

and other post-war questions in a spirit of friendship and collaboration. Fierce resentment might thus be engendered and competition of the most pernicious kind might follow, as a result of which all prospect of setting up an international order of any kind would be frustrated.

The rest of the Committee hope that, with careful handling, the danger of such a reaction from the United States might be averted. They feel that the United States could not, if they had rejected full internationalisation without reservation of internal services, justifiably sustain their objections to a scheme of this kind. Not only would the main field of the enterprise be the eastern hemisphere, but the scheme could not be considered unreasonably restrictive of American air development. It would contemplate United States air enterprise, by agreement, in services operating between the area and other parts of the world, and would permit of operation by the United States companies, on a reciprocal basis, across the international territory. Indeed, it seems probable that, within the framework of such a scheme, the political and economic difficulties which United States air enterprise might expect to encounter would be less than if the air-minded European countries had to meet American competition single-handed. The scheme might, in fact, make possible a nearer approach to freedom of the air than would be conceivable if the air were left to national rivalry."

9. The Finlay report contains the text of an annotated draft international convention for the internationalization of air transport. The organization is patterned after the structure of a commercial company: shareholders, board of directors, operating executive. A world airways authority composed of representatives of each member state would meet annually to appoint an air board of control and to examine the annual report of the board. The voting power of each state in the authority would vary according to some objective formula. The board of control would constitute, supervise and control an international aircraft operating executive which would operate the world airways. The capital of world airways should, if possible, be furnished by the international investment corporation.