RISING COSTS CUT INTO PROFITS
Relatively minor loss

Off the first time since nationalisation in 1953, Air-India suffered a relatively minor net loss of Rs.1.96 crores in 1971-72. There were a number of reasons for this reversal of fortunes - the sharp recoupment in air traffic during 1968-70 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. 3.00 crores in additional wages and large scale cancellation of foreign bookings due to fears amongst tourists created by our refugee problem, rumour of epidemic and confrontation with Pakistan.

Operating revenue

The Annual Report says that although the operating revenue went up by 9.7 per cent to Rs.78.36 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 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 84.3 per cent in 1970-71 to 52.1 per cent in 1971-72.

Air-India carried a total of 442,385 revenue passengers in 1971-72, 8.17 per cent less than in the previous year. While passenger tonne-kilometres went up by only 7.5 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)
**Year-end Round-up**

**By Pat Rodricks, Geneva**

S TAIFF 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 four decades ago, we presented Mr. Tata an authentic P.O. Mail Bag, containing "mail" of vintage wines.

"We may not be the biggest Airline", Syed F. Tarnadas 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 most loved!"

Over lunch, Mr. Tata delved into his pioneering years in aviation and recollected the halcyon 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 he was, in fact, the first person to fly in a Fruit Moth, when there were none of the conveniences of modern aircraft. A small anniversary cake topped with a baby TAT, was a happy ending to a happy anniversary celebration.

**Lauds Fair**

This year, India was the guest of honor 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 tossed considerable interest on the fair to see India.

Our stall was acclaimed by all to be the most effective 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 "Madras shrimp" stall which served exotic Indian food.

Heartiest congratulations to Michael Gourian and Mark Raverdy (both of Geneva Airport) for winning the First Prize at 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 winner will be given a 3-day holiday in Nice, 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 at the International 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. Maugher, DSM Nicos, 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**

**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 utilized 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 charters have now become a regular feature and it is expected that at least to be scheduled every month.

During the current financial year 1972-73 efforts will be concentrated on improving the cargo loads from Europe to 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 both came down to 62.2 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.5,86 crores earned during 1970-71 to Rs.5.19 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 terminators, closing of the on-line stations of Amsterdam, Prague, Zurich and Bahrain 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.85,000 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 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 48 charters between India and UK/Europe and earned a revenue of Rs.124.04 lakhs.**

**Earn more**

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 (AS and SS) should be sent on temporary postings abroad to fill vacant positions.

He said he was also thinking in terms of creating special posts to be attached to the Regional offices 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 Corr" to be given to a section which was kept bright and clean.

Earlier Mr. K.D. Sahni, Assistant Manager, Divisional Sales, welcomed Mr. Dastur on behalf of the officers.
Air-India and Aviation in the 'Seventies

Mr. K.K. Umri, Assistant Managing Director, gave a speech at the Rotary Club of Madras on December 3, 1972. We reproduce below significant extracts from the speech.

ROM the Puss Moth, which is a present standard in 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 aeronautic 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.16,590 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.2,769 at Indian airports to Rs.14,559 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 sets of hijacking and air piracy have forced airlines to incur hijacking insurance charges and also expenditure for additional security arrangements. During the three years 1972-73 to 1974-75 we paid a premium of Rs.14 crores for war risk and hijacking cover. All these

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 participation in BOADIECA involved detailed discussions with a team of experts from BOAC, London on the three main areas of Reservations Departure Control, Facilities Planning and Reservations Computing. On October 18, 1972 a Seminar was organised at the Skylawn's, London for our Reservations and Airport Managers from USA, Europe and London. The seminar was conducted by BOAC representatives on the facilities provided in the BOADIECA System.

Mr. P. Jayant, Mr. W. D'Lima and Mr. A. 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 BOADIECA participation.

The team had separate meetings with the RD-U.K., RD-USA and Canada, and Managers - Germany, Switzerland, Italy and France, to discuss our participation in BOADIECA in so far as it concerned the actual dates of cut-off for display terminal sets, furniture, transportation of reservations, Space Control and departure control procedures and communications. The target date for cut-off 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 BOADIECA System will be able to obtain instantaneous information on the numerical availability of our Indi-UK/AUS/Africa 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. Gavanker will be attending a training programme for Traiines 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-off 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.I. 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.
The Air Marshal's putting stance is proof that he bears his sciatica lightly.

Vikramjit Singh displaying his magnificent follow-through.

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 Chandigarh at Bombay, and the dates were fixed 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 Chandigarh Golf Course on the precise dates selected by the M.D., with the Chairman as Adviser.

W. G. Grace, Bradman, The Willingdon Course

With everything on schedule at that stage there was no alternative but to go back to the old Willingdon Course exactly 736 miles away from the crown jewels, 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 fact he received four Golf Balls donated by Nari Dastur, C.O. The description on the ball's read: "For trying hard". The other two "hardest-tiers" 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.

Vikramjit Singh could not follow the lines of the Willingdon Course. His pants are proof that there are sick minds in belts. Capt. Basden has, as usual, his quizzical look, because Capt. Rao's s trolls deserves it.

The greens of the Willingdon are like our politicians - slippery - and since fall Nariman took over as Secretary, they are sans glue and grass. The trouble with fall 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. Ubohi, Asst. Manager, Beirut (was it because he missed the 'booby' prize last year?) and representatives from our U.K. and European offices, who were too busy clearing seats on ACL. This year this saw only six entries from abroad, including Narpit 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 Merwin Nanoria, 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
The Chairman trying to make amends for playing hooky. He is endeavouring to get something out of Surya Patel’s expression.

ANNUAL REPORT 1971-72 REVIEWED

A combination of international and local factors was responsible for the loss of Rs.1.06 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 747 aircraft; continued recession in USA, UK and other countries which induced a larger tourist traffic, decline in 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 widespread cancellation of tour groups, the war with Pakistan which affected our services, the need to avoid Pakistani airspace which led to 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 presented in the Annual Report says: “Fortunately, considering the severity of most of these factors and the handicap reported by some of the world’s major airlines, our net loss of Rs. 1.06 crores was a relatively minor item representing only 0.1 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 share of traffic of the United Nations, the continued restrictions on foreign travel imposed on Indians, we would have been able to show a profit, notwithstanding the other handicaps mentioned earlier.

The current economic situation abroad in general and the flow of air traffic in particular, have improved, and the present 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 Rs. 242 in 1969-70 and Rs. 247 in 1970-71, it is now only Rs. 231 in the current year.”

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

“It is because of the realization 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 first 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 Jumbos’,” 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 earlier, was 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 make it only 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 all inhibitions into an intensively competitive and overcrowded market largely controlled by powerful and long established carriers of the leading countries of the world, could only be successfully undertaken 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 even though starting with a capital investment of Rs. 2.00 crores and a fleet of three aircraft costing Rs. 1.44 crores in 1948, and an initial turnover during the first full year of approximately Rs. 1.30 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-serviced foreign loans, Rs. 58.53 crores of our capital expenditure, drawing only Rs. 41.82 crores from Government in equity capital and loans. Finally, for 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 that the probability is that the 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 international 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

I. N. AND GREENS

only way of making sure that Vikramjit Singh doesn’t continue winning this trophy is for Air-India to hire Billio Sethi”. The only redeeming feature being that the Willingdon is no respecter of persons and so Vicky 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. Edkar, Inflight Supervisor.

Air Marshal Chaturvedi declared himself the runner up of this event, after denouncing outrageous egotistical method of deciding on the winner which is 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 stabelford system) was a closely fought affair with the team of Edkar, and S.K. Datta, Planning Manager, and 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 AMI sweeps that playing with the Air Marshal has raised his golf. He is sporting his short-tongues 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 for the lunch and the facilities provided for 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.
Emperor’s first visit to Prague

By Trevor Turner

ON November 8, 1972, when Captain S.H. Jodda 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.

As 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, leapfrogged 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 56 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.

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

VENNETH Wolstenholme notes 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 charterers (who was it who said Divine Light), lots of charter passenger not enough of the other passengers, and the flow slowed 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 Shera 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 those 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 specification of the indentor, the requirements of the auditor and at the same time keep an eye on economy.

He looks upon his job as Supplies Manager-London, as one more step towards his education. The job is demanding and being a long way from Headquarter, on the spot decisions have to be made within the framework of the ground rules. He is finding it a very happy experience, especially as it is his first posting abroad. He is grateful for the fact that he is assisted by such an able team, and his Deputy Mr. N.N. Kanath, who himself has spent 21 years service in Stores.

We never cease to be surprised and happy to see references to us in unusual places. Recently Joan Sokos from Traffic at LHR drew our attention to her daughter's school magazine, in which there was an article by an old girl, talking about a visit to Russia. The end of the article read as follows: "The Russian plane was delayed by storms, so we came on Air-India. The delightful Indian hostesses could give their Russian sisters a lesson in charm. And so ended a very fascinating holiday in the U.S.S.R."

The Air-India Employees Fine Arts Group from Bombay recently visited London and presented atravel play "Vijayalakshmi" 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.

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(Continued from page 5)
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 deep,
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 distant lands
On my magical carpet now wonderers unfold
Come fly Air India fly the carpet is gold

John Marsh, London

Carrom title to Bengal

M R. E.S. Bengle from the Commercial Department won the Inter-Department Carron 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. Bengle participated in the tournament for the first time.
The tournament, which was played on knock-out basis, attracted record number of 112 entries, including three ladies - two from Accounts and one from Personnel.
In the semi-finals, Mr. Bengle defeated Mr. D.S. Barde from the Ground Support Division and Mr. V.B. Revankar from Personnel. Lest to Mr. Shenoy.

Mr. S.V. Shenoy (L) and Mr. E.S. Bengle (R) play in the Inter-Department Carron Tournament

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

have added to the already high cost of operating the service, including operating expenses and non-operating expenses of 'jumbo jets' for one return. The average costs are Rs 100 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. This year we have to watch the financial results over a period of at least five years, if not more. The purchase of new equipment is a part of 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 have to be given a lot of thought 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 1974-79. In the coming period, Air-India is expected to purchase 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. The project involves an expenditure of Rs 300 crores on the acquisition of the aircraft and the establishment of a new maintenance centre.

The super sonic age

Looking to the future, we can see the Concorde supersonic airliner - which can fly at speeds up to 1,450 m.p.h., is, twice that of a 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 supersonic age in the aircraft transport age will profoundly affect the conditions of air travel during the next ten years, the results of which we can predictively 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 will speed up the development of all the means of transport devised by man travel more quickly and make distance a thing of the past.

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 is in terms of total capital cost, cost of operation and the applicable fare structure is not very clear to enable the international airlines to take firm decisions. Any supersonic airliner, whether it is the Air-French Concorde, the Russian TU-144 or a possible American SST, however technologically advanced it is, will be 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. They can afford to pay a high cost for such services.

On the other hand, it is expected that the core of the national carrier of India with limited resources will have to concentrate on the development of its fleet of wide-bodied jets and ensure profitable growth before committing itself to any large investment on supersonic aircraft in the seventies.
MERIT AWARDS 1971-72

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

HEADQUARTERS

Mr. E.S. Ramaswamy, Clerk, Gr. II, (1st Prize)
Mr. S.S. Vemugopala, C.C.A., Line Block Assistant, Gr. I, (1st Prize)
Mr. K.K. Ramakrishnan, Clerk, Gr. III, (1st Prize)
Mr. A.K. Saraf, Clerk, Gr. III, (1st Prize)
Mr. J.M. G. Banerjee, Commandant, Gr. II, (2nd Prize)
Mr. B.S. Agarwal, Traffic Assistant, Delhi, Gr. II, (1st Prize)
Mr. A.D. Ahmed, Line Block Supervisor, Gr. I, (1st Prize)
Mr. A.L.P. Nair, Pilot, Gr. II, (1st Prize)

COMMERCIAL

Mr. R.S. Shridhar, Cleaner, Gr. II, (2nd Prize)
Mr. P.K. Ramasubramanian, Clerk, Gr. II, (2nd Prize)
Mr. K.E. Samad, Clerk, Gr. II, (3rd Prize)
Mr. F.W. Samad, Pilot, Gr. II, (1st Prize)
Miss M. Matha, Air Hostess, Gr. I, (1st Prize)
Mr. V.K. Bhat, Pilot, Gr. II, (1st Prize)

ENGINEERING & TECHNICAL PLANNING

Mr. V. D'Souza, Aircraft Engineer, Gr. II, (2nd Prize)
Mr. S. K. Desai, Aircraft Engineer, Gr. II, (1st Prize)
Mr. S. P. Desai, Aircraft Engineer, Gr. II (2nd Prize)
Mr. R. Parida, Assistant Aircraft Engineer, Gr. I, (1st Prize)
Mr. D. N. Naik, Aircraft Engineer, Gr. II, (2nd Prize)
Mr. M. V. Desai, Aircraft Engineer, Gr. II, (1st Prize)
Mr. K. G. Desai, Aircraft Engineer, Gr. II, (1st Prize)

ACCOUNTS, OPERATIONS, PERSONNEL & STORES

Mr. D. R. Thakur, Accountant, Gr. II, (3rd Prize)
Mr. R. V. Prasad, Accountant, Gr. II, (3rd Prize)
Mr. S. V. Khurana, Clerk, Gr. II, (2nd Prize)
Mr. R. S. Mehta, Accountant, Gr. I, (1st Prize)
Mr. S. V. Khurana, Clerk, Gr. II, (1st Prize)
Mr. A. Fernandes, Lt. Clerk, Gr. III, (2nd Prize)
Mr. A. Fernandes, Jr. Clerk, Gr. III, (1st Prize)
Mr. S. S. Mehta, Accountant, Gr. II, (3rd Prize)
Mr. P. S. Patel, Assistant Accountant, Gr. I, (1st Prize)

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