Is Air Policy Shifting?

Strong faction within Administration is backing old idea of the chosen instrument for U.S. overseas airlines. Fight revolves around cases waiting President’s decision.

For the past few months, a behind-the-scenes political fight has been building up in Washington over U.S. policy on the foreign operations of American air carriers. This week the President had under consideration three route and certificate cases that will determine how that fight is to go.

All of the cases—the renewal of Northwest Airlines’ North Pacific route, the long-hanging Balboa interchange proposals, and the certification of Seaboard & Western Airlines—have one thing in common. Each involves a clash between the old “chosen instrument” idea, long pushed by Pan American World Airways, and the concept that there should be strong competition in the overseas airline field. The issue is clearer in some of the cases than in others. But it’s there in all of them.

• Receptive—There’s been a growing feeling in Washington lately that the idea of a chosen, or single, U.S. airline to compete abroad with the foreign, government-owned lines has been gaining ground. The recent report to the President on civil air policy by the Air Coordinating Committee leaned toward the chosen instrument policy. It said that while the national interest requires many international routes, we should avoid or eliminate uneconomic duplication of service between U.S. carriers.

The Northwest case—the most bitterly fought of the three now awaiting Eisenhower’s decision—has shown that there is considerable support for this chosen instrument policy.

Northwest is seeking renewal of its Seattle-Tokyo route, which it has been operating under a temporary certificate. The immediate issue is this North Pacific route. But tied in, indirectly, is a petition by Trans World Airlines to extend its New York-to-Bombay service into Tokyo. There it would be voted down by CAB in February, as it bounced back and forth between CAB and the White House. At issue is a plan for a dual system of interchanges, providing one-plane service from New York to Balboa. The effect would be a second, strong service competing with Pan Am and Panagra (50% owned by Pan Am).

In 1952, CAB sent President Truman a proposal that would join (1) Braniff Airways and Eastern Air Lines and (2) Panagra, Pan American, and National Airlines to provide the service. Truman did nothing with it, and Eisenhower sent the proposal back to the board for review. The board then decided to establish an independent airline by combining Panagra and Braniff’s international routes.

This plan failed because the companies couldn’t get together. CAB then went back to its original proposal—and this is the one Eisenhower has before him.

• Balboa—The Balboa case, which involves service between New York and Balboa, C. Z., has been in the air for three years, as it bounced back and forth between CAB and the White House. At issue is a plan for a dual system of interchanges, providing one-plane service from New York to Balboa. The effect would be a second, strong service competing with Pan Am and Panagra (50% owned by Pan Am).

In 1952, CAB sent President Truman a proposal that would join (1) Braniff Airways and Eastern Air Lines and (2) Panagra, Pan American, and National Airlines to provide the service. Truman did nothing with it, and Eisenhower sent the proposal back to the board for review. The board then decided to establish an independent airline by combining Panagra and Braniff’s international routes.

This plan failed because the companies couldn’t get together. CAB then went back to its original proposal—and this is the one Eisenhower has before him.

• Seaboard—The Seaboard & Western case has been back and forth for an even longer time than Balboa. Seaboard, which operates an all-cargo service across the North Atlantic, first filed for certification as a nonsubsidized freight carrier in 1947. Its petition, opposed by both Pan Am and TWA, was voted down by CAB in February, 1951, although the order wasn’t published until May of the following year.

In June, 1952, Seaboard filed for reconsideration of its case, and Truman ordered the matter reopened. Not until early this year, however, did the trial examiner bring in his report—commenting that the line be certified. Although CAB has not given any official sign of how it acted, Aviation Week, a McGraw-Hill magazine, has reported that it voted 3 to 2 in favor of certification.

Last week, after seven years of waiting, Seaboard sent a direct appeal to the President to act. In an open letter that appeared in several newspapers—among them the Rocky Mountain News and the Denver Post—Seaboard asked the vacationing President to up-hold the free enterprise system and grant Seaboard’s certification. Meanwhile, there were signs that new support was building up for its case—mainly among Republicans who feel a turn-down might give the Democrats welcome campaign ammunition.

Hollywood Takes a Spin

In Hollywood, Capitol Records has just O.K.’d plans for a new $2-million building that will go round and round (top) and come out 13 stories high. According to Capitol, it will be the world’s first round office building.

In Buffalo, trucks go up and down as workmen hit upon a novel idea for carting away debris from the roof of the New York Telephone Building. A crane lifts a truck six stories to the roof for loading (bottom), then lowers truck back to street. The company is adding a seventh story.