

SECOND QUARTER REPORT . . .

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miles over the same month last year on non-subsidized routes but we experienced an 11% decrease in passenger miles on subsidized routes.

"The outlook for the remainder of this year is still uncertain, but barring some unforeseeable unfavorable occurrence, the prospects for earning a profit for the year appears favorable."

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 JUNE, 1971

Amount Invested \$5,026.22
 Number of Full Shares Purchased 648
 Average Price Paid Per Share \$ 7.75

FOR JULY, 1971

Amount Invested \$5,041.22
 Number of Full Shares Purchased 706
 Average Price Paid Per Share \$ 6.62



Senior VP R. S. Northington, left, has been designated as Deputy Regional Director of the Office of Emergency Transportation, Region III by Secretary of Transportation John Volpe. Presenting the certificate of selection is Ed Tamis, Regional Emergency Transportation Representative in the Atlanta Office. Northington has been active in the National Defense Executive Reserve Program.

Editorials

Confusion: Two Points of View

Not even enough years ago for the memory to fade we were in London, the day after the British pound had been devalued.

We had been several times before and have returned many times since, but that particular trip stands out in our minds because of the overnight change in the value of the pound in relation to the dollar.

The day we left home an English pound was worth \$2.80. By the next day the pound was worth \$2.40.

Our first reaction was almost delight. Our dollar had increased in value, meaning we could buy more English goods than we had anticipated.

Our newly acquired purchasing power was however a great source of confusion to everyone. Shopkeepers had been given no warning of the change. The pound's value was lowered but the price tags on every conceivable product remained the same. Even cashing travellers checks was no longer a routine transaction as bank clerks had to refigure each exchange. Literally nothing was as it had been the day before.

The pound, never the easiest of currencies to understand, was even more baffling to those of us used to figuring in dollars only. Although newspaper headlines told us day by day what bargains our dollars were buying it was impossible to enjoy the situation as we saw at every hand the confusion that reigned.

Perhaps we never really understood that whole situation until a few days ago.

It's Almost Time to Start

It has been raining for days and continues to show no signs of letting up. As if this weather were not enough to provoke trenchant thoughts on affairs in general we overheard someone say, just the other day, that "It's almost time to start getting ready for Christmas."

If you don't think that is an abrupt awakening thought, try it yourself tomorrow morning, but only if you're sure your system can stand the shock.

The bad part about overhearing that sort of remark is you know it isn't rumor. You know its true and unless you're careful panic will set in.

How could it possibly been more than a few weeks ago that we were in the throes of writing January's editorial for the New Year? Somehow the days and weeks have flown by, must have been at Mach 1 or better.

Our topic seven months ago was The Statistics of Hard Times. We talked about how our industry was being forced into breaking precedents at every turn. Schedules were being cut back and employees were being furloughed.

This time we were in Athens, Greece. Much further from home, in most every way, than London. If you've been to Athens you know that it is a very foreign place.

Even street signs, something we normally take very much for granted are strange to a mind that associates the Greek alphabet with a series of two or three letters over the entrance to a fraternity or sorority house.

This trip to Athens was never proposed as an extended visit. It is just as well.

The first day we were properly awed by the Parthenon and the Acropolis and were beginning to adjust to the atmosphere of the city which initially seemed so alien to us.

All that changed, overnight.

The next morning as we strolled through the shops around Constitution Square we noticed the newspapers, all in Greek of course, had blaring black headlines. One word was very understandable, Nixon. The news itself was set in type that once again became frighteningly foreign. While searching for an American office of anything we thought back to all the talk we'd left at home about devaluation of the dollar. Had it really happened? Would we be forced to convert our dollars to drachma at a substantial loss?

As we anxiously bought the last copy in sight of the Herald Tribune we remembered the confusion we'd found in London a few years ago.

Then, we really understood.

Well the days of gloom and doom aren't filled with wine and roses yet. But even through these heavy August clouds we can see that our industry's affairs in general are getting better.

Sometime in the spring all the airlines were granted a fare increase. That was a big help. Then the regional carriers were given their sorely needed subsidy boost.

Traffic is up, but then so are expenses.

But Christmas! We've already had more time than we're going to have to get this year's balance sheet back in the black. In a matter of days summer will be gone. The kids will be back in school and the trees will begin changing colors and disrobing for the winter.

Ours is a product more perishable than the crispest of Christmas cookies. Every seat that goes out empty on every flight every day is lost business.

The many proverbial quotes about flying time simply can't sum up the reality that, here in the midst of the dampest dog days we can remember, "It's almost time to start getting ready for Christmas."

HOW GOES IT?

Mechanically speaking the July, 1971 statistics revealed the following:

Mechanical Dispatch Reliability	Actual	Forecast
FH-227	98.3%	99.4%
YS-11A	98.2%	99.0%
B-737	98.4%	99.0%
On-Time Performance of flights		
operated not more than 15 minutes late		
		67.9%
Actual Load Factor	Quota Forecast	
51.59%	51.39%	

The Ten Pillars of Economic Wisdom

Often called the "dismal science," economics is also the dismaying science for the person seeking truth in a time of great social upheaval. The American Economic Foundation, a nonprofit organization devoted to the task of simplifying free enterprise economics, has reduced certain economics fundamentals to a program of ten basic statements. These "Ten Pillars of Economic Wisdom" have been circulated to millions of people and reprinted in many languages. They are offered here as a basic reference for economic understanding, and are timely reminders of the cause-and-effect relationships underlying all production and distribution activities.

- 1—Nothing in our material world can come from nowhere or go nowhere, nor can it be free: everything in our economic life has a source, a destination, and a cost that must be paid.
- 2—Government is never a source of goods. Everything produced is produced by the people, and everything that government gives to the people, it must first take from the people.
- 3—The only valuable money that government has to spend is that money taxed or borrowed out of the people's earnings. When government decides to spend more than it has thus received, that extra unearned money is created out of thin air, through the banks, and, when spent, takes on value only by reducing the value of all money, savings and insurance.
- 4—In our modern exchange economy, all payroll and employment come from customers, and the only worthwhile job security is customer security; if there are no customers, there can be no payroll and no jobs.
- 5—Customer security can be achieved by the worker only when he cooperates with management in doing things that win and hold customers. Job security, therefore, is a partnership problem that can be solved only in a spirit of understanding and cooperation.
- 6—Because wages are the principal cost of everything, widespread wage increases, without corresponding increases in production, simply increase the cost of everybody's living.
- 7—The greatest good for the greatest number means, in its material sense, the greatest goods for the greatest number which, in turn, means the greatest productivity per worker.
- 8—All productivity is based on three factors: (1) natural resources, whose form, place and condition are changed by the expenditure of (2) human energy (both muscular and mental), with the aid of (3) tools.
- 9—Tools are the only one of these three factors that man can increase without limit, and tools come into being in a free society only when there is a reward for the temporary self-denial that people must practice in order to channel part of their earnings away from purchases that produce immediate comfort and pleasure, and into new tools of production. Proper payment for the use of tools is essential to their creation.
- 10—The productivity of the tools—that is, the efficiency of the human energy applied in connection with their use—has always been highest in a competitive society in which the economic decisions are made by millions of progress-seeking individuals, rather than in a state-planned society in which those decisions are made by a handful of all-powerful people, regardless of how well-meaning, unselfish, sincere and intelligent those people may be.

PIEDMONITOR

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Betsy Allen, Editor

