A look at the president's program of anti-inflation

United Press International

WASHINGTON — President Carter's anti-inflation program at a glance:

Voluntary Pay Standard — Annual increases in wages and fringe benefits should not exceed 7 percent. Workers under already-signed contracts, or those earning less than $4 an hour, would be exempt. Standard applies not to individual workers, but to the average within these groups: management, employees covered by labor contracts, other employees.

Voluntary Price Standard — Individual firms should limit price increases to 0.5 percent below their average annual rate of increase during 1976-1977. If they cut wages more than a half percent in 1976-77, greater price deceleration will be expected. Standard applies not to specific products, but to a firm's average price. Firms unable to meet this standard must demonstrate that their before-tax profit margins are no higher than in the best two of the last three years.

Real Wage Insurance — Carter will recommend to Congress that groups of workers, who meet the pay standard, receive offsetting tax rebates "up to some reasonable limit," if inflation exceeds 7 percent.

Federal Budget — He plans to cut federal spending from its present 23 percent to 21 percent of the gross national product by 1980, a year earlier than planned, and cut this year's $40 billion federal deficit to $30 billion or less in the next fiscal year.

Regulation — A council will be set up to review environmental and other regulations in hopes of reducing their inflationary effects while still meeting their objectives.

Compliance — The program is "voluntary," but the government can encourage compliance with tools at its disposal, including limiting government purchases to firms observing the standards.

U.S. ends air controls

United Press International

WASHINGTON — President Carter has jubilantly signed the end to 40 years of federal control — and protection — of the airlines, and carriers were poised Wednesday for an "Oklahoma land rush" scramble to claim idle air routes.

Representatives of more than a dozen carriers have camped in line outside the Civil Aeronautics Board for a week, day and night, rain and shine, through heat and cold, to reap this first reward of the airline deregulation bill.

CAB officials said they would be admitted Wednesday morning — some trying to hang onto nonstop routes their lines have not used, others seeking to take over routes their competitors no longer serve.

The first carrier to ask for a specific dormant route will get it, but each must serve all the routes it requests.

United Airlines, the nation's largest carrier, was first in line.

CAB Chairman Alfred Kahn, who fought for deregulation and now is being sought by Carter as the nation's top inflation fighter, laughingly told reporters at the signing of the deregulation bill Tuesday the scramble for unused routes would be like "a second Oklahoma land rush."

The route rush was only the first sign of increased competition the deregulation measure is designed to produce. Carter, in a jubilant signing ceremony, said it also would fight inflation, promote low fares and open the way to the creation of new airlines.

The new law phases out federal regulatory activities dating back to 1938, including protections against competition and exemptions from antitrust laws.

It authorizes airlines to cut fares by up to 50 percent without prior CAB clearance, or to raise fares by up to 5 percent on "competitive" routes. Carter said this would let millions of Americans afford to fly for the first time.

It allows each airline to pick one new domestic or foreign route without prior board approval each January for the next three years, and makes it much easier for new airlines to be formed.

And it will phase out the CAB in three stages through Jan. 1, 1985, leaving airlines subject only to safety regulations and antitrust laws after that date. First the board will lose all authority over routes after 1982, over fares after 1983, and will go out of existence after 1984.

Airline officials cautioned against expecting major improvements in non-stop service as a result of the competition for unused routes. Although there are thousands of cities between which airlines have suspended non-stop service, they said, only a few hundred are financially attractive.