

Setting British Air Transport Free

Extracts from a paper prepared by Mr N. Ashton Hill* on the appointment of the Edwards Committee of Inquiry into British air transport

"It is fair to ask why the industry itself cannot put its own house in order, especially at a time when world air traffic is booming . . . The reason is not hard to find. It stems from the gulf which has been created in the UK between the nationalised corporations . . . on the one hand and the independent air transport companies on the other. This gulf has widened over the years, largely as a result of political indecision by successive governments." The Minister responsible for British air transport, now the President of the Board of Trade, "has a dual role. He is responsible for the financial results of the nationalised corporations; he is also the final arbiter in all air licensing matters, which frequently entail deciding issues between a nationalised corporation and an independent company."

IN THESE WORDS Mr Ashton Hill outlines the present situation—adding the hope that, as a result of the inquiry, "this industry may be set free to take a vigorous and active part in the future growth and the improvement of service to the travelling public." In the first part of his paper he explains the basic ingredients of British air transport—the various organisations concerned, the operation of airports and air traffic control, and, finally, the licensing system and the bargaining for traffic rights on the world routes. Even though we are no longer a colonial empire, "the scope which now remains . . . is too vast to be left for its development and exploitation to a single British air carrier." The effect of bilateral agreements on British air transport "is very great indeed and they can nullify the effectiveness of control by any UK licensing system over international scheduled services."

Looking back at history, he points to the way in which the Civil Aviation (Licensing) Act of 1960 left the two nationalised corporations with transitional licences having no terminating date and no limitations on frequency, whereas the licences which the independents had previously acquired on "fringe" routes were limited in period and frequency. The nationalised corporations—with their prior monopoly, the terms of the bilateral agreements, and the unrestricted nature of their transitional licences, containing no expiry date and no frequency limitation—have been able successfully to thwart the introduction of many international scheduled services on routes for which the independents have been licensed.

"There are countless examples, but two illustrations will suffice," writes Mr Ashton Hill, "to demonstrate two different situations:—

"(a) London-Paris is now the densest route operated from the United Kingdom and the densest in Europe. In 1966, 1.2 million passengers were carried: this compares, for the same period, with London-New York (700,000 passengers), the second densest, and London-Glasgow (600,000 passengers), the third. There are only two scheduled airlines serving London-Paris—BEA for the UK and Air France for France. They take up 'equal capacity' on the route under the strict terms of the UK-France bilateral agreement. In 1961 British United Airways was licensed to fly a once-daily scheduled service on this route, but has been unable to get clearance from the French authorities because BEA and Air France have already established a pool agreement, and Air France naturally opposes the introduction of BUA, unless BEA gives up a frequency in exchange. The result is much more serious however; the inability of BUA

to introduce a single frequency may not of itself be important, but the ability of the BEA and Air France to monopolise the route has led to the travelling public having to accept such service as is offered. Travellers between London and Paris will give their verdict.

"(b) Manchester has never had a scheduled service to Nice. Eagle Airways first applied for a licence in 1954, and would have been granted one had the UK government been able to secure French clearance. London-Nice was then and still is served jointly by BEA and Air France. Here again, Air France opposed the introduction of another British operator (Manchester-Nice) unless BEA gave up corresponding frequency on the London-Nice route. There have been further applications for the route, the last being by British Eagle, when it was granted a licence in 1961. Needless to say, the service has never received clearance from the French and, while the present bilateral position remains, it seems certain that Manchester will never have its service."

Discussing the British licensing system he has this, among other things, to say: "The first and paramount defect appears to be in the wording of Section 1 of the Act, which charges the ATLB with the duty of 'furthering the development of British civil aviation.' In contrast, the American legislation imposes upon its regulatory board the duty of 'public convenience and necessity.' There is a great difference, especially as British air transport virtually started as a nationalised industry. The interests of an air carrier and the travelling public conflict at many points. The carrier seeks high load factors; these are achieved by limiting frequency of operation and channelling 'feeder' traffic to London for international destinations."

Appeals Paradox

The appeal procedure is described as "paradoxical." The paper comments that "decisions of a board composed of six to ten members are subjected to re-examination by a single commissioner, who reports to the Minister, who in turn can accept or reject the commissioner's recommendation—or virtually come to any decision that the Minister thinks fit. It would be simpler for the Minister to say 'yes' or 'no' at the outset and thus eliminate the costly and time-wasting procedures of a board hearing and an appeal. One of the most glaring examples has occurred recently where the board examined competing claims for a new route London-Algiers and awarded a Class A licence to BUA. BEA appealed and, despite the appeal commissioner's recommendation that the appeal should be dismissed, the Board of Trade revoked BUA's licence and granted it to BEA.

"The composition of the board [ATLB] is laid down in the Schedule to the Civil Aviation (Licensing) Act 1960; two of its six to ten members are appointed chairman and deputy chairman and are full-time. There is a strong body of opinion that the board is too large; and this body favours the establishment of a very small board comprising three members, of which the chairman has legal qualifications, and the remaining two members are persons acquainted with aviation and air transport matters. Such a board should be supported by an expert staff comparable with that of the Civil Aeronautics Board in the USA.

"The board's staff should have full access to all statistical information and there should be compulsory disclosure of all information. The present system has suited the convenience of 'the establishment' (the established air carriers) because it has enabled the traffic position to be disguised. Little blame can be attached to a carrier who uses the present 'woolly' regulations to withhold information which would be disadvantageous to his case; there will always be greater reluctance to disclose

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