

Pilots' Wartime Idea Clicks

Transocean Airline proves there's a profit in foreign air charter business; makes all contract services pay own way.

Last week the Civil Aeronautics Board turned down an application of Transocean Airline for a scheduled passenger run from Seattle to Hawaii. (CAB also rejected Pan American Airways' bid, awarded the route to Northwest Airlines on the ground that its domestic network could best feed the over-water line.)

The decision was naturally a disappointment to Transocean officials. But to an air charter service that in two years of postwar operations has netted more than \$500,000 and built up an organization that sprawls around the world it was hardly a blow.

In a business where even the old scheduled airlines are operating deep in the red, Transocean's financial record as a newcomer is unique. Its net profit for the fiscal year ended June 30 was only \$50,000 compared with \$500,000 netted the year before. But, even so, the operating profit was close to the 1947 mark; the net was reduced by initiation of a broad depreciation and reserve program.

• **Pipedream-Come-True** — Transocean was organized in a candlelit tent on Okinawa by a group of airline pilots flying under contract to the Army on the airlift of occupation troops to Japan. Their wartime experiences flying the Pacific convinced them there was a future for a newcomer in commercial transpacific operations.

In the summer of 1946 Transocean began operations with four DC-4's pur-

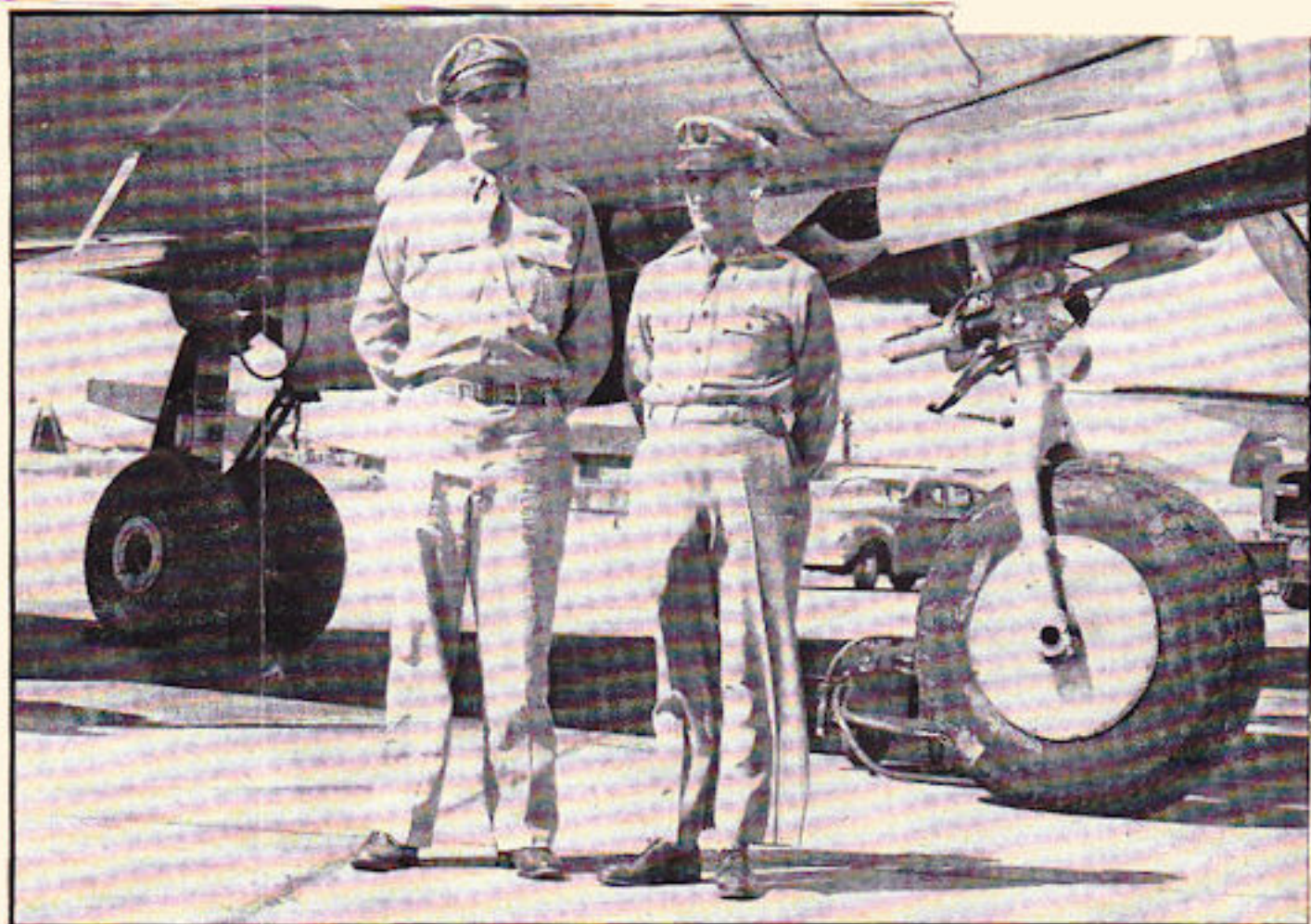
chased under veteran's priority from war surplus. The president is Orvis Nelson, veteran of 12 years flying with United Air Lines. Executive vice-president is Ray T. Elsmore, former Western Air Lines pilot and wartime director of air transport for Gen. MacArthur. These go-getting executives have brought Transocean most of its business.

• **Moving People**—The bulk of Transocean's work has come from charters for high-priority mass movements of personnel. Transocean has flown scores of personnel groups—from construction workers to mid-Pacific Navy bases to United Nations truce teams from Rhodes to Palestine.

• **Contracts**—Another source of Transocean revenue has been its contracts to get new foreign airlines started. Philippine Air Lines had Transocean set up every phase of its flight operations. An Indian airline is dickering over the same sort of deal.

Transocean has cut costs—and made a profit—by setting up its own ground facilities over the world. It found it was cheaper to do this than pay someone else to. At its major repair base at Oakland, Calif., contract overhaul work from other charter lines helps pay the freight. Overseas, Transocean ground crews service most of the non-scheduled carriers flying along main traffic routes. It has even made its flight training school for its regular crews pay its own way by taking in outside students.

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GO-GETTERS, Transocean's president Nelson (left) and vice-president Elsmore