

British Air Board Hears Leningrad Case

London—The Transport Board will decide on selection of a British airline to serve Leningrad on regular schedule basis in the next 2-3 weeks, following the submission of proposals last week by the state-owned British European Airways and an independent airline, British United Airways.

British Overseas Airways Corp., a third party in the case, objected in writing to British United's application, on grounds that approval will damage its current negotiations to fly to the Far East over Russian territory (AW&ST July 19, p. 29).

W. R. Callagrove, BEA commercial relations manager, said BEA was applying to extend its de Havilland Comet service from Helsinki to Leningrad. The airline now serves London-Berlin as a pool arrangement with Aeroflot. British United this week started a series of tourist charter flights, using BAC 111 jets to Leningrad.

BEA estimates it could carry 1,450 passengers to Leningrad, via Helsinki, in the summer, and British United claimed it would carry nearly 1,000 more.

BEA said that if BOAC is granted a Moscow stop on its proposed Far East routes, the smaller airline would be forced to hand over the London-Moscow route.

Callagrove said, "Our long running of the USSR is beginning to show fruit, but our operations to Moscow have been a very expensive part of our business. We are now just about breaking even, but our load factors are still very low."

He told the board that BEA was applying for renewal of a former license to operate into Leningrad, which was revoked in 1963 because the Russians would allow only French to use the airport. The first break in this came when the Soviet Union approved British United's charter plan, although BEA has used Leningrad as a weather alternate in the past.

Continental Air Lines Diversifies With Southeast Asia Operations

By C. M. Plattner

Los Angeles—Continental Air Lines' diversification program, which began with formation of a wholly-owned subsidiary last April moves into the operational phase this week as the company takes over control Sept. 1 of a charter aviation service in Southeast Asia.

The air service, renamed the Southeast Asia Div. of Continental Air Services, has primary headquarters in Laos but flight operations will be conducted in both Laos and Thailand. Continental Air Services is the Continental subsidiary established to foster its diversification program.

Continental Air Lines also concluded last week arrangements for obtaining \$50,000,000 in loans to finance new equipment and revise and extend existing indebtedness on an unsecured basis in the company's largest financial move to date.

New equipment covered includes 12 Douglas DC-9C convertible cargo/passenger aircraft, two Boeing 720Bs, new maintenance facilities, an IBM 360 computer and two Link simulators. This money is not being used in the company's diversification program which will be funded by internally-generated money and separate loans.

Earlier this month, Continental Air Services also entered into a fifty-fifty agreement with a large theater chain corporation here to lay the groundwork for building theaters in under-developed countries primarily in Southeast Asia, Africa and Latin America.

The theater agreement was established between Continental Air Services and National General Corp., owner of 220 theaters in the U.S., including the Fox theaters. The new corporation will be called Fox Overseas Theaters and will be headed by Peter Salinger, former White House press secretary.

Salinger, in addition to his duties as president of Fox Overseas Theaters will take over Sept. 15 in an office here the job of vice president, international affairs, of Continental Air Services and vice president, international affairs, of Continental Air Lines. Salinger already is a director of Continental Air Services and a consultant to National General Corp.

The charter aviation service is expected to begin operations in Laos and Thailand with a fleet of 35 aircraft. Of this total, 22 aircraft were taken over from Bird and Sons.

Bird and Sons has been operating in Thailand since 1958 and the Philippines since 1946.

Principal base of operations for the Bird and Son Air Div. and the location of the major maintenance facilities was at Vientiane Air Field, Laos. A smaller base with more limited maintenance

facilities was located at Udorn Airfield, Thailand. Continental Air Services' principal headquarters will be located at Vientiane with R. L. (Dutch) Baumgartner as general manager.

Earlier this month Continental appointed E. Bailey Ranes vice president in charge of Far East activities. Ranes will be located in Taipei, Formosa. This is the first time Continental has had an officer of this status in the Far East.

Continental Air Services is headed by Robert E. Roussetot. Roussetot says the activities of the Southeast Asia Div. will be strictly open, with no covert operations as have been conducted by Air America and Air Asia (AW&ST Apr. 6, 1964, p. 16).

Initially, most missions will be for the U.S. Agency for International Development and will involve transport of supplies and personnel as well as support of the growing construction efforts in Laos and Thailand backed by AID, such as the Mekong project to provide power and flood control. Later, Roussetot expects to expand the operations to include charter services to independent firms which are operating in the area.

Included in the Southeast Asia Div. fleet of 35 aircraft are Douglas C-47s, Curtiss C-46s, Pilatus PC-6A Turbo-Porters, Beechcraft H19s, Wrens 460s and Dornier DO.24-A1 and 28-B1 aircraft. The Turbo-Porters, Dorniers and Wrens are all STOL aircraft and part of the aircraft added to the Bird and Sons fleet.

Roussetot sees a need for adding helicopters to the fleet and is now looking over the field preparatory to purchasing some, primarily for personnel carriers but with cargo capability, including sling loads.

The Southeast Asia Div. will employ about 500 full-time employees, including about 370 employees acquired from Bird and Sons.

Bird and Sons now employs about 800 persons, according to Scott P. Bird, who mans an office, essentially a purchasing establishment, in San Francisco. His two sons operate facilities in Bangkok, Thailand, and Manila, the Philippines. The company described its main operations as heavy construction, principally of airfields and roads. About 55 pilots fly for the Air Div.

Salinger said he believes there is a large, untapped market for American motion pictures in under-developed countries where few facilities exist. The theater program is in the planning stages, and officials are expected to forecast the magnitude of expenditures or investment.

The venture will be a private enterprise, Salinger said, and will operate without government support. The program calls for construction of theaters and possibly restaurants and bars.