

The original documents are located in Box 120, folder “Pan American (airline)” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.

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September 23, 1974

SUBJECT:

PAN AM

Why did the President slam the door in Pan Am's face and offer no assistance to one of our few U.S. Flag carriers?

GUIDANCE: The President did decide that it is not now fair to the Nation's taxpayers to ask them to support our U.S. international flag air carriers with direct cash subsidy payments.

However, the President does recognize the serious financial difficulties facing Pan Am and the importance of a healthy international U.S. flag airline system, and he has directed that a strong effort be made to improve the competitive climate in which Pan Am and our other international air carriers operate.

As you probably know, Secretary Brinegar briefed on the Pan Am situation last Wednesday at the Department of Transportation and announced some of the steps the Administration was taking to assist the carriers. He did mention that all of these actions could not be carried out entirely by the Administration. Most require cooperative action by others, including the CAB, and in some cases, action by the carriers themselves.

The President feels that this whole program, over the period of time proposed (1-12 months), together with the program of the international flag carriers, will help alleviate, and should solve, the situation of the U.S. flag carriers.

We do have a copy of Secretary Brinegar's press release which was distributed last Wednesday, which may be of further assistance.