

CIVIL AVIATION . . .

the Ministry of Civil Aviation, 7,000 were engaged on these duties. Scheduled traffic in the London area was at the moment almost wholly confined to London Airport and Northolt, he said. This year B.E.A. would begin to use London Airport for their Ambassador services, and gradually their services would be transferred from Northolt either to London Airport or to an alternative, and the transfer would be completed probably by the end of 1955. Meanwhile the work of developing London Airport had proceeded and £8,500,000 had been spent to date on building and civil engineering works there.

Corporation "Competition"

Following this statement the first part of a prolonged discussion upon the subject of non-scheduled services operated by the Corporations started to develop. In answer to MR. G. WARD, MR. BESWICK said that such work would be incidental, not the main business of the Corporations, and if they entered into it they would not be employing their subsidy unfairly to compete against private operators. There were occasions when it was in the interests of the Corporation, in order to keep down its overheads, to employ in the off-season aircraft needed for seasonal traffic, and which if not employed on non-scheduled business would be wasted at some periods of the year.

Mr. Ward said that he could not understand Mr. Beswick's arguments—although the spirit of the Act said to the contrary, as agreed by the Minister of Civil Aviation of the day, and although specific assurances were given that the Corporations would not use their subsidy to compete against independent operators and would not use their position under the Act to do so, the Minister now submitted that they were perfectly justified in doing that. The principle was either right or wrong. If it was wrong, they should not be doing it by using their Stratocruisers as far as Egypt and then advertising seats on the way back to capture traffic from private operators. It was perfectly clear that if the subsidy was to be used to compete against the private independent operators, the Corporation was going to have an unfair advantage.

Mr. Beswick replied that he thought the test in this matter would be that if a particular charter operation resulted in an additional liability upon the taxpayer, then he would agree that the Corporations were embarking on business contrary both to the letter and the spirit of the Act; but if the Corporations took on a contract which had the result of reducing their subsidy and which therefore was not utilizing the subsidy to enable them to compete with other operators, then such an operation, he would say, was not contrary either to the letter or the spirit of the Act.

Answering A. CDRE. HARVEY'S question as to whether he could assure the House that every charter operation carried out by the Corporations had been carried out at a profit, Mr. Beswick said obviously he could not at that moment give an undertaking of that kind in respect of every individual case.

Scottish Affairs

At this point in the debate this argument was dropped for a time while Scottish and other matters were discussed. LT.-COL. SIR THOMAS MOORE (Ayr) talked at considerable length about Prestwick and the private company Scottish Aviation, Ltd. He said that Prestwick had become to Scotland a symbol of their sentiment and of the part which they were to be called to play in the future development of civil aviation. It was felt that Prestwick should be, in fact as well as in word, an international airport. Sir Thomas thought that all should pay a tribute to the impartiality, wisdom and sound judgment which animated the recommendations of the Clydesmuir Committee, and also to the statesmanlike judgment of the Minister in wholeheartedly accepting so many of its recommendations—but not all.

An international airport must largely depend upon adequate feeder services. On January 16th the Scottish Advisory Council announced that Scottish Aviation, Ltd., had been authorized to operate feeder services from Prestwick to Blackpool, Liverpool, Manchester, Birmingham, Leeds, Newcastle, Hull, Exeter and the Isle of Man. This sounded a lot, but the facts were that Exeter and the Isle of Man were purely seasonal work and the others were all inoperative for economic and technical reasons. Sir Thomas understood that the chief executive of B.E.A. and a representative of Scottish Aviation, Ltd., were shortly to have a meeting, with the blessing of the Minister, to see how this rather ridiculous situation could be cleared up.

MR. GRIMOND (Orkney and Shetland) said that there had been considerable dismay in Scotland over the decision to cut out for this winter—he hoped and believed only temporarily—the London-Edinburgh-Aberdeen link and the connection on to Orkney and Shetland. It was realized that there had been difficulties, but civil aviation in Scotland had suffered a setback.

MR. RALPH MORLEY (Southampton, Itchen) next spoke on the subject of flying-boats, and wished to know if it was a fact that

the Solents were making a profit in the last month of their operation and that the operating costs of the Hermes were greater than the operating costs of the Solent. He also referred to Aquila Airways, who were at present using Southampton Marine Airport, and hoped that whatever influences there might be at the top level in B.O.A.C. which were discouraging flying-boats, at least Southampton Marine Airport would be kept open.

In answer to a question from Mr. Profumo, Mr. Morley said he had come to the conclusion from information received from a large variety of sources, and from remarks made by Members opposite, that there was a personage at a very high level of B.O.A.C. who was not in favour of flying-boats and that his policy was to discourage them as much as possible. He knew the name of the gentleman, but thought it would be unwise to mention it in this debate.

Mr. Morley then quoted official reports and statements concerning proposals to operate the Princess flying-boats. He concluded: "We have therefore definitely been led to believe that Princess flying-boats will, when completed, operate from Southampton Marine Airport. Now I understand they are to be used as R.A.F. transports." These flying-boats would be finished and ready to operate in 1953, he added. To what use would they be put? Would they be chartered?

The Brabazon

MR. PROFUMO took up the question of the Brabazon, summing up his remarks by saying that we were led to believe that B.O.A.C. did not relish the idea of operating it. It was up to the Government, he thought, to produce a plan by which the operation of this aircraft could be made to work.

He wished to know also whether any consideration had been given by the Government to the use of the Brabazon in war. As it would be patently uneconomic to maintain a large Transport Command in peace-time the Government should have a clear-cut plan as to how to expand this essential service, making use of the resources of the civil airlines. Would B.O.A.C. continue to operate commercially? What role would B.E.A. have, and how far had any plans gone towards making speedy conversions?

All were agreed on one thing, said Mr. Profumo, that the charter companies would be switched over immediately to military transport duties. Therefore, if only for the reason of our rearmament programme, it seemed essential that we should have a thriving group of charter concerns, which should be encouraged and fostered by the Government. These operators should be assured of a normal development of their legitimate commercial activities and should not be hampered by the Minister of Civil Aviation, as he believed they were being at the moment.

These thoughts led Mr. Profumo to reopen the discussion upon charter operations. Two solemn assurances given during the passage of the Civil Aviation Bill were that the air transport corporations would not be permitted to compete unfairly in the air charter field, and that subsidies from the taxpayers' pocket would not be used to finance or pay for charter work by the Corporations. It was patently obvious that these two promises had not been kept. We had only to look at the B.O.A.C. report of last year to see that six-million-odd capacity ton-miles were flown on charter work, which was an increase of three million over the previous year. There was a note on the report to say that this was largely due to the Berlin Airlift. But could that be so with three million capacity ton-miles? This seemed to Mr. Profumo to be a further encroachment into the charter field. It was somewhat natural that the Government should give priority to their own air Corporations when they wanted charter work done, but an analysis of the report showed that, far from making a profit, a loss was made on charter work by B.O.A.C.

G/C. WILCOCK remarked that many felt that it was quite wrong for the Corporations to do charter work, but Members opposite could not have it both ways. If they were continually pressing for a profit to be made, then the people at the head of these Corporations would go out for business.

MR. PROFUMO said that G/C. Wilcock had pointed out that although the report showed that during the period under review there was a surplus or profit on charter or "Other than Schedule Services" of £260,272, there was, in fact, no charge shown under the heading of "Operating Overheads." In the report, operating overheads were divided into "Sales Publicity, Technical Training and Development, Central Supplies and Organization and Administration." It was quite clear to anyone who really studied the report that there must have been overheads incurred in this charter flying. Elsewhere in the annual report it stated that the operating overheads of the Corporation as a whole during that period were 12.9d per capacity ton-mile. Dividing the total capacity ton-miles flown, exclusive of charter work, into the total cost of the operating overheads, the figure came to 14.4d per capacity ton-mile.

It was only by adding in the mileage flown on charter flights that one came anywhere near the figure given in paragraph 72