

**The original documents are located in Box 52, folder “1975/10/24 - Regulatory Reform Meeting” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.**

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MEETING WITH PAUL LEACH, STEVE  
McCONAHEY, LYNN MAY, JIM  
CAVANAUGH, PAUL MacAVOY  
Thursday, October 24, 1975  
3:30 p.m.

Re: Regulatory Reform

COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

ALAN GREENSPAN, CHAIRMAN  
PAUL W. MACAVOY  
BURTON G. MALKIEL

October 23, 1975

MEMORANDUM FOR THE PRESIDENT

THROUGH: Dick Cheney

FROM: Paul W. MacAvoy

*Paul W. MacAvoy*

Two weeks have passed since the Aviation Act of 1975 was announced. Since the announcement, this regulatory reform initiative has received substantial editorial support.

The Aviation Act was the lead news story -- and favorably reported -- on both CBS and ABC Evening News on the day of announcement. NBC also gave it full coverage.

Editorials from the following publications are attached at Tab A.

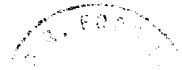
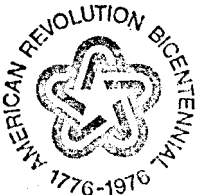
Baltimore Sun  
Chicago Tribune  
Dallas Morning News  
Denver Post  
National Journal  
New York News  
Rocky Mountain News  
Washington Post  
Washington Star

You also might be interested in the following items:

Coverage by Aviation Week at Tab B.  
Wall Street Journal analysis of small stock market effect at Tab C.  
Perceptive column by George F. Will at Tab D.

Attachments

cc: Jim Cannon ✓  
Bill Seidman





# THE SUN

A 12

BALTIMORE, MONDAY, OCTOBER 13, 1975

WILLIAM F. SCHMICK, JR., Publisher • PAUL A. BANKER, Managing Editor • J.R.L. STERNE, Editorial Page Editor

## How To Have Better Air Service

President Ford's proposal to reduce federal regulation of airline service is sound and long overdue. A generation of regulation has resulted in less and less

They don't want to see competition. They like the cozy relationship they have long enjoyed with the Civil Aeronautics Board. And the airlines are never

# Chicago Tribune

THE WORLD'S GREATEST NEWSPAPER

FOUNDED June 10, 1847

STANTON R. COOK, *Chairman and Publisher*

ROBERT M. HUNT, *President and General Manager*

CLAYTON KIRKPATRICK, *Editor*

MAXWELL MCCROHON, *Managing Editor*

JOHN MCCUTCHEON, *Editorial Page Editor*

WILLIAM H. JONES, *Managing Editor, News*

8

Section 1

Saturday, Oct. 18, 1975

## Getting CAB out of the cockpit

The government wants to reduce sharp

reduction of the airline industry

and would increase ridership nearly 20  
per cent over the same period. This

# The Dallas Morning News

*The News, oldest business institution in Texas, was established in 1842  
while Texas was a Republic*

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## Editorial Page

*Dick West, Editorial Director*

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MONDAY, OCTOBER 13, 1975

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*Airline Fares:*

## Dollars and Common Sense

THE FORD administration wants to do something totally

CAB's philosophy is to let the airlines cover their deficits by rais-

# Debate CAB Reform Proposal

President Ford has initiated long-anticipated public debate on federal regulation of the airline industry by proposing reform of the Civil Aeronautics Board (CAB).

A bill submitted to Congress by Mr. Ford would significantly alter the CAB's power to regulate fares — a key area of federal control.

Under the measure, airlines could cut fares up to 40 per cent or raise them up to 10 per cent on certain routes without CAB approval. Also, the bill would make it easier for new airlines to enter into business and for established ones to expand or reduce service on economic grounds.

These and other proposed changes would substantially change the CAB's regulatory role, which has not undergone basic reform since its creation 37 years ago. In that regard a searching look at the CAB, considering the vast changes that have taken place in the airline industry since then, is long overdue.

President Ford has done the nation a service by bringing the debate, which has smoldered for years in Washington, out in the open in Congress.

It is by no means a one-sided matter.

President Ford and his advisers in the Transportation Department claim that his proposed changes in the CAB's authority would encourage competition among the airlines and produce lower fares for air travelers.

Part of the high costs of air travel are attributable to inflation and rising fuel prices, Mr. Ford noted. But he also blamed excessive economic regulation as the reason for extra costs to the traveling public.

On the other side, the major airlines, through their trade group, the Air Transport Association, are quick to point out the dangers they feel are inherent in the Ford bill, including possible disruption of air service, inconvenience to the public and severe economic dislocation for the industry.

The association believes that passage of the measure could seriously threaten the financial integrity of the nation's air transport system.

It is good that the arguments will now be raised in public debate to allow the fullest participation of the traveling public, which, after all, is footing the major portion of the transport bill.

## THE DENVER POST

Founded on October 28, 1895 by F. G. Bonfils and H. H. Tammen  
Helen G. Bonfils, Officer and Director, 1933-72

10/13

*"Dedicated in perpetuity to the service of the people,  
that no good cause shall lack a champion and that  
evil shall not thrive unopposed"*

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WILLIAM HORNBY, *Vice President,  
Executive Editor*

ROBERT H. SHANAHAN, *Vice President,  
General Manager*





## Regulatory Focus

by Louis M. Kohlmeier

# A Ripe Time for Airline Deregulation

1458

10/18/75  
NATIONAL  
JOURNAL  
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A Washington attorney, well practiced in aviation law and in the politics of airline regulation, summed up in a word his reaction to President Ford's airline deregulation proposal: "Baloney!"

The attorney, a former Civil Aeronautics Board (CAB) official, then added, "I've seen so many reform

will Congress ignore the opposition, particularly from mayors.

Fundamentally, however, Ford is arguing that competition will be better for consumers, cities and the airline industry itself, if not for all existing airlines. Packaged as consumer legislation, deregulation may well be

# SUNDAY NEWS

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## COME ON, TRY IT

The airline industry isn't the least bit happy with

Rocky Mountain News

## Deregulating the airlines

SCHEDULED AIR CARRIERS have reacted with something like panic to administration proposals to deregulate the

industry it is supposed to regulate, and the

WASHINGTON POST

# *Deregulating the Airlines*

PRESIDENT FORD'S PROPOSAL to reduce sharply federal regulation of the airline industry is a big step in

has ever gone bankrupt, no matter how badly it was managed because the CAB has worked out solutions to

# The Washington Star

JOE L. ALLBRITTON, *Publisher*

JAMES G. BELLOWS, *Editor*

SIDNEY EPSTEIN, *Managing Editor*

EDWIN M. YODER JR., *Associate Editor*

MONDAY, OCTOBER 13, 1975

## The airlines' curious anguish

An unsophisticated mind, one still cherishing copybook maxims of a free-enterprise economy,

airline vice presidents. In fact, the big carriers have become right comfortable beneath the

B



# LEGISLATION SUPPORT FOR PART 298 IN COMMERCIAL

By Rosalind K. Ellingsworth

Washington—Congressional support for amending the Federal Aviation Act to allow  able to Part 298, or commuter carriers.

C





# Ford's Proposal to Sharply Reduce Regulation Of Airlines Has Little Impact on Wall Street

By CHARLES J. ELIA

the market as long as uncertainties neu-

D



George F. Will

WASHINGTON POST

# Preserving 'Commercial Feudalism' in the Airlines