

# The Statistics of Hard Times

Hard times are forcing the airlines to break precedent.

Two of the cost-cutting remedies now being taken by the U.S. scheduled airline industry haven't been tried in more than a decade, Stuart G. Tipton points out.

Mr. Tipton, president of the Air Transport Association of America, said that extreme remedies were necessary because the industry is facing its largest deficit in history as 1970 results are tabulated. He detailed the two unusual remedies:

For the first time since the introduction of jet service, said Mr. Tipton, carriers are actually cutting back flight schedules to many cities. A recent ATA survey shows that carriers had 658 fewer domestic flights scheduled in December 1970 than they did in December 1969.

Also for the first time in more than ten years, the airlines are furloughing and dismissing employees, he said.

Mr. Tipton reported that the airline industry lost \$66.2 million in the 12 months that ended September 30, 1970. He cited a slow rate of traffic growth and rapidly rising costs as the major causes of the poor financial results. Passenger traffic increased by 4.8 percent for the industry in 1970, compared with a 10.1 percent increase in 1969 over 1968.

Mr. Tipton said that "The carriers can only do so much cutting back on flights and employees. They cannot significantly improve their financial position without an immediate increase in the level of passenger fares. These fares, despite some recent selective increases, are still lower than they were ten years ago. With inflation increasing airline costs at a rate of 8.6 per cent annually, far above the national average, the airlines cannot continue to operate at 1960 fare levels."

The rate of return on total investment for the 12 months ended September 30 was 2.3 percent, down from 3.6 percent in the same period of 1969. Mr. Tipton noted that this is well below the 10.5 percent that the Civil Aeronautics Board has set as a fair and reasonable rate of return for the industry.



### Congrats 20 YEARS

Carl E. Mullins-Controller/Coordinator, INT Paul Wayne Kelley—Agent, CRW Aaron William Rowe-Captain, ATL F. L. Sfreddo-Supervisor, Non-Destructive Testing, INT

#### **15 YEARS**

Howard R. Kirkwood-Chief Agent, ROA Roy Wayne Tucker-Station Manager, MEM Ransom G. Ingram-Radio Technician, INT-FB William E. Smith-Sr. Radio Technician, INT Francis Wilson Hastings-Sr. Specialist, INT Clarence Darrell Gordon-Captain, ORF C. S. Melvin, Jr .- Lead Agent, FAY Lawrence Elgin Hartman-Inspector, INT Wendell Keith Varner-Mechanic Specialist, INT

#### **10 YEARS**

Larkin Lewis Hubbard-Instructor, INT John W. Helms-Agent, ROA Clifton H. Linvingood-Mechanic Specialist, INT

#### **5 YEARS**

N. T. Yarbrough—Jr. Programmer, INT Fred Dilworth Jackson—Sr. Specialist, INT Richard James Hurley, Jr.—Agent, INT-CRO Joe Link Howard—Mechanic, INT Clarence B. Ayscue, Jr. –Jr. Mechanic, ORF Lowell Richard Moore–Lead Agent, SHD Charles Jerry Hart–Sr. Radio Technician, INT Robert E. Reynolds-Building Maintenance, INT

# **Around The System**

#### TRANSFERS

- H. T. Young—ORF to DCA B. G. Watts—INT to DCA Watson-ATL to ILM S. J C. Walton—CLT to INT-CRO Triplett—CLT to INT-CRO T D. J Sprouce—ROA to ORF Dishmon—CLT to INT-CRO Cruz—INT-F to INT-CRO Т L. D. C D. C Crawford-INT to ILM
- D. C. Crawfuld-Int to ILM D. M. Carter-ATL to ILM M. N. Blundon-INT to ROA G. S. Angel-INT to CLT J. E. Holland-ATL to INT G. W. Manuel-CLT to ROA L. E. LOURY, ROA to DCA

- F. Lowry—ROA to DCA G. Riggs—INT to DCA A. Rainey—ORF to ROA Е
- B. A.
- H. Sharpe—ORF to ILM L. Oliver—INT to DCA Β.
- H
- W. Padgett, Jr.—MEM to ATL Roscana—INT to ATL
- C. E. Stewart, Jr.-INT-A to PF

#### PROMOTIONS

- D. Brown—to Asst. Avionics Foreman, INT B. A. Wolff—to Avionics Engineering Clerk, INT J. F. Russell—to Avionics Engineering Coordinat
- L. Headen—to Avionics Engineering Coordinator, INT L. Headen—to Avionics Inspector, INT E
- D. Bolen-to Lead Agent, ATL H.
- M. M. Calloway—to Chief Agent, ATL M. M. Calloway—to Chief Agent, FAY T. R. Farmer—to Lead Agent, RIC J. R. Gilchrist—to Lead Agent, DCA T. L. Hicks—to Lead Agent, CRW R. N. Johnston—to Chief Agent, ATL

- R. N. Johnston—to Chief Agent, ATL H. W. Meese—to Lead Agent, AVL
- Meredith—to Lead Agent, ROA Roberts—to Lead Agent, ATI T. A. L. H.
- Slappe—to Lead Agent, FAY Tingler—to Lead Agent, ROA T. K. M.
- G. D. Cameron-to Radio Technician, ORF

# HOW GOES IT?

Mechanically speaking the December, 1970 statistics revealed the following: Mechanical Dispatch Reliability Actual Forecast 98.5% 99.1% 99.4% 99.0% FH-227 YS-11A B-737 97.8% 99.0% On-Time Performance of filghts operated not more than 15 minutes late 53.3% Quota Forecast Actual Load Factor 44.70% 44.60%

# Paychecks Will Reflect Income Tax Law Changes

A number of changes in the income tax laws will affect Piedmont employee's paychecks beginning this month. Some of the changes will increase employees' take-home pay, but others will reduce it.

Deductions for Social Security were increased January 1 from a rate of 4.8 per cent to a rate of 5.2 per cent on the first \$7,800 of annual earnings. And at the present time, Congress in contemplating additional changes to the Social Security law.

This increase will mean that the maximum annual Social Security tax deduction will be 405.60 this year compared with \$374.40 in 1970.

#### Surcharge Gone

The Vietnam war surcharge — 10 per cent annually at its 1969 peak — expired in 1970 and will not be reflected in paychecks this year.

The amount of federal income taxes a company is required to withhold in 1971 will be less than last year for many individuals. The Tax Reform Act of 1969 lowers federal taxes for single persons and heads of households and allows for larger personal exemptions and standard deductions. The new standard deduction for 1971 is 13 per cent of an employee's taxable income with a maximum of \$1,500. The previous rate was 10 per cent with a maximum of \$1,000.

#### **"KENTUCKY COLONELS"**

(Continued from

Employment Supervisor. He became Director of Personnel in 1964.

Bradley is a member of the Winston-Salem Chamber of Commerce, the Winston-Salem Personnel Association and the Personnel Relations Conference of the Air Transport Association

Mrs. Bradley is the former Joyce Stephens of Grayson, Kentucky. They have one son and live in Walnut Cove, North Carolina.

Before joining Piedmont in 1948, also as a station agent at Lexington, Folger served with the U.S. Navy Air Force. In 1951 Folger was named Station Manager for Lexington. Five years later he transferred to Washington, D. C., as the Company's City Sales Manager there. He was subsequently promoted District Sales Manager for that area. In 1961 he moved to Winston-Salem to be Assistant General Sales Manager. He was promoted to General Sales Manager in 1966.

Folger is married to the former Shirley Anderson of Lewiston, Montana. They have two daughters and live on Grandview Club Road in Pfafftown, North Carolina. He is a member of the National Aviation Club in Washington, D. C., and the Grandview Golf Association.

## **PI Employee Stock Purchase Progress**

To help you keep up with the amount you pay for Piedmont stock every month if you're buying it through payroll deduction the Piedmonitor publishes this periodic report of the number of shares purchased, average price per share and total investment in the previous month.

FOR DECEMBER, 1970		
Amount Invested	\$5,4	111.55
Number of Full Shares Purchased		1,021
Average Price Paid Per Share	\$	5.29