

7.

A system of this kind should, in theory, prove the most economical in operation, owing to the advantages of rationalisation and large-scale operation; it would supersede all national companies; above all, by securing the abandonment of air transport as an instrument of national policy and by its control over ground facilities it would contribute substantially to the security and harmony of the world.

But such a system would embrace internal as well as external services. An organisation of such magnitude might be complex and unwieldy, and might be in some danger of collapsing under its own weight. Both to provide against this possibility and for purely administrative and operational reasons, devolution of its functions on a regional basis would be essential. Devolution would entail the risk that, if any region were allowed to develop too great a measure of autonomy, it would provide an opportunity for monopoly to any powerful and unscrupulous nation and would encourage rivalry between the regions. This tendency would be particularly unwelcome to the British Commonwealth, whose members would in any case fall into different groups. It would be necessary, and in our view/impossible, to guard against this danger by ensuring that the regional groups exercised only delegated authority and that the control of policy remained securely in the hands of the international organisation.

The fundamental difficulty, however, inherent in a scheme of complete internationalisation is that, in our view, large territorial units such as the United States, the U.S.S.R. &c., would be unwilling to resign their internal services to an international authority."

(2) Internationalization excluding internal services.

The second form of internationalization provides that states have the right, if they so wish, to reserve the operation of their internal services for national companies while allowing full facilities to the international authority for the operation of the international services. It is assumed that countries like the United States, the U.S.S.R., China and Canada would reserve their internal services for their own national companies. The main difficulty would be the definition of the word "internal". An argument against permitting reservation of

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