vestment (for terminal buildings), and Federal tax money (for control towers, landing aids, and runways).

During the last ten years the pace of airport expansion has lagged far behind the growth in air traffic, because (1) local governments have little political incentive (or expertise) to accurately forecast passenger demand, (2) Congress has let the annual appropriation for airport aid gradually decrease, despite constantly increasing requests for such aid, and (3) local taxpayers are becoming increasingly hostile to large-scale bond issues, especially for things which do not directly benefit them. Hourly capacity restrictions have already been imposed by the Federal government at major East Coast airports, because of the increasing congestion at terminals and on runways. When the 365-passenger 747 and the 300-passenger airbuses go into service in the next few years, only a handful of airports will have terminal facilities or access roads adequate for such large concentrations of people.

Radio Navigation Stations

The airways consist of a number of paths in the sky, defined by ground-based radio navigation stations (navaids). The Federal Aviation Administration (FAA) owns and operates the navaids and polices the airways. Anywhere above 3,500 feet and in the vicinity of airports, all aircraft must fly under FAA control. Although modern electronics and computer technology make nearly-automatic air traffic control technologically feasible, the FAA still relies on the early 1950's method of using navaids only as references, with all control and decision-making in the hands of a (human) FAA air traffic controller. Because of limited funding by Congress, there aren't enough controllers, their salaries are low, and their training is poor. Combined with the high volume of air traffic, these conditions make today's controller extremely overworked, in many cases literally a nervous wreck. Another consequence and cause, perhaps, of the controller shortage is the fact that these men are "daily forced to compromise with safety procedures"[1] in order to handle their workload.

The FAA's operations are financed out of general Federal tax receipts (the tax on airline tickets goes into general revenue, while the tax on aviation gasoline goes into the highway trust fund!) Thus, as long as there aren't many

[1] F. Lee Bailey, attorney for the Professional Air Traffic Controllers Organization, in *Aviation Week*, June 30, 1969, p. 28.

crashes, Congress is content to appropriate meager sums for the FAA.[2] The taxpayers, 60 per cent of whom have never flown at all, justifiably feel little desire to be taxed even further to provide airways for the mere 15 per cent who fly commercial airlines.

Finally, the airlines themselves present an interesting picture. Though nominally private companies, the airlines in fact are controlled by the Civil Aeronautics Board (CAB) in every essential aspect of their business. The routes between cities are divided up among the airlines as a huge cartel, originated and enforced by the CAB, thus making free entry into the market illegal. Likewise, it is nearly impossible for an airline to leave a particular market (by dropping a city from its schedule) – the "public necessity and convenience" must be served, apparently regardless of losses. The prices charged customers for a particular route are fixed by CAB in order to prevent "destructive" price competition. Price increases are permitted to the airlines only as a group, and price decreases, while allowed on an individual basis, must still be run through the mill of CAB.

[2] A graph on p. 53 of the May, 1969, issue of *Space/Aeronautics* illustrates the direct relationship between air crashes and Congressional appropriations for FAA facilities and equipment.

If companies in the steel industry tried to set up such an arrangement, they would be prosecuted by the Antitrust Division of the Justice Department. Indeed, the contradiction between the CAB's philosophy and the antitrust laws was illustrated last summer, when the CAB had to grant the airlines temporary immunity from antitrust action so that they could meet together to discuss coordinating their schedules, so as to relieve rush-hour airport congestion.

As if this were not enough, 13 local service airlines, which were formed after World War II with surplus aircraft and "temporary" subsidies, continue to receive on the order of $50 million per year in subsidy payments out of general tax revenues. Thus, taxpayers are forced to pay huge direct subsidies, in addition to the countless indirect subsidies they provide in the form of "free" airways, weather reports, landing aids, and mail contracts.

Victims of Intervention

The net result of these government activities is that at least three distinct groups of people are being victimized. First, the vast majority of taxpayers who do not use the airlines are being unjustly taxed so that those who do fly can have air travel at less than its true