 civilians aviation policy.

MEMORANDUM BY THE MINISTER OF CIVIL AVIATION.

MY paper on Civil Aviation Policy* has now been discussed by the Civil Aviation Committee and I ask the approval of the Cabinet for the following proposals:

A.—The International Position.

2. I propose to adhere to the policy of regulation, but not restriction, of international civil flying. A bilateral agreement with the United States is a matter of importance. Arrangements are in train for negotiations to take place between officials of the two countries and I have drafted proposals to serve as a basis for these negotiations.

B.—Organisation of British Air Services.

3. I propose that my Ministry shall acquire and manage all transport airfields in the United Kingdom. This is necessary to secure orderly development.

4. In preparing a scheme for the operation of air lines I have had to take into account that past delays have placed us at a disadvantage, that it is imperative to get into the air as quickly as possible, and that plans have already gone some distance on the basis of the policy announced by the Coalition Government. I have therefore had to devise a short-term plan which will enable British air lines to begin operations with minimum delay and which will “dovetail” into any long-term arrangements eventually found desirable.

5. As an immediate policy and without prejudice to the future creation of additional corporations or subsidiaries, I propose that there shall be:

(a) A Commonwealth Corporation to operate the routes between the United Kingdom and the British Commonwealth and the United States. This would be the existing British Overseas Airways Corporation, with its capital wholly provided out of public funds. I have in hand proposals for strengthening the board of B.O.A.C., both in number and in quality, by a process of elimination and addition.

(b) A European Corporation to operate the routes between the United Kingdom and the Continent, and also the internal British routes. The participants would be B.O.A.C., the railways, the travel agencies and the short-sea shipping lines. I do not propose to find a place for the independent pre-war operators as I do not consider that they have a useful contribution to make. The Government through B.O.A.C. would have a majority holding.

(c) A South American Corporation to operate the routes between the United Kingdom and South America. The Government, through B.O.A.C., would have a majority holding and the other participant would be British, Latin American Air Lines (a consortium of shipping companies).

* C.A.C. (45) 3.
6. There must be a majority of public money in the European and South American Corporations in order to ensure that Government policy shall prevail, but there is room for argument about the holding which may properly be allotted to private money. The Civil Aviation Committee desire to limit private money in each of the European and South American Corporations to 20 per cent. of the total capital. (In the European Corporation, railway money would, for this purpose, count as private money, though it may be anticipated that the railways will be nationalised within the life of the present Parliament.)

7. My discussions have convinced me that the surface interests can give valuable help, especially in the early stages. They have a network of travel agencies throughout the world and experience in the handling of all forms of traffic. Their participation will assist to co-ordinate all forms of transport by facilitating the interchangeability of tickets, the carriage of luggage by surface routes while the passenger travels by air, the interlocking of time-tables and the provision of alternative means of travel if the weather should make flying impossible. I do not say that these things cannot be done without the participation of the surface interests, but their exclusion would add one more major difficulty to the onerous task of starting civil aviation and inevitably prolong the existing delays.

8. As the surface interests can make a valuable contribution in getting civil aviation started, they will expect a reasonable stake in the enterprise. I should like to have authority to negotiate within a maximum of 40 per cent. in the case of the European corporation and 33 1/3 per cent. in the case of the South American corporation.

9. I propose to make it clear to the surface interests that arrangements arrived at are without prejudice to any policy of complete nationalisation hereafter adopted by His Majesty's Government.

10. I propose to create a tribunal to watch the interests of the public and to hear complaints, especially with regard to the adequacy of the services provided by and the rates charged by the corporation.

C.—Prestwick.

11. The Civil Aviation Committee desire me to adhere to the undertaking with regard to Prestwick given on the 6th June by the Parliamentary Secretary of the day in these words:

"Pending the completion of Heathrow and its use as the main international terminal in the United Kingdom, the Government will arrange that British land-based aircraft on passage to and from Canada and the United States shall stop to pick up and set down at Prestwick. Even when Heathrow is in operation, Prestwick will continue to be designated, which will enable air lines of any nationality to pick up and set down passengers and freight at Prestwick."

The literal implication of the words I have underlined is that all land-based aircraft in passage to and from North America, no matter what their points of departure and arrival or what routes they follow, must call at Prestwick. I believe that what the Committee had in mind was that aircraft travelling from Newfoundland via the northerly route to London should touch at Prestwick, and whenever a stop at Prestwick is desirable on operational grounds I should certainly not wish to debar it. But I seek a ruling from the Cabinet that stops at Prestwick, or in fact anywhere, shall be settled on operational and not political grounds. Aircraft travelling between Hurn and America, for example, should not be required to make a compulsory stop at Prestwick, which would add 100 miles to the journey, apart from the time lost at Prestwick, and be a burden which I have no right to impose on the operators. If a similar obligation is imposed on foreign operators it will be a source of international friction; while if it is not imposed they will enjoy a valuable advantage of British air lines.

D.—Priorities in the Aircraft Programme.

12. The situation to-day as regards British civil aviation and its future prospects is dominated by lack of aircraft. The essential point is that progress in the production of civil aircraft will be impeded until it is laid down at a high level that civil aviation shall receive its appropriate peace-time priorities in labour, materials, contracts, and so on. The end of the war has not so far made
any substantial difference to the allocation of labour and raw materials between military and civil aircraft. At a time when the United States is starting operations all over the world our own progress reports on civil aircraft production are a melancholy story of delays, disappointments and retardations. I do not attribute this state of affairs to the handling of my requirements by M.A.P., but to the system of priorities as between military and civil requirements, which necessarily prevailed during the war. My officers are now discussing with those of the Ministry of Aircraft Production a civil aircraft programme for the years ahead. They are working in close conjunction with officers of the Air Ministry (for the R.A.F. programme) and with officers of the Admiralty (for the Fleet Air Arm programme). It is urgently necessary that I receive from the Cabinet a priority which takes recognition of the fact that hostilities have ceased and I ask that production of civil aircraft during the next few years should be given a priority similar to that which combat machines received during the war.

E.—Training.

13. In the Civil Aviation Committee and elsewhere, views have been expressed as to the desirability of a central training school for pilots and other aircrew. I prefer to permit the operating corporations to carry out their own training, for I wish to encourage different operating techniques in this early stage of air transport development and, furthermore, it is essential that operators should be able to satisfy themselves that their staffs are fully competent, since they must be responsible for the safety of their operations. The Committee agreed.

14. I am, however, giving further thought to this problem and am considering the possibilities of a central training college which would undertake the basic training of air-transport personnel, leaving post-graduate training to be carried out by the operators themselves.

Ariel House, Strand, W.C. 2,
12th October, 1945.