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New York Airways Collection - United States Senate, March 8-11, 1965

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during those years there have been very few years where the airline were making any money at all.

As you point out, for the early part of those years, they were being subsidized by the Government. They stopped being subsidized by the Government a year ago. That was a magnificent and rewarding program for the United States to have undertaken in those years, because on the basis of a relatively limited amount of subsidy, they produced an industry that is able to pay the Government this year probably something in the neighborhood of \$100 million in income taxes and \$120 million in travel taxes, and to pay States millions of dollars in taxes, and to support the employment of 190,000 people, and to distribute \$9 billion in expenditures and receipts during the past year.

So that the subsidy program was one of the finest this Government has ever undertaken in terms of creating an industry.

It is that concept that I have been advocating here with respect to the helicopters because, with an additional \$11 or \$12 million, they have a good chance, an excellent chance of creating an industry which will do wonderful things in meeting the problems that have been so dramatic in the urban areas, problems that impelled President Kennedy to recommend the expenditure of \$500 million to solve urban transportation problems, and the Congress to create last year \$78 million to study and work on the urban transportation.

Now the airlines are making some money and they have lots of things to do with it. Lots of things that you, Mr. Chairman, are as familiar with as I am, and that is to improve trunkline and international airline reliability, to learn to land an airplane, to make blind landings, or to land an airplane under very low visibility with safety and reliability, to improve the air traffic control system through the acquisition of more gear in the airplane, to improve our reservations system by introducing electronic measures, to improve our baggage handling system by a variety of different methods, to improve terminals, and last, of course, but never the least, improve the flying equipment we have on the line.

We now have on order for delivery in the next few years \$1.5 billion worth of new flying equipment which is all designed to improve service for the Government.

I do hope that people, in looking at our industry when it has its first years of prosperity, won't get the notion that now is the time to get it. We are making about \$150 million or \$160 million this year.

The administration came forward at the beginning of this Congress and said that we should pay a 2-cent jet-fuel tax--\$75 million would be gone. We are having these requests for additional funds and on the same basis everywhere. We must not try to spend this money two or three times. It is awfully important that the airlines continue to make money in large amounts. So much about airline money.

Senator MONRONEY. Before we leave that, I thought we were spending several tens of millions of dollars in improving our airways traffic control. I didn't see any big hunks of money being appropriated by

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