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INTELLOPAK 21

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25X1A2g

COUNTRY Western Europe

CIA [redacted]

SUBJECT Uncertainty Among Airlines as to Acquisition of New Equipment/Pilot Shortage

DATE Aug 53

PLACE ACQUIRED (BY SOURCE) - - - -

Supplement to:

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Responsive to:

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This UNEVALUATED INFORMATION is supplied for the possible interest of your analysts. It does not warrant dissemination by [redacted] report.

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Source or Clarifying Statement: [redacted]

1. Swissair, Sabena /Societe Anonyme Belge D'Exploitation de la Navigation Aerienne/ KLM Royal Dutch Airlines and SAS /Scandinavian Airlines System/ are /as of September 1953/ quite concerned about competition from airlines operating turbine powered aircraft of UK manufacture which offer faster service and have tremendous passenger appeal. Swissair is losing out to BEA /British European Airways/ on the Zurich-London route through the latter's use of Viscounts. KLM people indicate the only thing saving them financially in connection with their African operations is that BOAC /British Overseas Airways Corp/ has too few Comets to take care of the passenger load. SAS is least concerned at this time /September 1953/ since they have no competition from carriers using Viscounts. Representatives of SAS indicate they hope to stave off anticipated competition through the use of DC-6Bs on short hops, DC-6Bs being faster than Viscounts.

2. I feel that Swissair, Sabena, KLM and SAS would rather purchase US turbine powered aircraft. However, since the availability of US turbine planes is a long way off /1959-1960/, I received the impression (particularly with respect to Swissair) that the purchase of turbine aircraft of UK manufacture may be necessary to prevent business losses. These carriers would rather have diversity of equipment, gained through having more than one place /country and manufacturer/ from which to purchase airplanes. Also, I heard the fear expressed that if they did buy UK equipment the UK manufacturers would keep them behind times as far as latest developments are concerned, UK carriers being provided the more modern aircraft.

3. There is /as of September 1953/ a shortage of commercial pilots in Western Europe. I believe Sabena is suffering the most from this situation which is reflected by aircraft utilization records. Swissair employs a number of German pilots who will undoubtedly be released to Luftag /the new Lufthansa/ of Western Germany when it is permitted to operate an airline. I hear that Swissair is putting in underground facilities (wiring, fueling and air supply equipment) at the various airports it serves. Sabena and KLM have overhaul contracts for jet engines which will give them an advantage in the field of turbine aircraft over other carriers not now /September 1953/ servicing such equipment.

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