

FROM: North American Aircoach Systems, Inc.  
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FOR USE MONDAY, JUNE 8, 1953

Former Senator Joseph C. O'Mahoney announced today that he had accepted a directorship of North American Aircoach Systems, Inc., and that he would be active in Washington as counsel and economic consultant to this company, the largest independent air-coach interest in domestic transportation.

O'Mahoney, recipient of the H. H. Arnold "Aviation Man Of The Year" award for 1952, a former first assistant postmaster general, and a leading Senate voice for 19 years against monopoly, charged that the "successful expansion of air transportation" stands in danger of liquidation today "because of a complete misconception of the purposes" of the Civil Aeronautics Act. The certificated, or "grandfather" carriers, according to O'Mahoney, have been contracting and merging, so that the original 16 are reduced to 13, and we may soon have "only 11 trunk carriers" in domestic air transportation. Only by opening the air to new capital and encouraging new enterprise can "the vast national resource of the air be fully developed".

O'Mahoney stated that North American has applied to the Civil Aeronautics Board for a certificate to bring air coach and air bus to 21 cities. O'Mahoney stated this application is justified for three reasons:

(1) A newly completed 25 year projection of air traffic--the most comprehensive study ever made of the potential of air economics -- which demonstrates that the certificated carriers "could more than triple their volume by 1978 and still leave enough for the 'youngsters' to equal

(more)

all the air business done in 1952". Senator O'Mahoney said this economic study, a 250 page document prepared by Robert R. Nathan Associates, would be presented to the C.A.B.

(2) A legislative study of the Civil Aeronautics Act, showing the original plan of Congress was that there could be "no exclusive right in the use of any air space". O'Mahoney's study demonstrates that the Act has been misinterpreted, and that the original intention of Congress was abandoned in the granting of exclusive routes and the banishing of new competition from the air.

(3) The management record of the North American Airlines group, which was first to fly transcontinental air coach, first to offer \$99 fares across the country, first to use high density seating in DC-3's and now in DC-4's, first to seek to offer 3 cents per passenger mile, thus introducing air bus, and only four days ago the first to offer reversible seat equipment for reasons of safety and comfort.

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