

The original documents are located in Box 5, folder “Aviation Act” of the John Marsh Files at the Gerald R. Ford Presidential Library.

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COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

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

October 31, 1975

MEMORANDUM FOR: PHIL BUCHEN
Counsel to the President

FROM: Paul W. MacAvoy



Three 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
New York Times
Philadelphia Inquirer
Rocky Mountain News
Washington Post
Washington Star

You also might be interested in the following items:

Coverage by The Economist at Tab B.
Wall Street Journal analysis of the stock market effect at Tab C.
Perceptive column by George F. Will at Tab D.

Attachments



THE SUN

BALTIMORE, MONDAY, OCTOBER 13, 1975

A 12

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

How To Have Better Air Service

They don't want to see competition. They like the

Chicago Tribune

THE WORLD'S GREATEST NEWSPAPER

FOUNDED June 19, 1847

STANTON R. COOK, *Chairman and Publisher*

ROBERT M. HUNT, *President and General Manager*

CLAYTON KIRKPATRICK, *Editor*

MAXWELL MCCOY, *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 and would increase ridership nearly 20

The Dallas Morning News

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

Editorial Page

Dick West, Editorial Director

MONDAY, OCTOBER 13, 1975

Airline Fares:

Dollars and Common Sense

Debate CAB Reform Proposal

President Ford has initiated long-anticipated public debate on federal regulation of the airline

It is by no means a one-sided matter.

President Ford and his advisers in the Trans

A Ripe Time for Airline Deregulation

1458

12 12 75

NATIONAL
JOURNAL

© 1975

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The attorney, a former Civil Aeronautics Board (CAB) official, then added, "I've seen so many reform proposals go down the drain. They shake up too much opposition. The airlines, the unions, the mayors, the banks. All that opposition is still out there and Ford's

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 more attractive to mayors as well as to Members of Congress.

Time for change: There is, however, a more immediate

228 East 42d St.

SUNDAY NEWS

NEW YORK'S PICTURE NEWSPAPER

(212) MU 2-1234

OCTOBER 12, 1975

Published every Sunday by New York News Inc., 228 East 42d St., New York, N.Y.
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COME ON, TRY IT

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NEW YORK TIMES

Airline Competition

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PHILADELPHIA INQUIRER

Airlines reject more freedom

For all the ritualistic denunciations of the "heavy hand" of the Federal Government uttered at Chamber of Commerce and Rotary Club luncheons

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PRESIDENT FORD'S PROPOSAL to reduce sharply federal regulation of the airline industry is a big step in the right direction. The airlines long ago outgrew the tightly-knit regulatory system they needed in their infancy, and the time has come to try something else. Mr. Ford is right in telling Congress that the "something

has ever gone bankrupt, no matter how badly it was managed because the CAB has worked out solutions to financial problems by providing new routes or higher prices or by approving mergers.

It may well be that major changes will occur in the airline industry if Congress adopts a program along the

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Airlines

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-- TOM A SPECIAL CORRESPONDENT

Washington DC

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

By CHARLES J. FIA

The Ford administration's legislative proposal to reduce sharply federal regulation of airlines has surprisingly little impact on how Wall Street views the airline stocks. It changes very little the nature of

the market as long as uncertainties neutralize the expected improvement in fundamental business trends.

"We've felt all along deregulation moves have to be defined, and they have

cong.

November 12, 1975

MEMORANDUM TO: PAUL MAC AVOY
FROM: JACK MARSH

Paul, many thanks for your memo on the editorial reaction to the announcement of the Aviation Act of 1975.

The reaction was most interesting, indeed.

JOM:RAR:cb



NOV 1 1975

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It is by no means a one-sided matter. President Ford and his advisers in the Transportation Department claim that his proposed

Regulatory Focus

by Louis M. Kohlmeier

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Indeed, the carriers are pro-

Rocky Mountain News

Deregulating the airlines

SCHEDULED AIR CARRIERS have reacted with something like panic to administration proposals to deregulate the airlines, and Congress is almost as hostile to the idea.

been criticized as the creature of the industry it is supposed to regulate, and the criticism has often been deserved. Congress, of course, has been a willing party in all this.

Neither response is surprising, given the

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Airlines

**A dose of
competition**

FROM A SPECIAL CORRESPONDENT

Washington, DC

The question about President Ford's proposals to reform the Civil Aeronautics Board, sent to Congress on October 30, is not whether they are

the door wide to sales and swaps. Perhaps more significant, any "fit, willing and able" carrier could start up a new scheduled service between any two cities not already enjoying non-stop service. President Ford would also give a leg up to the more than 200 small air taxi operators who are bringing airline-type service to small towns and communities that the CAB-licensed carriers do not deem profitable. The CAB recently allowed them to operate 30-seat aircraft without becoming enmeshed in the restrictive CAB regulations. President Ford would allow them up to 55 seats. This will permit the smaller carriers to use more efficient and more comfortable turbo-prop aircraft.

The bill also seeks to bring about a limited deregulation of fares and rates.



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

By CHARLES J. ELIA

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the market as long as uncertainties neutralize the expected improvement in fundamental business trends.

"We've felt all along deregulation moves have to be defined, and they have been now to some extent, and that the fuel-cost situation has to be clarified, and it



George F. Will

WASHINGTON POST

Preserving 'Commercial Feudalism' in the Airlines

On Eastern Airlines flight 554 from Houston the other evening, a stewardess, smiling to take the sting from what any

of the state of Oregon, a beaver rampant on a field of blue.

I am not easily surprised, least of all by

of today's regulated political economy. The flag is, I think, a fair sample of what passes for competition in a thoroughly

(five—United, American, TWA, Eastern, Delta—have about 70 per cent of domestic business). This protects the industry from