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PAN .AMERICAN CRISIS

If Pan American Airlines collapses, it will not be because the U.S. Government failed to come to its rescue, but because it has been the victim of the affirmative discriminations practiced by the U.S. Government.

U.S. airlines must buy their aircraft at the full market price, financed by paying interest charges of at least 12 percent. U.S. airlines operate in competition with foreign airlines that are able to buy American aircraft by means of loans provided by the U.S. tax payers through the Export-Import Bank at interest charges of about seven percent.

Over the past 17 years, the Eximbank has loaned $4.2 billion to nearly 100 foreign airlines for the purchase of more than 1,000 com mercial jets. Since U.S. airlines do not have access to this prefer ential treatment in securing loans and cutrate interest charges, their operating costs are significantly higher than foreign airlines.

For the carrying of international air mail, the U.S. Postal Service pays postage rates to foreign airlines that are five times higher than paid to U.S. airlines.

The U.S. Government_permits its foreign service and other em ployees, and employees of businesses and organizations financed by the Government, to travel on any airline they want. On the other hand, foreign governments require that persons under their jurisdic tion travel on their own country's airline.

The result is that, although 68 percent of the passengers who

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cross the North Atlantic are Americans, 58 percent fly on foreign airlines. Foreign governments spend a lot of money to advertise and persuade U.S. citizens to fly on foreign airlines, but U.S. airlines do not receive any promotional assistance from our country.

The U.S. airlines must pay large landing fees to land their planes in foreign airports, whereas foreign airlines pay only a very small fee to land their planes here. For example, Pan American and TWA must pay about $1,600 to land a 747 at London's Heathrow airport, whereas a British plane pays less than $400 to land a 747 in New York.

For years, Pan American transported soldiers in and out of Vietnam for R & R: minimal cost. And today, Pan American has the largest commitment of any U.S. airline to the Civil Reserve Air Fleet.

Yet, Pan American is the only U.S. airline that is not permitted to compensate for discriminatory treatment in international travel by having access to profitable domestic routes.

The gist of the problem, according to the Air Transport Associa tion, is that U.S. international airlines "must vie as free enterprises against competitors that are controlled and financed by governments, and must do so in a market in which both prices and the costs of doing business are also a matter of government edict." In addition, foreign airlines have almost unrestricted access to the U.S. passenger market, while U.S. carriers are severely hampered in their efforts to do business abroad.

The real question is not whether the taxpayers will bail Pan American out of its financial distress, but when is the U.S. Govern ment going to stop discriminating against Pan American in favor of foreign airlines?

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