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AIRLINES: Daly's Refugee Airlift

Taxiing at Saigon's Tan Son Nhut Airport one night last week, a World Airways cargo jet was ordered over the radio to hold its position on the runway. "There are V.C. on the airfield," the tower warned. Suddenly, the runway lights were turned off, the field was closed—and the U.S.-bound DC-8, with 58 Vietnamese orphans and World President Edward Daly aboard, fired up its engines and took off in darkness. Said Pilot Kenneth Healy later: "It seemed like the time to go." On the five-hour flight to a refueling stopover at Japan's Yokota Air Force Base, Daly, wearing a green beret, helped Stewardess Jan Wollet diaper the orphans.

Strange Week. While the refugee flight continued on to Oakland, Calif., and a warm reception from Bay Area civil and military officials, Daly slipped away to a Tokyo hotel for a needed night's rest. "I've managed to get 14 hours of sleep in the past 14 days," he said, "and I'm beat." Operating at full throttle in South Viet Nam, Daly had argued unsuccessfully with U.S. AID and embassy officials for authority to fly hundreds of additional orphans out of Viet Nam and wired Secretary of State Kissinger demanding permission to send a 747 mercy flight into beleaguered Danang. He also traded punches with mutinous South Vietnamese troops trying to fight their way onto a 727 refugee flight as it escaped from Danang only hours before the North Vietnamese captured the city. That flight took off despite embassy protests. According to Daly, "people who should have been doing something about it sat on their asses and refused to move."

It was a strange week for an airline president—but then the swashbuckling 52-year-old Daly is anything but the conventional airline executive. A combative, hard-drinking broth of an Irishman and an Archie Bunker lookalike, he seems to thrive on high drama and wrangles with Government bureaucrats. In the nearly two decades since his piston-engine DC-4s airlifted Hungarian refugees to the U.S. in 1956, Daly—who started with two war-surplus C-46Fs in 1950—has built World into the largest of the nation's supplemental airlines. Originally, he prospered largely by battling for and winning Military Airlift Command (MAC) contracts; lately, he has successfully expanded his civilian tourist business. Last year World's fleet of 14 jets, including three 747s, flew charters (85% commercial, 15% military) to more than 30 countries.

World's revenues have been rising in recent years, but high fuel and operating costs have held down profits. Last week the line reported a record 1974 gross of \$112.2 million and an operating profit of \$5.3 million; it also earned a handsome \$15.9 million on the sale of a Los Angeles bank that it had owned for a while as an investment. The operating profit marked a considerable improvement over 1973, when World lost \$1.25 million on airline operations, but was still well short of the record \$14.5 million earned in 1967.

Now World is seeking a bigger slice of the U.S. commercial-air-travel market—and trying to start a fare war with

the nation's big trunk airlines to win it. While Daly was off packing a .38 in Saigon last week, the line petitioned the Civil Aeronautics Board for authority to operate regularly scheduled coast-to-coast flights. Its proposed one-way fare between New York or Washington and Los Angeles or San Francisco: \$89 plus tax, or about 25% less than the lowest transcontinental fares on United, American and TWA. Predictably, other airlines announced plans to fight the \$89 fare, but said that they would match it if Daly wins approval.

World officials insist that the timing of the fare petition was a coincidence rather than an attempt to cash in on the headlines Daly was making in Asia. In any case, battling the State Department over Vietnamese rescue flights hardly seems a politically savvy move for an airline trying to win Government approval for an expansion of its U.S. operations. But Daly brushes aside any idea that his unauthorized Danang flight and his criticism of U.S. refugee policy could endanger either World's fare application or his chances of obtaining additional military contracts. "I don't think MAC can dispense with us," he says. "Anyway, the airlift was my own personal decision, and I'm paying for it out of my own—not the corporate—pocket." His estimate of the total cost of his refugee flights: about \$1 million.

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