

British Air Services



MINISTRY OF CIVIL AVIATION

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BRITISH AIR SERVICES

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BRITISH AIR SERVICES

Principles and Objectives

1. His Majesty's Government wish to secure the universal acceptance of conditions which would ensure the orderly expansion of air transport. The nations, however, are not yet prepared to place their air services under the control of a single international owning and operating body and there is insufficient support to make possible the formation of such bodies on a regional basis.

2. Attempts at the Chicago Conference to achieve a plan of orderly development in the air were not successful. Accordingly, the plan which His Majesty's Government now present to Parliament is necessarily a national plan, but it has been so framed that it can be readily fitted into any future scheme of international organisation.

3. It is the policy of His Majesty's Government to endeavour to negotiate agreements with other countries in conformity with their ultimate objective of securing well-ordered development on a full international basis and so facilitate the later establishment of a multilateral Convention based on order in the air.

4. *Commonwealth Co-operation.*—Arrangements have been made for the fullest co-operation with the Dominions and Colonies. By agreement with the Governments concerned, services on Commonwealth air routes will be operated in parallel by independent national air lines under partnership arrangements which will provide for pooling of traffic receipts, avoidance of duplication, and common user of facilities required by operators and for equitable division of receipts and expenditure. If and when Dominion Governments so desire, these arrangements lend themselves readily to transformation into joint organisations for particular routes or into a Commonwealth Corporation to operate all Commonwealth trunk services. His Majesty's Government are prepared to negotiate with foreign Governments similar arrangements for the formation of joint undertakings to operate services on routes of mutual interest.

Corporate Structure of United Kingdom Air Transport Services

5. *General Principles of Organisation.*—In consonance with these general objectives His Majesty's Government have decided that air transport services of the United Kingdom, as a public service, should be placed under national ownership and control. This policy offers the best guarantee to the public of disinterested expansion of the nation's air services with economy and efficiency. It will make it possible as costs of operation are progressively reduced for the taxpayer to receive some benefit in return for the assistance he is required to provide during the initial period of State aided operation and, where this is essential, to develop uneconomic as well as profitable services.

6. In the present stage of development His Majesty's Government do not propose to entrust the operation of all services to a single Corporation. In reaching this conclusion they are influenced by the following considerations:—

(i) The need for flexibility in meeting current conditions of international competition ;

(ii) The necessity in the development of a new industry of this nature for encouraging different methods of approach to the techniques of airline operation and of avoiding placing sole responsibility into the hands of one managerial group.

(iii) the creation of a pool of knowledge and experience to meet the needs of the rapid expansion of air travel which is to be anticipated.

7. *Number of Air Transport Organisations.*—The number of air transport undertakings ultimately desirable in the national interest can be decided only in the light of experience. Initially, His Majesty's Government propose to establish three separate statutory Corporations with the following spheres of responsibility :—

(a) Routes between the United Kingdom and other Commonwealth countries, the United States and the Far East (the existing B.O.A.C.).

(b) Routes between the United Kingdom and the Continent and internal routes in the United Kingdom ;

(c) Routes between the United Kingdom and South America.

8. The Corporations will not compete with each other on the same route or in the same area and the desirability of creating additional operating units will be considered as expansion of services or the needs of particular services appear to justify. Each of the proposed Corporations will be managed by its own Board and its capital will be provided entirely by the Government.

9. *Constitution of the Boards.*—The size of the Boards must be determined by experience in the light of practical requirements but they must not be unwieldy. They will include members who can contribute expert knowledge of the major aspects of airline operation. Provision will also be made for members with experience of surface transport and others aware of the needs of users in general. This will facilitate co-operation in such matters as inter-changeability of air and surface transport services, co-ordination of time-tables and joint use of traffic booking agencies and other suitable facilities, and co-operation in the various aspects of common interest in the side-by-side operation of the different forms of transport.

10. *Training of aircrew and ground staff.*—The Corporations will be required to maintain the highest degree of operational efficiency and safety ; consequently they must have responsibility for the final training of their aircrews and ground staffs. Unnecessary duplication of training facilities must, however, be avoided and the possibility of combined arrangements for basic training is being examined.

11. *Maintenance and Overhaul of Aircraft.*—Day-to-day maintenance cannot be dissociated from the operations of the individual Corporations but some saving in the provision of facilities may be possible by the adoption of centralised arrangements. Arrangements for repairs and overhauls of airframes and engines will be made in accordance with a scheme laid down by the Minister of Civil Aviation in consultation with the Minister of Supply and Aircraft Production.

12. *Staff recruitment and welfare.*—Under arrangements made with the Air Council and Board of Admiralty, opportunities will be provided to officers and men of the R.A.F. and Fleet Air Arm to enter civil aviation. It must be borne in mind, however, that even the most flourishing civil aviation which can be developed in the immediate future can provide only relatively few openings for the large numbers of officers and men becoming available for release from the Services.

13. The Corporations will be required to ensure satisfactory standards in the conditions of service and welfare of all employees, and to establish machinery for the negotiation of remuneration and conditions of service with representative bodies of all classes of employee. The promotion of schemes to facilitate staff co-operation in the management of the Corporations will be encouraged.

14. *Interim arrangements.*—The policy set out in this White Paper will be put into effect at the earliest possible moment, but will require legislation. No delay in starting British air services, however, will be countenanced. Interim arrangements have been made to this end but supply of aircraft is the governing factor.

Relations between the Minister and the Corporations.

15. The major policy of air transport development and the broad range of the activities of the Corporations will be vested in the Minister of Civil Aviation. He will make all appointments to the Boards. His Majesty's Government, however, regard it as important that, subject to the requirements of their general policy, the Corporations should have the maximum freedom in the operation and management of the air services assigned to them. In deciding to set up three Corporations, for the purpose of securing the advantages of flexibility and initiative in the approach to the problems of air line operation, His Majesty's Government do not desire to stultify this policy by imposing unnecessary limitations on freedom of management.

16. *Fares and adequacy of services.*—Machinery will be established whereby, as regards internal services, the public will be enabled to make representations concerning fares, rates and adequacy of services. As regards fares and rates on external services, it is hoped that these will be settled by international agreement, full account being taken of the recommendations of the International Air Transport Association, a recently-formed Association of the international airline operators of the world.

Subsidies.

17. *Policy.*—It is the view of His Majesty's Government that air services should be made self-supporting as soon as possible. They will seek by international agreement to eliminate all forms of subsidy. H.M.G. recognise, however, that if air transport is to fulfil its function of providing services in the public interest, some measure of State aid may be necessary to support essential but unremunerative services.

18. *Basis of payment.*—As the capital required for the nation's air transport services will be provided from public funds, profits will enure to, and deficits will be borne by, the Exchequer. During an initial period, until experience has been gained of commercial operations with untried types of aircraft, any direct subsidy assistance which may be required will take the form of deficiency grants. During this initial period there will be more detailed control over estimates and expenditure than will be necessary when stability has been achieved. When experience has been gained under stable conditions, it is proposed to base any direct assistance from the Exchequer on a system of agreed estimates of costs and revenues which would be subject to annual review. To provide an incentive to economy, provision will be made to enable a Corporation to retain in the undertaking a proportion of any savings on estimated grants, to be expended on general purposes to be approved by the Minister with the agreement of the Treasury.

Airfields.

19. It is proposed that transport airfields required for scheduled air services shall be acquired and managed by the Ministry of Civil Aviation. Present and projected types of aircraft involve heavy capital and maintenance expenditure on long concrete runways and ancillary facilities. The revenue from landing fees would, in most cases, be insufficient to meet outgoings and State aid would be necessary. Moreover, many privately owned and municipal airfields, which have been requisitioned during the war have been developed at the expense of public funds and acquisition of these airfields by the State would be an economical and simpler solution of the problems of de-requisitioning. The State has, for many years, undertaken the provision of meteorological, radio and control services and, in the changed circumstances, it is a natural development of this policy that the State should own the airfields. It is not proposed that the State should acquire non-transport airfields such as those used by clubs or for training and private flying.

20. The international standards and procedures to be adopted in respect of airports, air traffic control, communications systems, air navigation aids and related questions are already the subject of investigation by a Committee on Air Navigation which is sitting at Montreal as part of the Provisional International Civil Aviation Organisation, which was set up at Chicago, and His Majesty's Government are anxious to co-operate to the fullest degree in the expansion of international agreement on these important matters.

21. His Majesty's Government, as an adherent of the Interim and International Air Services Transit Agreements concluded at Chicago, have accepted an obligation to provide the airports and ancillary facilities (including customs and immigration requirements) required for international air services. Under these Agreements each country reserves to itself the right to declare the particular airports which are to be opened to international air services, without discrimination to nationality or rates charged for landing fees. They will be equipped to the internationally agreed standards. Such airports, which are technically known as "designated" airports, should be selected with due regard to the line of the direct route on which the services operate. Until Heathrow is ready Hurn, near Bournemouth; Prestwick, in Scotland; and possibly one other airport will be designated as trans-oceanic airports. Heathrow will be designated as the long-distance airport for London and will be developed to the highest international standards required for trans-oceanic aircraft. Croydon and Northolt will be used as London airports for internal and European traffic in the period immediately ahead. It will be necessary to provide alternative airports for use when bad weather or emergency prevents landing at the airports designated for normal use. These emergency alternatives will be selected from among suitable available R.A.F. airfields.

22. It has already been stated that Prestwick will be designated as an airport available for international use and plans have been made for certain of our trans-Atlantic services to be operated *via* Prestwick. This decision is part of the policy to ensure that Scotland will be able to play its full part in civil aviation with regard both to services and to airports, by the opportunities provided for internal services, services between Scotland and the rest of the United Kingdom and direct services between Scotland and overseas countries.

23. Airports will also be provided in Northern Ireland, Wales and other parts of the United Kingdom to standards suitable for flying direct to the Continent as well as to other parts of the U.K.

24. The policy will be to locate airports to serve the needs of the public. But this small island cannot afford to have a multiplicity of airfields, and if the needs of civil and military aviation were kept quite separate there would be great waste. Arrangements are, therefore, being made for joint military and civil use of airfields where a balance of convenience and economy will result.

Compensation.

25. *Airline Operators.*—Payment will be made for physical assets taken over from airlines operating on 1st November, 1945, the date of announcement of Government policy. His Majesty's Government do not consider that there is any case for payment of compensation for goodwill. No compensation will be allowed in respect of any air line operations which might be commenced hereafter and which would have to be discontinued as a result of legislation to give effect to the policy of the Government.

26. *Airfields.*—Compensation equitable to both parties will be paid for airfields to be taken over from municipalities and private owners.

Aircraft.

27. It will be the general policy of His Majesty's Government to require the Corporations to use British aircraft types. As a result of wartime policies agreed with our Allies, transport aircraft were not produced in this country during the war, and the development of British civil aircraft has been interrupted since 1938. At the moment we are, on this account, placed at a grave disadvantage. Civil air services in the immediate future must, therefore, be built up on aircraft which have been developed from basic military types. These will be followed by aircraft mainly based on types recommended by the Brabazon Committee. His Majesty's Government are taking all possible steps to accelerate the production of civil aircraft both for the equipment of British air lines and for the export trade.

28. *Research and Development, and Design of Aircraft.*—Air line operation depends for its advancement on technical progress, for success or failure is more dependent on the type of equipment used than on any other factor. Creative research and development, therefore, is indispensable to advancement in an industry of which technical progress is the life blood. An air line, equipped with outmoded aircraft, no matter how efficiently its operations and business are conducted, will soon be outdistanced by another using aircraft of superior and more economical performance. The fullest emphasis will therefore be laid on research and development connected with air line operation. It is not proposed to set up a separate research department for Civil Aviation, but Civil Aviation is receiving equal status with other claimants in aeronautical research fostered by the State. Arrangements have already been made for representatives of the Ministry of Civil Aviation to join on an equal footing with representatives of the Services in the M.A.P. Committees which determine the allocation of design resources and the priority of development projects.

29. The characteristics required in civil aircraft can best be discovered or proved by experience in operation. There must therefore be collaboration between user, designer and producer of the aircraft. Arrangements have been made to ensure close and continuing collaboration between the air transport corporations, the aircraft producers and the responsible Government Departments. These arrangements will ensure that every facility is provided for the individual corporations to obtain aircraft incorporating the features they consider necessary to successful operation of their air services.

Other Flying Activities.

30. *Charter and Taxi Flying.*—Whilst it will be the primary function of the proposed Corporations and their subsidiaries to undertake regular air line operation to fixed schedules, they will also be empowered to undertake charter and taxi flying. It is not proposed, however, to reserve this latter field to the Corporations and it will be open to private operators to engage in charter and taxi operations, but they will be required to satisfy the safety regulations and to maintain satisfactory conditions of employment.

31. *Private and Club Flying.*—It is the policy of His Majesty's Government to encourage private and club flying and gliding, subject only to such restrictions as are necessary in the interests of safety. Notice has already been given that, by arrangement with the Secretary of State for Air, the Air Navigation (Restriction in Time of War) Order will be rescinded on the 31st December, 1945.

32. In presenting the foregoing outline of their policy, His Majesty's Government believe that their proposals offer the surest means of laying the foundations of our civil aviation to ensure its progressive, efficient and economical expansion in the public interest. It is their aim to bring this form of travel within the reach of all, so that opportunities may be afforded to forge closer understanding and association among nations. They consider that to place the nation's civil air transport under public ownership and control offers the best prospects of securing a flourishing civil air transport industry.

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