

Those men operate really out of their homes for their field auditing work, but there are small offices in the other two cities. Then, everyone else with the Board is here in Washington.

Mr. THOMPSON. May I ask you one other question? When you award a new operating authority to an airline going to a city that may already have service by another air carrier, do you take into consideration—obviously you do—the economics of the situation, but just how much of a part does this play in trying to maintain a healthy situation between the airlines and the ability of the airline to carry out the operation?

I am thinking of the Northeast decision going into Miami. You weren't with the Board at that time, but it was a rather ticklish situation that developed. How much consideration in your deliberations do you give in making a decision that this carrier is going to be able to fly from "X" to "Y" and the impact that it is going to have so far as the financial stability of that carrier is concerned?

Mr. CROOKER. I think a great deal of consideration is given to the economics of the matter. We discussed a moment ago service to some of the small cities, and there are many places where service by more than one airline would not be economically sound.

Obviously, wherever a particular market will deserve two or more airlines serving, competition does a great deal for the public. When you get to the larger markets, of course, there will be more than two carriers serving New York to Los Angeles, for example.

Mr. THOMPSON. Then, would it be a policy of the Board to attempt to strengthen existing carriers by awarding them routes which may be financially rewarding to that carrier?

Mr. CROOKER. We discussed a moment ago, Mr. Thompson, the policy of trying to strengthen some of the local service carriers for this reason because it is essential that the total amount of subsidy paid be reduced in future years. So the Board some 2 or 3 years ago embarked on a deliberate policy of route strengthening for the local service carriers.

With respect to the trunklines which are not on subsidy, I think our purposes are largely two: Furnishing adequate and reasonable air transportation to the public, but at the same time trying to provide for the industry an appropriate rate of return on investment. The traffic between any two points would have a good deal to do with that.

Mr. THOMPSON. For example, in your Pacific case wherein you just made an award, did this have any bearing, for example, on Eastern's being awarded the southern route to Australia, say, over Delta or some of the other airlines?

Mr. CROOKER. Let me say that the examiner's decision was rendered in the middle of April. The Board has set that matter for oral argument the week of June 10.

Of course, the Board decision will then be sent to the White House for approval because this is an international matter. In view of the fact that it is a pending case, I hate to use it as an example because we still have a judicial function to perform in that particular one.

I think that in past cases the matter of route strengthening for profit to a carrier would have less to do with an award in a trunkline case than it would in a local service carrier case.

Mr. THOMPSON. Thank you very much.

Mr. FASCELL. I might just add, if I could, I am sure there will be plenty of evidence to satisfy everyone on the economics of it, partic-