CIVIL AVIATION NEWS

that the position of Skyways appeared somewhat complicated, but he maintained that they were running luxury tours to Switzerland at the moment because B.O.A.C. is not itself yet ready to run such tours. In any case, in regard to those particular flights, Mr. Thomas asserted that while they were perfectly legitimate under present law, they might well be in an entirely different position if the new Civil Aviation Bill receives the Royal Assent!

The suggestion that, although it might not be worth the Government Corporation's while to start a scheduled service to some remote place which, nevertheless, a number of people wanted to visit, it would still not be legal, instead, for an enterprising charter company to undertake such a service, was pooh-poohed by Mr. Thomas. He declared that what was worth while for a private operator was worth while for the Corporations. As it was clear from this reply that a scheduled service even of this kind would be the perquisite of the Corporations, the question was quite rightly raised as to what happened if the Corporations refused to undertake the work—to which the answer is that, if the Corporations are unable, owing to the full use of their aircraft, to undertake the job, it would be open to them to invite a charter company to do the work as an agent. Such is now being done, in fact, in the case of Skyways.

However, two clear decisions have been given by the Parliamentary Secretary which should cause the charter operator to take heart. First, it has been made clear that as soon as the Civil Aviation Bill is law, private companies will be entitled to start running regular air ambulance or air rescue services anywhere in the country, even though there may be an existing service on the same route; and, secondly, that, as the Bill is confined to the United Kingdom, British charter firms will be able to take all the business they can get in foreign countries with, it seems, a blessing from the Minister of Civil Aviation—provided that they not only comply with the municipal laws which apply in that country, but also with any agreement into which this country has entered with the other nation concerned for the regulation of charter flights.

Another Civil Aviation Debate

More About the International Agreements : The Anglo-Eire Situation

APART from the points which were raised concerning our production of and orders for civil transport aircraft, the outstanding questions during the debate on Civil Aviation—which took place in Committee of Supply on the Civil Estimates in the House of Commons on June 26th—concerned the terms of the various agreements made with other countries and the Dominions. As pointed out in last week's issue of *Flight*, the Parliamentary Secretary to the Ministry of Civil Aviation was at great pains to convince the Committee that there was no cause for disquiet over any of these agreements, particularly those with Italy and with Eire, about which there has been much controversy.

On the subject of agreements generally Mr. Thomas said that these might range from plans for giving managerial and technical advice on a commercial basis, to the setting up of joint companies in which one of the British Corporations had a substantial capital holding and was proportionately represented on the Board. As examples of the first arrangement he cited Iraqi Airways, and also Middle East Airlines in the Lebanon, both of which were operating with technical advice from B.O.A.C., while in the Sudan a national company had been formed, with a British firm, Airwork, Ltd., responsible for flying and technical services on a managerial basis.

When dealing with the policy of joint companies the Parliamentary Secretary pointed out that they were oversea companies—generally foreign—in which a majority British "holding" would be rightly resented. Such companies would fail in their purpose unless they had the goodwill of the countries concerned; there would also be international complications. Mr. Thomas was satisfied that, under the Final Act of the Chicago Conference, a country might refuse rights to the air lines of another country if it were not substantially owned and effectively controlled by the latter's own nationals.

On the subject of the Anglo-Italian Agreement, Mr. Thomas's explanation of how it came about did not conform with the stories of international complication which had been indicated in all previous reports. Instead, he suggested that the Agreement had been arranged in the most prosaic manner and had arisen, in the first instance, from an invitation from the U.S. delegation at Bermuda to participate in an agreement which was already in an advanced stage of negotiation between Trans-World Air Lines and the Italian Government.

Nothing in the Agreement prevented a U.K. corporation from operating services between this country and Italy, subject to the terms of a bilateral agreement which would, in due course be negotiated with Italy. The French Government had been kept informed of the negotiations, and provision had been left in the Agreement for French participation at a later stage.

When Mr. Thomas turned to the Anglo-Eire Agreement, he first of all explained the terms of the annexe in detail and suggested that, in the present state of aeronautical development, it was essential that trans-Atlantic aircraft *flying over Eire* should land at Shannon Airport, and it was therefore no hardship to accept the obligation of a compulsory stop there. He pointed out, however, that we were under no obligation always to fly over Eire en route to the U.S. or Canada.

Regarding the provisions of the agreement over Aer Lingus, the Parliamentary Secretary made the point that the policy that two countries, especially when they are adjacent, should pool their resources, had much to commend it on grounds of commonsense and economy. The arrangement with Eire, however, went beyond the mere integration of services. In fact, it extended the services radiating from Shannon to various European capitals, and these were services in which the U.K. or its air lines could claim no independent interest, and on which, obviously, we could claim no priority. He insisted that the Eire Government was under no obligation to accept our participation in these Continental services and *might equally well have invited a foreign operator to participate.*

Cabotage Rights

The joint company would have the monopoly of cabotage rights between Shannon and Dublin, in which the U.K. carrier by itself would have no title to cabotage rights. It was only equitable, therefore, that the U.K. should grant some such rights in return. Explaining why it was agreed that Eire should hold 60 per cent of the capital, he pointed out that the joint company was to operate services from Eire to a number of European countries, and that, under the Chicago Agreement, any of the latter would be entitled to refuse rights to this company if substantial ownership and effective control had been in other than Eire hands.

On routes between Eire and the U.K. profits and losses would be shared equally. With regard to the other routes, however, the Eire authorities had pointed out—"with justice," said Mr. Thomas—that, but for the agreement the U.K. would have no claim to be associated with operations on these routes; that we were benefiting in many ways directly and indirectly from the partnership; and that it was equitable that, in return for these benefits, we should bear 50 per cent of any losses incurred. Any profits, however, on these same Continental services, would be divided in a ratio of 60 per cent to Eire and 40 per cent to the U.K.

A number of other agreements were mentioned during the course of the Debate and, in addition to those which have already been dealt with in *Flight* at various times, the Parliamentary Secretary said that negotiations had been in progress with Uruguay, Chile and Brazil, and that agreements with those countries were now being studied by the Governments concerned. Further, other agreements had been generally settled with the Netherlands and with the three Scandinavian countries. In the case of Belgium, we had virtually reached an agreement, but we had now suggested that its terms should be modified to coincide with the Netherlands agreement.

Mr. Thomas claimed that the pattern of our air agreements was thus practically complete. It could not be absolutely complete, however, until we had an agreement with the Soviet Union. He added that the Foreign Secretary himself had proposed to M. Molotov that negotiations should be opened with the Soviet Union for air services on a reciprocal basis between London and Moscow, but M. Molotov had not, at the time, "felt able to agree."