confrontation with Pakistan.

profit of Rs. 0.78 crores for the year. However, the burden of interest on the U.S. dollar loans incurred during the year converted this profit into a net deficit.

With the introduction of two Boeing 747s during the year the total capacity offered (available tonne-kilometres) increased by 17.2 per cent over that in the previous year, while the capacity utilised (revenue tonne-kilometres) excluding capacity made over to and operated by Air-India Charters Ltd. increased by only 12.2 per cent. Consequently, the overall load factor dropped from 54.3 per cent in 1970-71 to 52.1 per cent in 1971-72.

Operating revenue

The Annual Report says that although the operating revenue went up by 9.7 per cent to Rs.78.56 crores in 1971-72 from Rs.71.60 crores in the previous year, the increase did not keep pace with the increase in operating expenses which went up by 16.1 per cent to Rs. 77.78 crores in 1971-72 from Rs. 67.02 crores in 1970-71, leaving a small operating

Air-India carried a total of 442,395 revenue passengers in 1971-72, 9.17 per cent less than in the previous year. While passenger tonne-kilometres went up by only 7.6 per cent in 1971-72, the cargo tonne-kilometres were up by 21.4 per cent as compared to the previous year. This is especially significant when seen against the background of a marginal rise of 3.1 per cent in cargo tonne-kilometres in 1970-71. (Continued on page 2)

CD calls for increased productivity and earnings

A cheque for Rs. 1,001/- was presented to Mr. V.P. Naik, Chief Minister of Maharashtra by Mr. N.H. Dastur, Commercial Director, in Bombay on December 21, 1972. The cheque was for the Chief Minister's Famine Relief Fund.

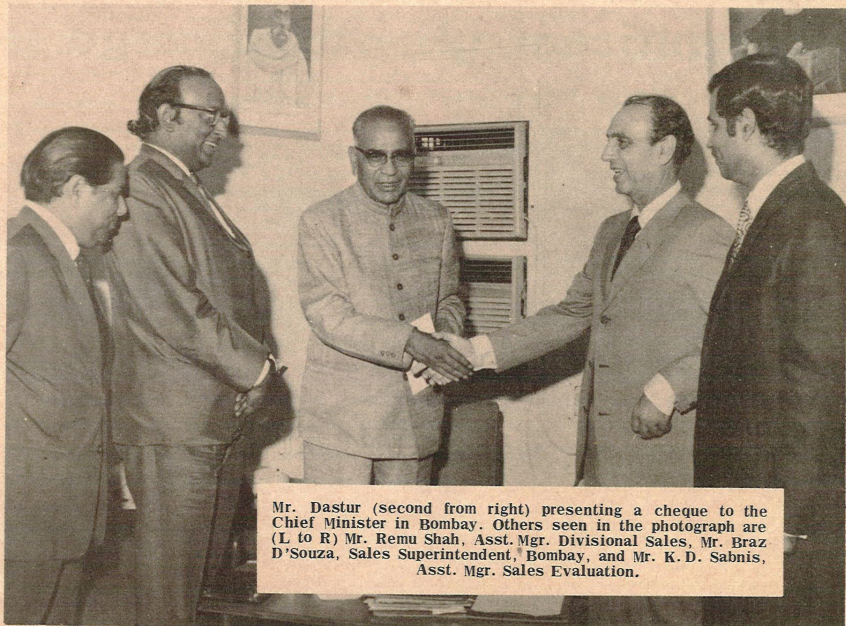
The amount represents part of the contribution made by the officers of the level of Assistant Station Superintendents and Station Superintendents in the Commercial Department at Bombay for a reception to Mr. Dastur. However, at Mr. Dastur's suggestion, the idea of having a dinner reception was dropped. Instead a tea party was held in the restaurant on the second floor of the Air-India Building on December 15, 1972, and the money thus saved was handed over to the Chief Minister.

Addressing the officers assembled to welcome him back to Bombay, Mr. Dastur said that everyone must make efforts to increase productivity and earn more. "I am sure that with the wholehearted support and co-operation of staff in the Commercial Department, Air-India will be in the black by April 1974".

He, however, regretted that there had practically been no response from staff to his circular calling for suggestions.

"The task that lies ahead of me is an uphill one and I require and count on your help, assistance and support and in turn assure you of mine, in solving your problems. What I need from you, one and all, are ideas, new ideas, ideas on how and in what manner we can increase our earning capacity. I want each and every one of you involved in this exercise."

(Continued on page 2)



Mr. Dastur (second from right) presenting a cheque to the Chief Minister in Bombay. Others seen in the photograph are (L to R) Mr. Remu Shah, Asst. Mgr. Divisional Sales, Mr. Braz D'Souza, Sales Superintendent, Bombay, and Mr. K.D. Sabnis, Asst. Mgr. Sales Evaluation.

Year-end Round-up

By Pat Rodricks, Geneva

STAFF in Geneva were delighted to have the Chairman with them to celebrate our 40th Anniversary. An intimate "family" lunch was arranged and to revive the historic event of four decades ago, we presented Mr. Tata an authentic P.O. Mail Bag, containing "mail" of vintage wine.

"We may not be the biggest Air-line", Sydney Fernandes began his toast, "but we do have the greatest Chairman". To this Mr. Tata replied: "I don't know if I am the greatest Chairman, but I do know that I am the world's oldest Chairman".

Over lunch, Mr. Tata delved into his pioneering years in aviation and recollected the jubilant days of flying, long before the inception of Air-India.

Mr. Tata recalled also his symbolic flight in 1962 (the 30th anniversary) from Karachi to Bombay, in a Leopard-Moth which was, in spite of a radio (which incidentally packed up), more difficult than his first commercial flight in a Puss Moth, when there were none of the conveniences of modern airports.

A small anniversary cake topped with a baby 747, was a happy ending to a happy anniversary celebration.

Lausanne Fair

This year, India was the guest of honour at the Lausanne Fair, an annual event in Switzerland. Air-India and the Indian Tourist Office played a prominent role by having the most attractive stall in the Indian pavilion and which aroused considerable interest among the visitors to see India.

Our stall was acclaimed by all to be the most attractive in the Indian pavilion and was also extremely well located at the main entrance. Almost all the million and more visitors who came to the Fair visited the Indian pavilion and a tremendous amount of interest was shown by the Swiss in our country.

The most popular section of the Fair and the biggest hit was the "Maharajah" restaurant which served exotic Indian food.

Hearty congratulations to Michael Coujan and Mark Raverdy (both of Geneva Airport) for winning the First Prize in the car Rally organised by Swissair this Month. The theme of the Rally: "You live in Geneva - Do you know your town?" entailed more than

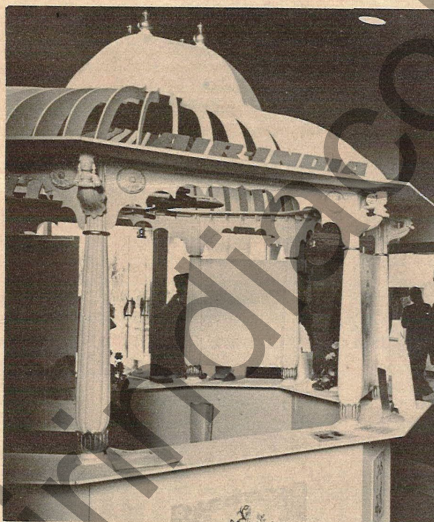
just a race - included a questionnaire on Geneva and its historical background. The winners will be given a 3-day holiday in Nicosia, courtesy Swissair, and we will retain the silver cup till next year. We look forward to Michael and Mark winning the contest again during the next two years, so that the trophy can remain with Air-India.

Fair at Marseilles

Laila Dias from our Paris Office brought Air-India tremendous publicity during the International Commercial Industrial Fair at Marseilles last month. Apart from the Maharajah prominently displayed in front of the International Pavilion, Laila gave a most interesting discourse on India and Air-India. Our thanks also to Mr. Mager, DSM Nice, who helped make our participation in the Fair a success.

I must mention also the enthusiasm shown by Paris during the Olympic Games in installing a TV set in the show-window of our booking office which kept the public posted on the latest results of the games. This was a most original and well thought-of publicity idea for Air-India.

A few of the Indian Pavilions at the Lausanne Fair



Mr. J.R.D. Tata, Chairman, receiving the Post Office Mail Bag from our staff in Geneva on the occasion of Air-India's 40th Anniversary.



Air Chief Marshal Arjan Singh, Indian Ambassador to Switzerland and Mrs. Arjan Singh on their way to open the Indian Pavilion.



Miss Laila Dias from our Paris Office at the International Fair in Marseilles.

ANNUAL REPORT 1971-72 (Continued from page 1)

Significant growth in cargo traffic

There was a substantial increase in revenue from cargo during the year which stood at Rs.13.33 crores as against the revenue of Rs.10.52 crores earned during 1970-71. The introduction of 747 aircraft has resulted in a marked increase in the cargo capacity on the India/UK/USA route. This was fully utilised for carriage of cargo ex-India. Additionally, Air-India also operated several all cargo charters during the year under report. Operation of extra sections as all cargo flights with the Boeing 707-337 aircraft has now become a regular feature and it is expected that at least two such flights will be operated every month.

During the current financial year 1972-73 efforts will be concentrated on improving the cargo loads from Europe and the Far East. Air-India is also maintaining close liaison with the Ministry of Foreign Trade, the Export Promotion Councils and Government organisations like the State Trading Corporation, Hindustan Aircraft Ltd. and Bharat Electronics.

Air-India is taking an active interest in the Air Cargo Working Group set up by the Ministry of Foreign Trade. It is hoped that the procedures for exports from India will be simplified considerably.

Cargo traffic

It is significant to note that while in 1970-71 Air-India earned 69.5 per cent of its revenue from passenger traffic and 15.4 per cent from cargo, including excess baggage, in 1971-72 the proportion was 66.2 per cent and 17.9 per cent respectively, thus emphasising the growing importance of cargo traffic. On the other hand Mail which provided 5.2 per cent of our revenue in 1970-71 dropped to 3.9 per cent in 1971-72.

There was a drop of Rs.0.67 crores in the mail revenue from Rs.3.80 crores earned during 1970-71, to Rs.3.13 crores earned during the year under review which may be attributed to several major changes in the Corporation's schedules during the year, withdrawal of three London termi-

nators, closing of the on-line stations of Amsterdam, Prague, Zurich and Dhahran and withdrawal of mail from the Tripartite Pool effective April 1, 1971, as a result of which the UK Postal authorities drastically reduced mail allocation to Air-India. There was also a substantial reduction in the U.P.U. mail rates.

Revenue from free market charters operated by Air-India increased from Rs.83.00 lakhs in 1970-71 to Rs.187.00 lakhs during 1971-72.

Air-India Charters Ltd., a wholly owned subsidiary of the Corporation, a reference to which was made in the Chairman's Statement attached to the Annual Report for 1970-71, was formally registered under the Companies Act, 1956, on September 9, 1971, and began operations from January 1, 1972, with a charter flight from Bombay to London. Between this date and the close of the financial year under report, Air-India Charters Ltd. operated a total of 64 charters between India and UK/Europe and earned a revenue of Rs.124.04 lakhs.

Earn more (Continued from page 1)

He felt that officers should get together and put forth detailed suggestions through a sub-committee.

Referring to the subject of rotation of officers, he said that he was in favour of the proposal. As a matter of fact he believed that India-based officers (ASS and SS) should be sent on temporary postings abroad to fill leave vacancies. He said he was also thinking in terms of creating special posts to be attached to the Regional officers for providing training for India-based officers for a period of a year. He accepted the suggestion that he should personally meet the officers every two months to discuss issues.

Speaking about the Air-India Building, he said that he was unhappy over the state of cleanliness in the building and felt that staff should take more interest in these matters. He was planning to create a special trophy "Best kept Corner" to be given to a section which was kept bright and clean.

Earlier Mr. K.D. Sabnis, Assistant Manager, Divisional Sales, welcomed Mr. Dastur on behalf of the officers.

Air-India and Aviation in the 'Seventies

Mr. K. K. Unni, Assistant Managing Director, gave a speech at the Rotary Club of Madras on December 5, 1972. We reproduce below significant extracts from the speech. — Editor.

FROM the Puss Moth, which by present standards is an absurdly small plane, to the gleaming giants - the Jumbo Jets - is a great revolution in speed, range and capacity apart from the tremendous improvement in safety and comfort of air travel. This is a measure of the spectacular progress made by the aviation industry. There is no other industry in the world that has witnessed such rapid technological changes, development and growth and the 1970s have opened a new era of mass air travel with the introduction into airline service of the large capacity Jumbo Jets offering unparalleled passenger comfort and significant improvement in the safety of air travel even as compared to the first generation of subsonic jets.

Full impact

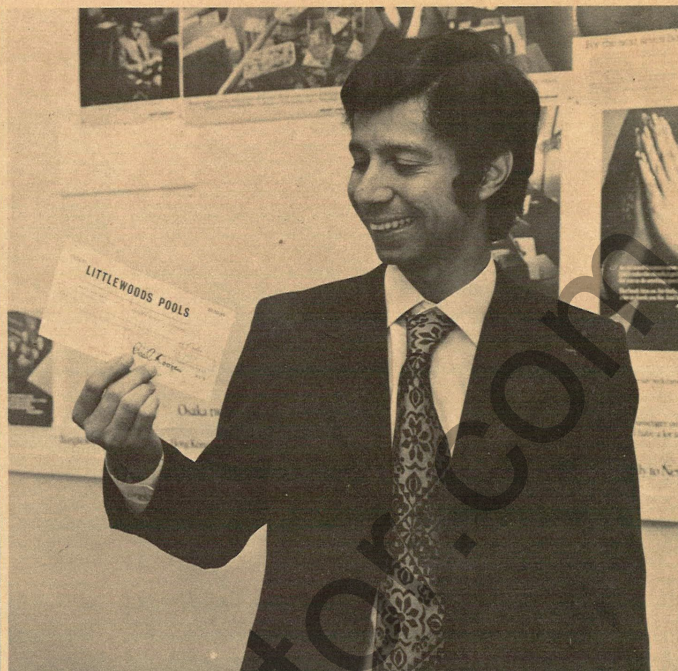
During the current year, Air-India is operating a fleet of four Jumbo Jets and has to bear the full impact of the operation of all the four aircraft involving heavy depreciation, insurance and interest charges, and while the traffic and revenues have shown a growth, the financial results may continue to be unfavourable as a result of various factors some of which are beyond Air-India's control, such as steadily rising costs in the general inflationary trend in the world and

steadily declining fare levels. It may be mentioned that apart from a substantial increase in staff costs, there has been a 25 to 30% increase in the cost of fuel which is the second largest item of expenditure in airline operation. The cost of aviation fuel incurred by Air-India during the current year will be Rs.16.50 crores. The state governments, except Delhi, impose heavy sales tax on aviation fuel and the tax is 29 per cent in Madras where we pay Rs.10 lakhs as sales tax a year on aviation fuel.

Landing charges

The landing charges for the jumbos are being raised by the airport authorities all over the world and for one landing, the charges range from Rs.6,790 at Indian airports to Rs.14,036 at London. The cost of one set of equipment for handling a Boeing 747 consisting of passenger steps, tractor, air-conditioning equipment, ground power unit, cargo handling equipment etc. is Rs. 66 lakhs. The recurring acts of hijacking and air piracy have forced airlines to incur hijacking insurance charges and also expenditure for additional security arrangements. During the three year period 1970-71 to 1972-73, Air-India paid a premium of Rs.1.14 crores for war risk and hijacking cover. All these

(Continued on page 7)



Manek Damania with his cheque for £5,508.55

£ 5,000 wedding present

SPECULATION was intense amongst Bond Street Staff during the middle of October when Manek Damania from Cargo Accounts announced that he had eight draws on the football pools. This was on a Monday morning and then followed three days of waiting (and three nights of no sleep for Damania) until Thursday

morning when the postman brought him his cheque for £5,508.55. Manek Damania who has been with us in London for four years has recently got married, so what nicer wedding present could he have received than this cheque, which he hopes is going to assist him to buy a house.

Trevor Turner

REAL-TIME COMPUTER PROJECT

Phase I gets under way

A team of experts led by Mr. P. Jayant, Manager, Management Information and Advisory Services visited London, New York, Frankfurt, Geneva, Rome and Paris in October in connection with the implementation of Phase I of Air-India Real Time Computer System.

Air-India's participation in BOADICEA involved detailed discussions with a team of experts from BOAC, London on the three main areas of Reservations Departure Control, Facilities Planning and Communications.

On October 18, 1972 a Seminar was organised at the Skyways Hotel, London for our Reservations and Airport Managers from USA, Europe and London at which presentations were made by BOAC representatives on the facilities provided in the BOADICEA System.

Mr. P. Jayant, Mr. W. D'Lima and Mr. S. Prakash explained the implications of computerising the reservations and departure control functions,

the equipment to be installed and the responsibilities of the Managers at various stations in the successful implementation of the project. This was followed by discussions with our Reservations and Airport Managers on the implications of implementations of Phase I of BOADICEA participation.

The team had separate meetings with the RD-UK, RD-USA and Canada, and Managers - Germany, Switzerland, Italy and France, to discuss our participation in BOADICEA in so far as it concerned the actual dates of cut-over, display terminal sets, furniture, training, reservations, Space Control and departure control procedures and communications. The target date for cut-over for Space Control in London and Reservations in New York is February 15, 1973. This will be followed by Reservations in London on March 15, 1973.

The implementation programme for the on-line stations in Europe will be reviewed in January 1973, but it is

tentatively fixed for mid-April 1973.

From February 15, 1973 the CRT display sets and the printers installed in our reservations offices and linked to the BOADICEA System will be able to obtain instantaneous information on the numerical availability of our India-UK-USA-India flights and the status availability of our flights on all the other routes stored in the system. Thus all our on-line and off-line stations in the USA & Canada, UK, Europe and the Middle East will have direct access to and much quicker response from the Central Computer either through the Display Terminals or by Teletype.

New York, London, Paris, Frankfurt, Rome and Geneva will not have to maintain manual reservations records once the location is computerised.

Mr. M.S. Rao, Asst. Reservations Manager and Mr. P.K. Gavankar will be attending a training programme for

Trainees being organised by BOAC in London. They will be responsible for training of our staff in the three regions - U.S.A., Europe and the U.K. - in a phased manner, to be completed before the cut-over dates.

Departure control at London, New York and Frankfurt where we handle our own flights will also be computerised. The possibilities of providing similar facilities at the other three airports is being studied.

A seminar was held in Bombay for one week, which was attended by Space Control and Booking Office staff in addition to Mr. S.B. Irani from London and Mr. V.L. Badami, from New York in which procedural implications were discussed in detail.

Much work is to be accomplished prior to D-Day. The Project Team is geared to undertake, the task of ensuring that Phase I is a success. This will be the fore-runner of Air-India's Real Time Computer System.

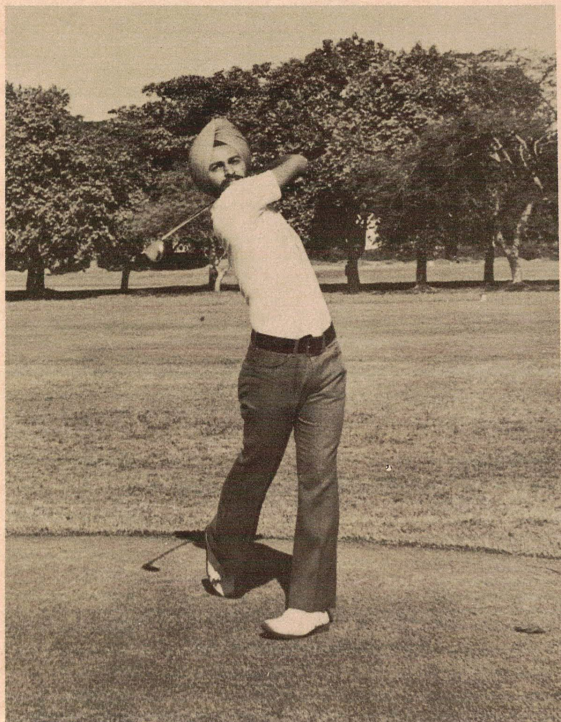
Incoterm CRT (cathode ray tube) displays which will be installed at our Booking Offices, Telephone Sales and Passenger Check-in Counters at the European and U.S. on-line stations.

Kleinschmidt Printers used for hard copy from and to the computer.



GOLF

The Air Marshal's putting stance is proof that he wears his sciatica lightly.



Vikramjit Singh displaying his magnificent follow-through.



W. G. GRACE, BRADMAN THE WILLINGDON



Chaichalern should have got a prize for his magnificent turnout. He is the most colourful golfer Air-India has ever produced. He generously donated a belt to Vikramjit Singh so that the loops on his trousers do not look so forlorn. S.K.D. is wearing dark glasses, having been to a Pool Meeting the night before. Vikramjit Singh is scowling happily.



METICULOUS planning was the highlight of this year's Air-India Golf Tournament.

After considerable persuasion, the M.D. made the Chairman agree to have the tournament played at Delhi's beautiful Golf Course. Subsequently, for reasons mysterious, it was decided by the top brass mentioned above, to have it switched to Chembur at Bombay, and the dates were firmed up with planning and forethought, handled again by the same superior quality of brass. The only minor omission being, the fact that the Western India Golf Tournament was being held at the Chembur Golf Course on the precise dates selected by the M.D., with the Chairman as Adviser.

Willingdon Course

With everything on schedule at that stage there was no alternative but to go back to the old Willingdon Course exactly 735 miles away as the crow flies, from the original chosen destination.

Now the Willingdon is a small course and to play well on it, one requires a great deal of animal cunning as opposed to prowess. So it would not be fair to criticise the A.M.D. for having got the bobby prize, bearing in mind the fact that he plays on no other course! And for this feat he received four Golf Balls donated by Nari Dastur, C.D. The description on the balls read - "For trying hard". The other two 'hardest-tries' the Chairman decided were Capt. Razdan, for having hit 250 balls per day for 7 days prior to the tournament and still not winning a prize, and Rama Rao, for reasons which Mrs. Rama Rao refused to divulge.

The greens of the Willingdon are like our politicians - slippery - and since Fali Nariman took over as Secretary, they are sans glue and grass. The trouble with Fali is that he has an extensive number of tennis rackets and has yet to set his eyes on the Golf Course.

All the above added up to scores reminiscent of W.G. Grace, Victor Trumper and Bradman.

Both the Chairman and Mr. S.K. Kooka were unable to participate in this year's tournament. Mr. Kooka had an excuse, because he was not in Bombay. The Chairman made excuses which held no water. We now learn that since he has been throwing his clubs some considerable distance, he settled for the prize distribution ceremony and the luncheon.

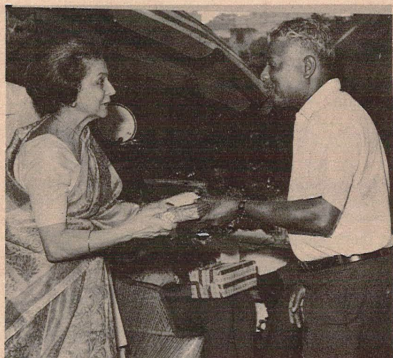
Six entries

Also conspicuous by their absence were Capt. Mathen, Director of Operations, H.S. Uberoi, Asst. Manager, Beirut (was it because he missed the 'bobby' prize last year?) and representatives from our U.K. and European Offices, who were too busy clearing seats on AICL.

This year thus saw only six entries from abroad, including Narpal Singh, Manager, Australasia and Surya Patel, Manager, Thailand. U.S.A. made its debut with Dolly Guzder - Surely there must be more golfers in the land of Hogan, Palmer and Nicklaus. We also had the pleasure of welcoming Merwan Nanporia, former R.M. East Asia, as an active and passive participant.

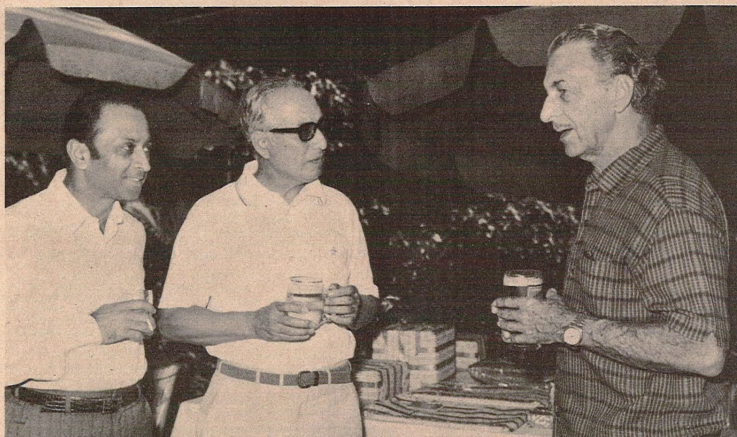
For Vikramjit Singh, Duty Officer, Delhi Airport and the Current Northern India Amateur Champion, it was the familiar story of returning the lowest gross score in the 'open' tournament on the second day. This is the third time running that Vikramjit has had his name inscribed on the handsome trophy. As the Chairman should have said during the prize distribution ceremony: "The

Inder Sethi could not fathom the wiles of the Willingdon Course. His pants are proof that there are sick mills in India. Capt. Razdan has, as usual, his quizzical look, because Capt. Rao's midriff deserves it.



Mrs. Tata looking both surprised and bewildered with Purushotham taking it in his stride.

The Chairman trying to make amends for playing hooky. He is endeavouring to say something humorous judging by Surya Patel's expression.



IAN AND GREENS!

only way of making sure that Vikramjit Singh doesn't continue winning this trophy is for Air-India to hire Billoo Sethi". The only redeeming feature being that the Willingdon is no respecter of persons and so Vickey shot an eleven over par.

Capt. D. Bose, Operations Manager, Training Division, once again proved that but for Vikramjit joining Air-India, he would have won the 'open' trophy. For the third successive year, Capt. Bose has been runner-up to Vikramjit Singh. The trouble with Operations men is that they have no time to practice!

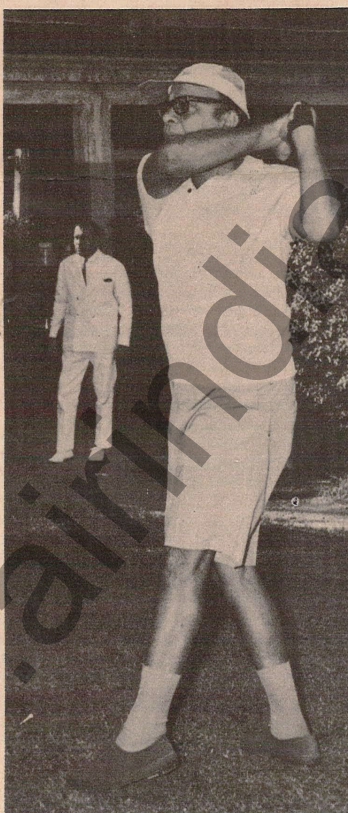
This year, the handicap event was jointly won by Nani Mital, Regional Manager, East Africa designate, and M.P. Edekar, Inflight Supervisor.

Air Marshal Chaturvedi declared himself the runner up of this event, after denouncing as outrageous, the traditional method of deciding on the winner vis-a-vis the best score in the second half when there is a tie. As all of you are aware, the Air Marshal's surname indicates that he is well versed in the Vedas and therefore this act of mental legerdemain was greatly appreciated.

Four-ball competition

The annual four-ball competition played on the first day (this year played on the best-ball stableford system) was a closely fought affair with the team of Edekar, and S.K. Datta, Planning Manager, winning the event by one point. The partnership of Jaysingh, Navigator and Niwa, D.S.S., Osaka, emerged second best in the event.

Another exploratory prize-winner on the second day was our Golf Captain, Capt. C.R.S. Rao, Dy. Operations Manager, Central Division. He hit the maximum number of balls out of bounds, including, believe it or not, one with his putter.



The AMD swears that playing with the Air Marshal has ruined his golf. He is sporting his short-longs a la Bermuda, with no reflection on the Convention.

Thank you, Mrs. Tata, for distributing the prizes and you Messrs Chairman, the M.D. and A.M.D. for your encouragement and participation, and Nani Mital for his excellent organisation and Fali for the lunch and the facilities provided to the participants.

We trust that next year's Golf Competition will receive the same degree of advance planning as this one did, even if Surya Patel has refused to return if the venue is to be the Willingdon.

ANNUAL REPORT 1971-72 REVIEWED

A combination of international and internal factors was responsible for the loss of Rs. 1.66 crores suffered by Air-India in 1971-72. Among the international factors mentioned in the Annual Report are: substantial additional capacity with the worldwide introduction of the Boeing 747 aircraft; continued recession in USA, UK and other countries which inhibited their tourist traffic, dilution of revenue and fall in revenue yields with the introduction of a variety of low fares, and steep escalation in worldwide costs following the introduction of 747 aircraft coupled with worldwide inflation in prices.

For Air-India, the increase in costs owing to introduction of 747s, was of the order of 72.73 per cent over the previous year.

The internal conditions which contributed to our loss were the massive influx of refugees from Bangladesh, the scare of cholera epidemic which resulted in wholesale cancellation of tour groups, the war with Pakistan which affected our services, the need to avoid Pakistani airspace which led to extra expenditure and the imposition of travel tax by the Government of India.

Minor loss

Commenting at length on these factors, the Chairman in a statement produced in the Annual Report says: "Fortunately, considering the severity of most of these factors and the huge losses reported by some of the world's major airlines, our net loss of Rs. 1.66 crores was a relatively minor one, representing only 2.1 per cent of our total turnover of Rs. 79.93 crores, after meeting all expenses including depreciation and interest. In fact, were it not for the continuing handicap of our being deprived of a large ethnic traffic of our own through the continuing restrictions on foreign travel imposed on Indians, we would have been able to show a profit, notwithstanding the other handicaps mentioned earlier."

"While the economic situation abroad in general and the flow of air traffic in particular, have improved, the current year will remain a difficult one for Air-India. Not only are we now bearing the overhead costs, including interest of all four of our Boeing 747s, representing an increase of Rs. 8.32 crores or 90 per cent within 15 months, but, although the traffic carried is substantially larger than last year, the revenue per passenger mile has declined drastically. Thus, while traffic revenue per revenue tonne kilometre averaged 242 paise in 1969-70 and 247 paise in 1970-71, it is now only about 231 paise in the current year."

After discussing the reasons for declining yields, rising costs and consequent higher break-even load factor, the Chairman points out: "After many years of a relatively stable pattern of development, the industry has clearly entered a new era, the era of mass air transportation. The greatly reduced fares which large aircraft intensely operated at high load factors now make possible, has created an entirely new situation in which even people of modest means can afford vacations in foreign lands. Furthermore, the advent of high speed jet aircraft has dramatically extended opportunities for travel to distant pla-

ces, which were previously inaccessible for short holidays.

"It is because of the realisation of these fundamental changes in the industry, the requirements of which could only be met by very large aircraft, that Air-India decided on the purchase of its four Boeing 747s. Criticisms expressed in some quarters that we have prematurely and "recklessly" plunged into the Jumbo era in order to "keep up with the Joneses," ignore these realities of air transport. The decision that India should have an international airline of its own having been taken by Government as far back as 24 years ago, the only viable long term policy for a country of the size, population, international status and economic potential of India, was, as in the case of the Indian Merchant Navy, to develop it, as rapidly as possible, into a growing and effective instrument for the promotion of India's foreign trade and foreign exchange earnings.

"This automatically required that India's national carrier should extend its operations not merely to adjacent countries, which would have made it a regional carrier, but to all areas of the world with which India already had, or was likely to have, economic and cultural relations, and from which it could attract substantial tourist traffic.

"Such a programme, which involved breaking ab initio into an intensely competitive and over-crowded market largely controlled by powerful and long established carriers of the leading countries of the world, could only be successfully undertaken if, as a newcomer, Air-India offered at least as good a service as any other carrier and with wholly competitive equipment. This Air-India did from the start. The soundness of the policy may be judged from the fact that, starting with a capital investment of Rs. 2.00 crores and a fleet of three aircraft costing Rs. 1.17 crores in 1948, and an initial turnover during the first full year of approximately Rs. 1.38 crores, we have today a gross block of Rs. 129.00 crores and will, in the current year, achieve a turnover of about Rs. 100.00 crores.

Notable

"It is even more notable that over the nineteen years of our existence as a Public Sector Enterprise, we have financed on our own from retained earnings or self-served foreign loans, Rs. 58.53 crores of capital expenditure, drawing only Rs. 41.82 crores from Government in equity capital and loans. Finally, throughout these years and until the year under review, we operated at a profit."

Discussing the future prospects the Chairman says that the era of low cost air travel has come to stay and "the probability is that by the next decade the mass travel market will be served on the major trunk routes of the world by enlarged versions to today's "Jumbos", carrying 750 passengers or more, rising to 1,000 by the nineteen-nineties."

Referring to supersonic travel, the Chairman says that "Supersonic speeds in air transport have now been proved feasible, but the problem of noise and cost still remains to be

(Continued on page 6)

London Diary

By Trevor Turner

QUITE a large representative body of UK Travel Agents, Press and others went to India for some of the opening celebrations of the Taj Intercontinental Hotel in Bombay. Shortly after that we had a visit to London from Commander Kohli, our Everest climbing tour promoting wizard from Headquarters. He was heard on BBC Radio 4 and he had a Seminar and many other meetings with travel agents. There was also a lunch attended by Lord Hunt (of Everest 1953 fame) and senior London Tour Operators.

MESSRS. Dalal and Conway together with their ladies, attended the Annual Conference of ABTA which was in Vienna this year. They returned full of conference resolutions, culture and waltzes and those intending to take a ride in a Viennese horsedrawn conveyance, should first consult the RD.

WE welcomed to London the Fine Arts Group from Bombay and their London debut was a success and appreciated.

KENNETH Wolstenholme needs little introduction in the U.K. He is one of our best known TV and Radio commentators on sport, especially on soccer. He has just published a book "The Wit of the Air" (Leslie Frewin £1.20 in the U.K.) which is full of funnies about all aspects of aviation. Air-India gets several mentions and there is even an extract from a London Letter.

BACK at Bond Street - much activity as ever. Computer planning, movements afoot (some up, some down), lots of charters (who was it who said Divine Light), lots of charter passengers, not enough of the other passengers, and the cargo flow steady but not heavy.

AT the Airport the usual early Winter time-keeping snags. Once more we have a closed tunnel problem with us for most of the Winter, which makes access to and from the Centre liable to delay. (Who was it who thought up the idea of designing our major airport in such a way? Certainly not one that deserves praise in 1972.)

ON the South side, from his office on Sherpa Road, we recently chatted up the Supplies Manager-London, Mr. V.R. Hegde. He has spent 31 years

with us, but he considers each of these years as years of education. He has worked in various sections of our Stores and Purchases Department, and was originally with Tata Air Services. He reminded us that in those days Stores and Purchases were the responsibility of Tata Sons and it was only after the introduction of our international operation and in the early 50's that the Stores section was set up at London Airport.

Today, his department modelled on the Stores and Purchases Department in Bombay, handles approximately £700,000 worth purchases a year and this excludes contracts. Approximately 50 per cent of this represents expenditure on aircraft material. The job of purchasing is very exacting as it is necessary to satisfy the specifications of the indenter, the requirements of the auditors and at the same time keep an eye on economy.

The Air-India Employees Fine Arts Group from Bombay recently visited London and presented a Malayalam Play "Visudha Papam" which was performed at East Ham Town Hall. This is the first time that this Group of Air-India employees have travelled abroad to give this performance, but they have presented their play in Bombay on two occasions in the past.



Air-India's Boeing 747 Emperor Vikramaditya at Prague Airport on November 8, 1972. It was the first time our Boeing 747 had landed at Prague and large crowds were on hand to greet the aeroplane.

ON November 8, 1972, when Captain S.H. Jeddy brought the Emperor Vikramaditya, one of our Boeing 747s, to a smooth halt opposite the Terminal Building at Prague Airport, he was hardly prepared for the enthusiastic welcome which awaited him.

It was the first time a Boeing 747 had landed at Prague. The aircraft was on its way from New York to Bombay via London when it was diverted to Prague to pick up 67 Czechoslovak tourists to India.

An advance announcement of the event had brought not only men from media to record the event, but thousands of spectators, who broke all security barriers, leap frogged fences, gates and every obstacle to get closer to the aircraft.

Mr. P.B. Dhar, our Manager, Eastern Europe, hosted a luncheon for chiefs of civil aviation, tourism, immigration and travel trade before taking them to see the aircraft. "The crowds around the aircraft were so thick that we had difficulty in getting

to the aircraft", said Mr. Dhar.

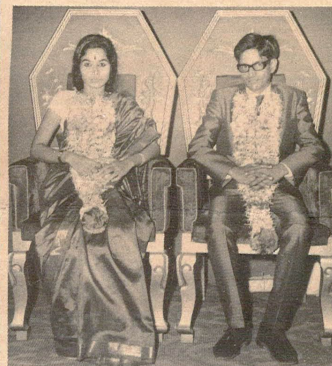
A week later, on November 15, 1972, a second Boeing 747 landed at Prague, when AI-104 from New York was diverted to uplift 58 Czechoslovak tourists to India. By now the ground staff had picked up a thing or two about handling the Jumbos and they were able to reduce the turn-round time to a remarkable 35 minutes.

Air-India received a lot of publicity in Czechoslovakia as a result of the 747 landing at Prague, according to Mr. Dhar.



Lord Hunt of Everest fame (L) seen with Commander M.S. Kohli (R) and Mr. A.D. Lima, our Manager, London, at a party in London.

WEDDINGS



Saroja to R. Nagarajan of Stores Department.



Vijayalakshmi, daughter of K. Subramaniam of Administration, Commercial Dept., to S. Kalyanasundaram, M.Sc.

ANNUAL REPORT 1971-72 (Continued from page 5)

solved. While regular supersonic services will probably begin some time in 1976, neither the solution of the noise and sonic boom problems nor the achievement of reasonable costs is likely before the second or third generation of supersonic aircraft appears in the decade of the eighties. Only then can supersonic air travel achieve real importance in global air transport."

The Chairman expresses the belief that there is likely to emerge the establishment of three classes of air travel. "One will be the equivalent

of third class in surface transport, with maximum austerity and seating density to cater to those in great majority, whose prime requirement is the lowest possible fare, irrespective of discomfort and lack of free amenities. Another will cater to those willing to pay something more for a modicum of comfort and personal services. The third will consist of luxury "cannon-ball" services for those to whom comfort, prestige and speed are all-important and who, or whose employers, can afford to pay for such advantages."

FLY HIGH, FLY FAR

Fly high, fly far
Fly east to the land of the India Star
Fly smooth, fly true
To the home and the land of the mystic guru

Sleep deep, sleep sound
For in sleep time is endless and dreams do abound
Sleep soft, sleep warm
Awake to the enchantment of Delhi at dawn

Drink sweet, drink deep
Of the far eastern grace of the India mystique
Drink long, drink joy,
Of the land of the tiger and of the elephant boy

Come fly with me put yourself in my hands
And I'll show you the wonders of far distant lands
On my magical carpet new wonders unfold
Come fly Air India fly the carpet is gold

John Marsh, London



SPORTS PROFILE

Jyoti Karnik

JYOTI Karnik, who won the triple crown in the third Joint Air-India/Indian Airlines Table Tennis tournament last month, has been playing the game from her school days. "I wasn't too keen on it at first", she said. "But after I saw my brother and sister winning prizes, I took it up." Her interest was in dancing - Kathak - which she gave it up in favour of table tennis.

She participated in the National Schools Table Tennis tournament as well as represented the University of Bombay in the All-India tournament in 1970. "Our team won the tournament."

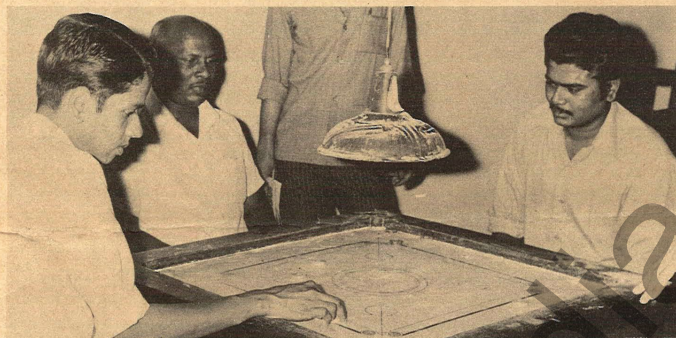
She joined Air-India two years ago and now works in its Bombay Booking Office. She is continuing her studies and is planning to appear for her B.A. (Philosophy) later this year.

She still practices for anything up to two to three hours a day. "I do not find as much time for practicing as I used to, now that I am working", she said.

Carrom title to Bengalee

MR. E.S. Bengalee from the Commercial Department won the Inter Department Carrom Tournament for 1972-73 which was played recently at Santa Cruz. He defeated Mr. S.V. Shenoy of Operations in a closely fought match. Mr. Bengalee participated in the tournament for the first time. The tournament, which was played on knock-out basis, attracted record number of entries of 112, including three ladies - two from Accounts and one from Personnel.

In the semi-finals Mr. Bengalee defeated Mr. D.S. Barde from the Ground Support Division and Mr. V.B. Revankar from Personnel lost to Mr. Shenoy.



Mr. S.V. Shenoy (L) and Mr. E.S. Bengalee (R) play in the Inter Department Carrom Tournament

Air-India and Aviation in the 'Seventies (Continued from page 5)

have added to the already high cost of operation. The full cost of operation including operating expenses and non-operating expenses of Jumbo jets for one revenue hour comes to Rs.42,000 per hour. The present international financial instability has had a detrimental effect on airline revenues. The impact of currency changes and floating exchange rates has also been significant in terms of revenue losses to many airlines.

No cause for pessimism

The temporary setback in the financial results of the industry generally should not give rise to pessimism about the future. Although there are many problems facing the industry, the indications are that it is reasonable to expect improved profitability in the coming year. The seventies will be a period of consolidation and improved profitability.

As far as Air-India is concerned, we have undertaken a massive investment of over Rs.100 crores on four aircraft of the latest type. Therefore we have to review the financial results over a period of at least five years, if not more. The purchase of new equipment is part of a continuing airline programme to take advantage of the products of modern technology taking into account the traffic growth forecast. Any new aircraft which has an

economic life of much more than a decade is likely to be a little too big in the beginning, but, in a short time, the size becomes fully justified and towards the end of its life, it becomes too small compared to the traffic growth and the requirements of the various routes.

An aircraft cannot be purchased in half nor can airlines follow the railway example and put on extra carriages in peak periods to cope with increased demand. The airline industry is a cyclical one and according to forecasts made by experts, there is every indication that the unsatisfactory financial situation is changing for the better. There is, therefore, no cause for pessimism in regard to the future, but it is incumbent on airlines to follow sound policies and make every effort to check the inflationary rise in costs and increase the traffic volume.

Fifth plan

The future investment plans of Air-India are included in the five-year plans of the Government of India and during the next Plan period from 1974 to 1979, the proposals of Air-India include purchase of three more wide-bodied jets commencing 1975-76 at the rate of one a year. This addition to the present fleet of subsonic jets is necessary to consolidate Air-India's

position and maintain profitable growth in its operations on its established routes. The next Plan period will also see the introduction of wide-bodied jets by Air-India on the route from India to Japan and from India to Australia, apart from increasing the number of frequencies on the India/UK/USA route. The total Plan outlay will be of the order of Rs.112 crores. The Plan also includes introduction of Real Time Computer Reservations System which becomes inevitable with the growth in operations and Air-India has already entered into an agreement with BOAC in London for the introduction of instant reservation system in its offices in the US, the UK and Europe, which will become operational in the summer of 1973.

The supersonic age

Looking to the future, we can see the Concorde supersonic airliner - which can fly at speeds up to 1450 m.p.h., that is, twice the speed of sound - stands poised to introduce a new era of commercial aviation in which distances which separate the nations of the world will be halved. The ushering in of the supersonic transport age will profoundly alter the conditions of air travel during the next ten years, the results of which we can scarcely imagine or comprehend at present. The supersonic airliner, by reducing by half the number of flying

hours required to get from one place to another, is following the pattern of development of all the methods of transport devised by man: travel more quickly than before and cover longer distances.

The size of the subsonic aircraft is likely to grow to cater for the low cost mass travel market. At present, the economic picture of the supersonic airliner in terms of total capital cost, cost of operation and the applicable fare structure is not very clear to enable the international air carriers to take firm decisions. Any supersonic airliner, whether it is the Anglo-French Concorde, the Russian TU-144 or a possible American SST, however technologically marvellous, cannot become established as a standard form of transport if it does not meet the profit test which will be the deciding factor. This may become possible only when the second and third generation of SST is developed. Till then, the "cannon ball" services that may be operated by aircraft with supersonic speeds are likely to remain a luxury and restricted to those to whom comfort, prestige and speed are all important and who can afford to pay a high cost for such advantages. In these circumstances, the national carrier of India with limited resources will have to concentrate on consolidation and expansion of its fleet of wide-bodied jets and ensure profitable growth before committing itself to any large investment on supersonic aircraft in the seventies.

INDUSTRY NEWS

North Atlantic 1973 Fares

POLICY statements by the UK Civil Aviation Authority (CAA) and the US Civil Aeronautics Board (CAB) designed to stabilise the passenger fares situation on the North Atlantic routes, at least for the months of February and March 1973, have been welcomed by IATA.

In its statement the CAB says, "The International Air Transport Association has announced a breakdown in negotiations concerning the establishment of transatlantic fares for next year. Consequently the US and foreign flag carriers providing scheduled services between the US and Europe will be free to file new fares effective February 1.

"The Civil Aeronautics Board anticipates that a number of carriers may make individual filings differing one from another. These tariffs and the justifications offered will be subject to evaluation by the Board and if found uneconomic or predatory may be suspended and prevented from becoming effective. Other governments concerned may similarly take actions which would lead to possible discussions and ultimate resolution between governments.

"The Board fully recognises the difficulties which this raises for those who buy and sell air transportation. Therefore it cautions carriers, travel agents and tour operators against advertising and promoting new fares and selling tickets based on new fares before they have been approved by governments. Under the current circumstances the Board will regard such practices as unfair and deceptive and carriers engaging in them will subject themselves to enforcement action. The Board considers it important that all sellers of air transportation be diligent in informing their customers of the tentative nature of transatlantic fares for the period beginning February 1.

MERIT AWARDS 1971-72

Following staff have been given merit awards for 1971-72. The Photographs of Mr. V.M. Raut, Cleaner, and Mr. V. Chandrasekharan, Sr. Planning Clerk, Engineering Department, Santa Cruz, were not received and, therefore, do not appear below.

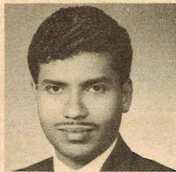
HEADQUARTERS



Mr. K.S. Ramaswamy,
Stenographer, Gr. II,
(1st Prize)



Mr. J.M.C. Barretto,
Compounder, Gr. II,
(2nd Prize)



Mr. K.S. Venugopal,
C.C.A./Live Stock
Attendant, Gr. I,
(1st Prize)



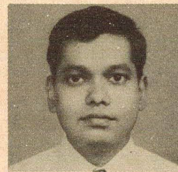
Mr. B.S. Aggarwal,
Traffic Assistant,
Delhi, Gr. II,
(1st Prize)



Mr. P.K. Sankaran,
Sr. Stenographer,
Gr. II, (1st Prize)



Mr. Wazir Chand,
Loading Supervisor,
Delhi, Gr. II, (2nd Prize)



Mr. S.K. Sarpotdar,
Clerk, Gr. II,
(2nd Prize)



Miss M. Musa,
Air Hostess, Gr. I,
(1st Prize)



Mr. L.P. Salian,
Peon, Gr. II,
(3rd Prize)



Mr. F.W. Samuels,
Flight Purser, Gr. I,
(2nd Prize)



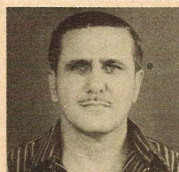
Mr. A.K. Sarkar,
C.T.A., Srinagar,
Gr. I, (1st Prize)



Mr. A.L.F. Naik,
Peon, Gr. II,
(1st Prize)

COMMERCIAL

ENGINEERING & TECHNICAL PLANNING



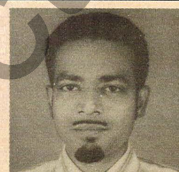
Mr. B.D. Bajar,
Inspector, Gr. I,
(1st Prize)



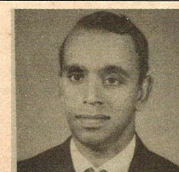
Mr. K.H. Dastoor,
Chargehand, Gr. I,
(1st Prize)



Mr. C.J. Singh,
Sr. Aircraft Technician,
Gr. II, (1st Prize)



Mr. J.A. Lindsay,
Aircraft Technician,
Gr. II, (1st Prize)



Mr. V.K. Kanetkar,
Sr. Aircraft Technician,
Gr. II, (2nd Prize)



Mr. V. D'Souza,
Aircraft Technician,
Gr. II, (2nd Prize)



Mr. V.N. Shivkar,
Cleaner, Gr. II,
(3rd Prize)



Mr. S.K. Bhargadwaj,
A.R.M.E. I, Gr. I,
(1st Prize)



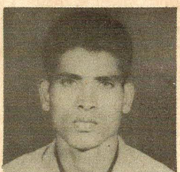
Mr. J. Pereira,
Chargehand, Gr. I,
(1st Prize)



Mr. E. Rozario,
Sr. Aircraft Technician,
Gr. II, (1st Prize)



Mr. D.N. Naik,
Sr. Aircraft Technician,
Gr. II, (2nd Prize)



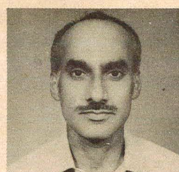
Mr. D.Y. Umbarkar,
Head Cleaner, Gr. II,
(3rd Prize)



Mr. Y.D. Potnis,
Office Assistant,
Gr. I, (1st Prize)



Mr. M.R. Sawant,
Typist Clerk,
Gr. II, (2nd Prize)



Mr. D.G. Redkar,
Senior Clerk,
Gr. II, (1st Prize)



Mr. A. Fernandes,
Sr. Plant Technician,
Gr. II, (1st Prize)



Mr. L.P. Fernandes,
Cleaner, Gr. II,
(3rd Prize)

ACCOUNTS, OPERATIONS, PERSONNEL & STORES



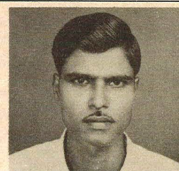
Mr. R.B. Menon,
Asst. Crew Scheduling
Officer, Gr. I, (1st Prize)



Mr. C.V. Krishnan,
Clerk, Gr. II,
(1st Prize)



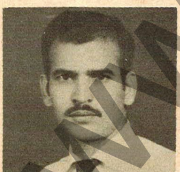
Mr. G.R. Arora,
Clerk, Gr. II,
(2nd Prize)



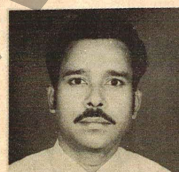
Mr. S. Chandrasekharan,
Peon, Gr. II,
(3rd Prize)



Mr. P.M. Patel,
Chief Timekeeper,
Gr. I, (1st Prize)



Mr. E.S. Lobo,
Sr. Clerk, Gr. II,
(3rd Prize)



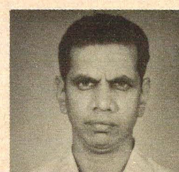
Mr. A. Hariharan,
Asst. Crew Scheduling
Officer, Gr. I, (1st Prize)



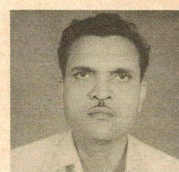
Mr. K. Anchan,
Senior Clerk,
Gr. II, (1st Prize)



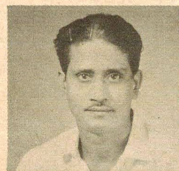
Mr. C. Ahir,
Driver, Gr. II,
(2nd Prize)



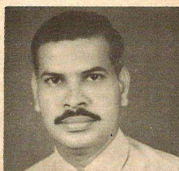
Mr. K.P. Damle,
Section Storekeeper,
Gr. I, (1st Prize)



Mr. M.S. Sawant,
Senior Printer,
Gr. II, (1st Prize)



Mr. A.R. Kamat,
Senior Clerk (Clearing)
Gr. II, (2nd Prize)



Mr. K. Prabhakaran,
Senior Clerk,
Gr. II, (3rd Prize)