



Panair do Brasil's DC-7C operate a twice-weekly flight between Rio and Lisbon for Portuguese-speaking passengers at fares 40 per cent below the IATA rate. Some 14,250 passengers were carried last year. The Tu-114 in the background was visiting Brazil for the Sao Paulo exhibition

"Flight International" photograph

BRITAIN AND BRAZIL

The São Paulo Exhibition — And Beyond

BY THE AIR TRANSPORT EDITOR

NEXT Sunday, April 28, is the final day of the international aviation exhibition at São Paulo, Brazil. Sponsored by the Santos Dumont Foundation, it was opened by the governor of São Paulo on March 16. It has been held in the Parque Ibirapuera, a few minutes from the domestic airport of Congonhas, and the 120 exhibitors have been quartered in the stylish permanent buildings erected a few years ago to celebrate the fourth centenary of São Paulo.

The exhibition was not, it is sad to report, a great success. The Santos Dumont Foundation ambitiously attempted to launch a show which would tempt the world's leading aeronautical industries to show their wares in the world's biggest aviation export market. The response was disappointing. Only one major aircraft manufacturer, Sud-Aviation, was there, sharing a stand with other leading French manufacturers. This collective effort by the French industry was quite impressive; in the circumstances it was perhaps the best alternative to ignoring the show altogether, which was the policy of the major British and US companies. Rolls-Royce were there, and so were Dunlop, both with attractive displays; but they were there in the names of their Brazilian subsidiaries.

To the French industry's display Britain owed its one and only aeroplane exhibit: Sud's old model of the Super Caravelle, freshly labelled "BAC-Sud." The French put up a good show. It is certainly quite something to be able to display Caravelle models in the insignia of Brazil's four major airlines, Panair, Varig, Cruzeiro and VASP. It is also quite something for São Paulo's governor to mention, in the first sentences of his inaugural address, his hopes for a Sud Alouette factory in São Paulo. Sud demonstrated an Alouette at the show, and later also on tour, showing off its weight-lifting abilities with an act involving a Simca saloon (without engine).

Whenever a company is invited to attend a show of this kind, it always asks its local representative for advice. Firms like BAC, Boeing, Douglas, Hawker Siddeley and so on have local people—all, so far as we know, nationals—looking after their interests. On this occasion these local reps of the major companies obviously gave their principals the same advice: "It isn't worth it, unless perhaps we can import goods for display and then sell them. This isn't a trade show in the Farnborough or Paris style, attended by all the people who matter in Brazilian aviation."

Like any international show, nationalism played its part. America's NASA showed a full-scale mock-up of the X-15 and Mercury capsule (with Major Bob White in attendance). Both were well and truly goggled at by the crowds. The Russians made the most of an opportunity for peaceful propaganda, sending Nick and Pop in a Tu-114, with an entourage of 15 Soviet engineers. They stayed in

São Paulo for a week, then went on to Rio for another week.

The RAF was invited, but did not accept, to the great disappointment of the organizers. "We are waiting for the RAF," one said sadly half way through the show, "but they have not yet come."

The Brazilians may not, despite a brave attempt, be good at organizing an aviation exhibition. Perhaps only countries with indigenous aviation industries are successful air-showmen, and even they need convincing that it is all worthwhile. But Brazilians are good at aviation, and there is business to be done with them, particularly on the civil side.

Unfortunately, many a deal falls through because of the country's chronic financial malaise. The never-ending battle against inflation and a soft currency has to be seen to be believed: one day we got 1,600 cruzeiros for £1; a week later we got 1,760. Two years ago the dollar exchange rate was 135crs; today it is 475, but probably more than 700 in reality. The recent US loan of \$400m will help to stabilize the situation, which is critical for a fast-expanding nation obliged—for the present—to import its capital goods for hard currency. Brazil wants aviation equipment, and its highly professional airline industry demands the best; the problem always is money.

Britain's greatest aviation asset in Brazil is the Rolls-Royce overhaul and repair establishment in São Paulo, the existence of which undoubtedly helps the British effort as a whole, and not only the sale of Rolls engines. It will certainly be a factor in the forthcoming battles between the 727 and the Trident, and the DC-9 and One-Eleven, offsetting to some extent the inevitable dollar-bias of future Brazilian imports following the big US loan.

So far only the name of VASP has been coupled with any of these aircraft; this company is interested in two One-Elevens, though a decision appears for financial reasons to have lapsed now that the airline has bought ten of BEA's Viscount 701s. All these aircraft, incidentally, are due to be in service by the end of May, some of them on the Ponte Aérea between Rio and São Paulo (see last week's issue).

Any purchase of medium or small jets will be influenced by Rio's 4,340ft-runway city-centre domestic airport of Santos Dumont—a tight requirement even for existing propeller types in wet weather, and out of the question for the Caravelle. This was one of the reasons why Varig, to out-smart Panair's Caravelles, bought five Electras from American. Boeing are claiming that the 727 can use Santos Dumont.

We visited the Brazilian Air Force base at São Paulo, where most major maintenance and repair work is carried out. Of the 70 Meteors delivered ten years ago, 56—eight Mk 7s and 48 Mk 8s—remain in

service. There is a miniature production line of Meteors undergoing major overhaul, and from the extent of the strip it is pretty obvious that the Força Aérea Brasileira looks after these aircraft and intends to keep them at work for some time to come. For years there have been speculation and discussions about a replacement, and if Brazil could afford the money the choice today would probably be between the Hunter and the Fiat G.91. But there is no pressing military requirement for a replacement, and the Meteors—together with F-80s—continue to be the backbone of Brazil's fighter and ground-attack force.

Some extremely nice things are said about the Meteor. Were they, we asked, still holding together after all these years? The technical director of the base, Lt-Col Marcos B. Santos replied: "In my personal opinion it is the best aircraft we have ever had in the Air Force. It is doing a wonderful job, I can tell you." He introduced us to Mr James Owen, who has been the Gloster (now Whitworth Gloster) resident technical representative ever since the Meteors were delivered ten years ago.

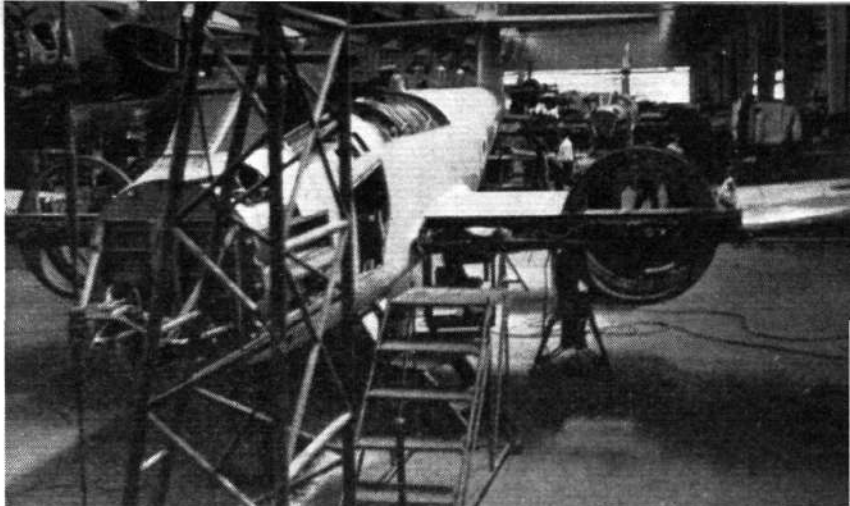
The base does all Derwent 8 overhauls itself, as we witnessed in the clean, British-equipped shops, and has done so since before the establishment of the Rolls-Royce factory in São Paulo. There is, we were assured by Lt-Col Santos, no problem about Meteor or Derwent spares. We formed the impression that this good British service and support, sustained over a long period and probably at some expense to the British manufacturer, played its part in the choice of the Avro 748 by the Força Aérea Brasileira.

All six Avro 748s will be delivered and in service by the end of May. Based mostly at Brasília they supplement the Air Force's two Viscounts in performing general communications and transport duties on behalf of the President of Brazil and other VVIPs. The Transport Group of the FAB seems to be a corps d'élite, enjoying a certain independence and way of its own. Although the first two 748s had, at the time of our visit, been in service for only a short while, all reports seem to be favourable. Apart from one minor incident, when an aircraft damaged its undercarriage on a very rough strip close to the President's private ranch in Rio Grande do Sul, the 748s are, as one officer put it, "exceeding all our expectations."

Examples of most of the Força Aérea Brasileira's operational types are to be seen dispersed around the base at São Paulo. It was a rare, possibly unique, pleasure, to see such well-cared for veterans surviving the obsolescence which has overtaken their contemporaries elsewhere in the world. Facts and figures about numbers and types were hard to come by but we noted, in addition to Meteors and Shooting Stars, B-17s, B-25s, T-6s, Albatrosses, C-47s (of which 60 are in service) and C-54s (12). Among the more modern types, in addition to Viscounts and 748s, were P-2 Neptunes and H19 and H34 helicopters.

We did not visit the Navy, though later on we heard many jokes about the rivalry between the two Services, and about the strongly independent line which the Navy pursues in the purchase of its equipment—notably its Breguet Alizés, which are said to have been bought without official approval. The Navy has a number of Westland Whirlwinds in service, and is being eyed by Sud as a potential market for Alouettes.

The domestic air transport scene swarms with propeller aeroplanes, which are allowed to compete on price—at up to 30-40 per cent lower fares—with the Caravelles which now fly the regional, coastal and intra-South American routes served by Panair, Varig and Cruzeiro. The other main carrier, VASP, has not yet taken delivery of its Caravelles. In the windows of airline offices and travel agents in the cities is evidence of the way Brazilian airlines have



"Flight International" photograph

"A miniature production line of Meteors . . ."

achieved an enlightened—and unique—*modus vivendi* for both jet and propeller scheduled services—e.g., "FLY VARIG SKYMASTER TO BRASILIA—35 PER CENT DISCOUNT ON JET FARES." Nobody has yet had enough Caravelle experience to quantify the diversion, if any, from jets, but nobody we spoke to seemed even to consider this a problem.

BOAC do a fine job for Britain in Brazil, and in South America as a whole, in the face of tremendous difficulties and without profit. They have four major headaches, and these have to be seen to be appreciated.

First, the chronic cruzeiro problem—and in particular the difference between the real and the official exchange rate—can mean a shortfall of thousands of pounds a year on tickets bought for cruzeiros and cleared by IATA in London for hard currency at a rate perhaps 200crs per pound more than the rate at which they were sold. Secondly, while the Comet 4 has a fine reputation for reliability and punctuality, it is not an easy aircraft to sell in competition with DC-8s and 707s. Thirdly, while there are very large immigrant European communities in Brazil and South America, the British are in the minority compared with the Germans, French and Italians, who provide a large natural market for Air France, Lufthansa and Alitalia. Fourthly, these three Air Union carriers are well and truly ganged up on the South Atlantic, endorsing one another's tickets—even those sold for cruzeiros, which BOAC dare not do—and are being generally extremely aggressive in their selling and promotion.

Despite all, Linhas Aereas Britanicas (as BOAC subtitles itself in Brazil) does a better job for Britain in South America than might be apparent from its earnings from that area—probably less than £1m a year on total system revenues of nearly £100m.

The flavour of the Brazilian domestic airline scene is markedly US domestic, with hordes of people pouring in and out of aeroplanes in the markings (incidentally much less flashy than those of US domestic airlines) of different companies. Competition is fierce, and except on Rio-São Paulo and Rio-Brasilia there is no pooling. Everything seems well ordered and organized, both in the terminals and on the ramp. This comes as a surprise, because Brazilians are essentially a carefree and mildly disorganized people. But they have a flair for making life as easy as possible, and they seem to have devised an airline industry which Dr Sampaio of Panair summed up for us in this way: "We are a very highly competitive, free enterprise industry, all fighting each other for business. I believe in this, and I think it is why we have the best domestic air services in the world."

One of VASP's Viscount 810s at Rio. This airline has bought ten of BEA's 701s

"Flight International" photograph

