

2.

3. As a result of a consideration of the Barlow report the United Kingdom government has recently informed us (D.O. circular telegran No. 206 of April 7) that it seems to them that the time has come when it would be desirable for them to take the lead in approaching other governments and in particular the United States government on the subject of post-war civil aviation. The United Kingdom government has concluded that the best course is for them now to put forward the proposal of full internationalization after the war of all air transport services. They think it would be desirable that the first approach be made to the United States government and they hope that Canada and the other nations of the Commonwealth will agree to join with the United Kingdom in commending the proposal to the United States government. If the United States or other governments reject the proposal then they should, in the opinion of the United Kingdom government, be invited to propound their alternative plan for making adequate provision for the necessary development of air transport without imperilling security or provoking a serious clash of national interests.

PART TWO

ANALYSIS OF THE REPORTS

REJECTION OF PRE-WAR SYSTEM

4. The signatories of the various reports are unanimous in rejecting as undesirable a return after the war to the pre-war system of cut-throat competition between national airlines and the "closed air" policy. Their argument runs as follows:

The development of civil air transport was greatly hampered before the war by nationalistic aims and by international jealousies. So far, at any rate, as nations outside of North America were concerned, international air transport engendered distrust between nations and reflected international jealousies. In order to establish national air lines on international routes, large government subsidies were given, and thus heavy burdens were placed on taxpayers for the satisfaction of national prestige and for the creation of a war potential. These expenditures from government funds were out of proportion to the value of the transport services rendered.

... 3