P.S. to the NEWS
by PHYLLIS SCHLAFLY

Box 618, Alton, Illinois 62002
Phone: 618-462-5415

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## GOVERNMENT OVERREGULATION

One of the biggest challenges faced by Congress as it returns to Washington this month is the public demand for big spending cuts without eroding popular government services. The best place to begin that surgical task is to cut out federal regulations that are unnecessary, stifling to the private enterprise system, and tremendously costly.

Nothing would be more in harmony with the new anti-tax wave so evident in last November's elections. Newly elected conservatives represent the growing opinion of American voters that the federal regulators often create more problems than they solve, and the taxpayers have to foot the bill regardless of whether the federal program succeeds or fails.

According to Professor Murray Weidenbaum of Washington University, compliance with unnecessary federal regulations costs the American taxpayers more than $100 billion a year. That is one fifth of the current federal budget.

This cost amounts to $1,750 for every family of four. Current federal regulations increase the cost of a new car by $666 and of a new house by $2,500. Business must pay about $10 billion in new capital spending each year just to comply with government regulations.

The airline industry in recent months provides a striking example of how free competition results in better products and better service to the consumers at lower prices. The highly competitive calculator, razor blade, and ballpoint pen industries have repeatedly proved that same lesson, but apparently it has to be re-taught to some people over and over again.

For many years until recently, the Civil Aeronautics Board controlled and set airline fares. The airlines could compete with each other in food, alcohol, movies, or courtesy, but not in the much more meaningful area of price which is what most

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passengers care most about.

A heated debate went on about the advisability of such government price fixing, with the airline executives arguing strenuously for continued regulation, and a coalition of political leaders arguing against regulation.

Finally, federal fare regulations were lifted by the then Civil Aeronautics Chairman Alfred Kahn over the strenuous objections of the entire industry which had predicted financial ruin. The result has been dramatic. The airlines have discovered that, when they lower their prices, they sell more of their services and make more profits.

The airlines have averaged a 20 percent increase in revenue passenger miles and, for the first nine months of 1978, set earnings records. United Airlines, the largest, had more earnings in those nine months than it ever had made before in a full year. These high earnings resulted despite the steep rises in operating costs and the lower discount fares.

As an example of the attractive low fares, World Airways of Oakland, California, and others offer a transcontinental flight for only $99 instead of the standard coach fare of about $230.

President Carter's frequent news-making announcements in foreign affairs cannot obscure the fact that the biggest problem facing most Americans is the galloping decline of our dollar. We see prices going up, but the real problem is that the value of our dollar is going down.

This problem is not going to be solved by more federal controls in the hands of the same people who caused the decline of the dollar by unnecessary federal regulations and extravagant deficit spending. Free competition is always a better solution than price control. The first place to start is the elimination of unnecessary federal regulations.

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