November 19, 1953

The Honorable Herbert H. Lehman
United States Senator
Washington 25, D.C.

Dear Herbert:

Four years after the enactment of the Civil Aeronautics Act of 1938 the Senate on March 31, 1940 adopted a resolution introduced by Senator Walter F. George of Georgia requesting the Civil Aeronautics Board to tell the Senate what it was doing to promote the air transport industry "at the maximum possible rate" and particularly "what steps the Board contemplates taking with respect to the issuance" of new certificates to new carriers. The Board told the Senate that it had adopted "an extremely liberal interpretation" of the law, but although 11 years have passed since the Board replied to the George resolution, freedom of entry remains a paramount issue and new certificates for the transportation of passengers in areas of great public demand have not yet been issued.

This is one of the reasons why in the 11 years since the George resolution was adopted repeated investigations have been initiated both by Congress and the White House into the problem of the expansion of air transportation and "the issuance of certificates to air carriers who were not engaged in air transportation on the date of the enactment" of the law.

The enclosed memorandum was drafted to outline in brief some background information with respect to this problem of Freedom of Entry into and Development of Trunk Line Air Transportation. The problem will be before the next Congress. As you know, President Eisenhower on September 23 of this year directed Under-Secretary of Commerce for Transportation Robert B. Murray, Jr. to make a study with the object of issuing "a clear and comprehensive statement of the aviation policies of this administration." Before the adjournment of Congress, Senator John Sherman Cooper of Kentucky was appointed chairman of a special subcommittee, composed of himself, Senator Griswold of Nebraska and Senator Johnson of Colorado to look into the matter.
Meanwhile the Civil Aeronautics Board has not as yet completed a study which was initiated in September 1951 after the Senate Small Business Committee had criticized the policy of the Board with respect to freedom of entry. In announcing this study 2 years ago the Board revealed its point of view by asserting that "the purpose of this proceeding is to consider the needs for services that are limited or controlled in such manner as to assure that they will be additional and supplemental to the presently certificated service and not in a mere duplication of such service." It is this policy of limitation and control which has been a continuing obstacle to the expansion of the air transport industry by the admission of new carriers through the issuance of new certificates, even though they ask no mail subsidy.

I hope that you will find the enclosed memorandum of interest and I shall appreciate any comments or queries you may care to make.

Sincerely yours,

Joseph C. O'Mahoney

The coming season gives every evidence of being a rainy, modest and a cold-breaker. Looking on from the outside I know much better time before lead leaves the garden. I hope you will fare yourself as well as we can as possible.