

● *PSF Aviation*

*May - Dec. 1944
and Undated*

Subject File

PSF Aviation

Box 116

PSF: Aviation folder

DEPARTMENT OF STATE
WASHINGTON

MEMORANDUM TO THE PRESIDENT

May 19, 1944

CIVIL AVIATION: SENATE INQUIRY

Secretary Hull asks me to advise you as follows:

Following the London talks, Beaverbrook spoke in the Lords. Published reports quoted Beaverbrook as accepting an "American plan * * * based more along the lines of the four freedoms of the air--the right to fly, to land, to set down passengers, mail and cargo, and to pick them up anywhere in the world". The text of Beaverbrook's speech does not justify this press report.

But, after a quite proper account of the talks, Beaverbrook then made the following statement: "The President has made certain proposals for the future of international civil aviation. He has declared for the right of innocent passage for all nations throughout the world and for the right to land anywhere for refueling and other non-traffic purposes. And I am authorized by the Prime Minister to say that we join with the President to the fullest extent in subscribing to these principles."

This seems to take off from your press conference of October 1, 1943. In discussing air bases built by United States money for war purposes, your press release stated: "Mr. Roosevelt said objectives were simple and that was that the air was free with one limitation. He said he had talked the matter over with Prime Minister Churchill and various other of our Allies and they all felt that the internal aviation program should be handled by each country involved." The limitation was reservation of the right to cabotage traffic. You did not discuss commercial entry.

You will recall that opposition to this was widespread and that accordingly in the London talks we suggested that the right of innocent passage be contingent on agreements giving legitimate commercial rights, and subject to national sovereignty.

Attached, the Senate's letter of inquiry, and a proposed answer interpreting your statement in the above sense. I think this should satisfy the situation. Could you indicate whether the answer is satisfactory?

Enclosures:

From Senators Clark and Bailey,
dated May 13, 1944;
Draft reply to Senators Clark
and Bailey.

As Alfred Bailey

COPY

UNITED STATES SENATE
Committee on Commerce

May 13, 1944

Honorable Cordell Hull
Secretary of State
Washington, D. C.

My dear Mr. Secretary:

You will find herein attached a clipping from the New York Times for Thursday, May 11th, being an Associated Press dispatch from London which has been reprinted in the Congressional Record. The contents of this dispatch have given considerable concern to many Senators and especially those who constitute the Subcommittee on Aviation, being a Subcommittee of the Committee on Commerce.

It is not necessary to repeat the contents of the press report, but your attention is called to the fact that Lord Beaverbrook, speaking in an official capacity and with reference to the conference attended by your Assistant Secretary, the Honorable Adolph A. Berle, Jr., stated that he was favorable to what he referred to as the "American Plan" respecting post-war international aviation. He went on to describe the "American Plan" as one "to curtail competition, based more along the lines of the Four Freedoms of the air - the right to fly, to land, to set down passengers, mail and cargo, and to pick them up anywhere in the world."

We have been in frequent conference with Mr. Berle and we did not gather that an American Plan had been determined, and certainly we did not gather that the plan would include any right of air transportation organizations of nations to set down passengers, mail and cargo anywhere in the world.

In view of the impression created by Lord Beaverbrooks' statement, the Subcommittee feels it should have more information. We desire a full report of Lord Beaverbrooks' statement, and if the State Department is prepared to give us a statement of its views in the premises we would greatly appreciate it.

I may say to you that the Subcommittee of the Committee on Commerce has been working with great diligence upon studies with a view to framing or making a contribution to framing an air policy from the standpoint of Congress. We hope to prepare a report in due time and we will be glad

COPY

- 2 -

to submit at any time the data we have gathered and copy of the hearings. We wish to cooperate with the State Department and we are happy to say that so far we have had no reason to complain in this matter. Mr. Berle has been quite considerate and our conferences with him have been of a character tending to make for the best relations.

With every good wish and with great respect,

Very truly yours,

(Signed) Bennett Champ Clark
Chairman, Subcommittee on Aviation

(Signed) Josiah W. Bailey
Chairman, Committee on Commerce

enclosure

BRITISH AIR POLICY IN LINE WITH OURS

Beaverbrook Announces Shift
From Canada's World Rule
Plan to '4 Freedoms' Idea.

LONDON, May 10 (UP)—Great Britain "reluctantly" has abandoned a Canada-backed post-war plan for central international control of civil aviation and has turned toward the American-sponsored idea of a "Four Freedoms of the Air," Lord Beaverbrook announced in the House of Lords today.

Lord Beaverbrook, Lord Privy Seal and charged by Prime Minister Churchill to form a post-war aviation program for the British Empire, said Britain had at first favored the Canadian plan, with its system of allocated quotas, but had turned to the American plan following United States opposition to the Canadian proposal.

The American plan to curtail competition by fixing standards and rates, Lord Beaverbrook said, was based more along the lines of the Four Freedoms of the Air—the right to fly, to land, to set down passengers, mail and cargo, and to pick them up anywhere in the world.

Lord Beaverbrook said the British delegation went into the conference here recently with Adolf A. Berle Jr., United States Assistant Secretary of State, favoring what is known as the "Canadian draft convention" which "laid down a detailed plan for an international regulating authority of frequencies of air service and national quotas for international air traffic."

Too Rigid for Americans

"This program," he continued, "was considered by the Americans as too rigid as a basis for talks at the proposed international conference."

This conference will be held later this year, probably at Washington.

The broad purpose, Lord Beaverbrook explained, "will be to draw up an international convention on air navigation to be supplemented by an international transport organization which would evolve standards, seek to eliminate uneconomic competition, work out for each nation a network of participation in world transport, and maintain a broad equilibrium between air transport capacity and transport offerings."

"On these general principles, the United States and Great Britain are in agreement. The powers of enforcement will be open to further discussion."

Noting that President Roosevelt had proposed for the future the right of innocent passage for all nations and the right to land anywhere, Lord Beaverbrook said he was authorized by Mr. Churchill to say:

"We are joined with Mr. Roosevelt to the fullest extent in subscribing to these principles."

Amid cheers, Lord Beaverbrook declared that the United States was prepared to make long-range aircraft available to Great Britain on a non-discriminatory basis for civil aviation during the post-war period of adjustment of British plane production.

New Types of Craft Designed

He said he was able to give such assurance on the authority of Mr. Berle. But Britain, he emphasized, was not content to rest alone on the United States supply and everything possible would be done to provide Britain with her own passenger and commercial planes.

"We must admit," he said, "that the United States has a long lead over us in air transport, but we have a number of excellent designs for new types."

The arrangement by which the United States agreed to construct bombers while Great Britain concentrated on fighters was "an ad-

RUSSIAN LIQUOR IS A CASUALTY IN CHINA



The label from a bottle of the Soviet's fiery beverage shows the "versatility" of the distillers in Chungking. George Alexanderson, New York Times photographer on war leave, in forwarding the label reported that Vodka was just as terrific as Vodka. The New York Times

mirable division of responsibility for war purposes," Lord Beaverbrook added, but it "plainly conferred on the United States advantages in post-war manufacture for the civil aviation market."

Outside Parliament Lord Knollys, chairman of the British Overseas Airways Corporation, told a meeting of the Royal Empire Society that the United States Air Transport Command had been flying planes from San Francisco to Australia by way of Honolulu in "well under forty-eight hours."

"Chosen Instrument" Status

By Wires to The New York Times.

LONDON, May 10—In answer to a question in the House of Lords today as to the status of the "chosen instrument" policy by which the British Government now controls and operates airlines, Lord Beaverbrook replied:

"It is just as it was. It is fixed by statute and until Parliament decides to repeal the statute then the chosen instrument is just as it used to be."

Discussing British types of big commercial planes, Lord Beaverbrook said that the Shetland flying boat, first mentioned last month in an Australian aeronautical magazine but the details of which were withheld here, will soon be ready for its first flight.

Built by Short Brothers and Saunderson-Roe, the Shetland is a 100-ton craft powered by four Centurus engines. It can carry fifty

to 100 passengers, depending upon length of hop and it has a range of 3,000 miles and a cruising speed of about 275 miles an hour.

Canada to Attend Parley

OTTAWA, May 10 (Canadian Press)—Canada probably will participate in a further post-war civil aviation conference along with the United Kingdom, the United States and perhaps other countries, in spite of the rejection of a Canadian plan for fixed control, national quotas and a central international enforcement authority, it was learned today.

Munitions Minister C. D. Howe, Canadian representative at recent conferences on post-war civil aviation, said he had no immediate comment to make on Lord Beaverbrook's statement.

Gets a Swedish Decoration

King Gustaf V of Sweden has bestowed the Royal Order of Vasa, Knight, First Class, upon Edgar L. Williams, New York architect. It was announced yesterday by The American-Swedish News Exchange. The decoration, given because of Mr. Williams' efforts to promote American understanding of Swedish architecture and his courtesies to Swedish architects, was presented to him by Martin Kastengren, Swedish Consul General here, at a reception on Tuesday at the Kastengren home, 1192 Park Avenue.

THE NEW YORK TIMES, THURSDAY, MAY 11, 1944.
the great powers, which, in this connection, means...

BIG-3 TALK PLANNED

My dear Senators:

With your letter of May 13, 1944, you attached a clipping from the New York Times for Thursday, May 11, purporting to report the substance of a speech by Lord Beaverbrook in the House of Lords on May 10, 1944. This referred to the conversations regarding civil aviation recently had in London by Assistant Secretary Adolf A. Berle, Jr., and Lord Beaverbrook. The Department has now received and encloses herewith the official text of the speech in question. You are right in understanding that a so-called "American plan" has not been determined, and certainly none which includes "the right of air transportation organizations of nations to set down passengers, mail and cargo and to pick them up anywhere in the world." Further it appears that Lord Beaverbrook made

no

The Honorable Bennett Champ Clark,
Chairman, Subcommittee on Aviation,

The Honorable Josiah W. Bailey,
Chairman, Committee on Commerce,
United States Senate.

no such assertion.

The account in the "New York Times of May 11, enclosed with your letter, refers in its first paragraph to "the American-sponsored idea of a 'Four Freedoms of the Air'". This is plainly an error. The so-called 'Four Freedoms of the Air' appeared in a draft Convention proposed by Canada, not by the United States. This convention was first put forward by the British group; but the British group, on encountering opposition from the United States group, withdrew it. The Associated Press reporter apparently confused the Canadian-sponsored plan with the views of the United States.

Actually, in discussing the Canadian plan, the United States group made it clear that, the handling of the principle of innocent passage (which does not include the right to discharge or pick up passengers, mail and cargo) must be at all times subject to full sovereignty and laws of the air of the nation over whose territory the plane might fly, and must also be contingent upon the working out of appropriate air-commerce agreements between the countries involved. While Lord Beaverbrook did not elaborate this, what he said was substantially consistent with it, and it was presumably to
that

that which he referred in stating that "the right of innocent passage must depend on the decisions of an international conference".

At the end of his speech, Lord Beaverbrook made the following statement which related primarily to the question of bases, and which reads as follows:

"Our Government have no desire to exclude aircraft of other nations. We demand no prescriptive right to the use of airfields for ourselves. Rather do we mean to use them for the purpose of steadily developing civil aviation throughout the world. Here it must be said that the bases are few in number at which any great volume of traffic can be collected. Just the same it will be necessary to have international agreement on traffic regulations and arrangements. This is an essential condition of future developments. The President has made certain proposals for the future of international civil aviation. He has declared for the right of innocent passage for all nations throughout the world and for the right to land anywhere for refuelling and other non-traffic purposes. I

I am authorized by the Prime Minister to say that we join with the President to the fullest extent in subscribing to those principles."

This passage, which did not relate to the London air conversations, repeated previous assurance given by Lord Beaverbrook relating to future rights in air bases on British or British-controlled territory; and also set forth views attributed to the President arising out of a press conference held by him on October 1, 1943. It sufficiently appears from the report of that press conference that the President was referring only to one point in a group of air problems, namely, "innocent passage" without reference to commercial rights, and that he considered that this point had to be further worked out in connection with a series of international arrangements.

The ensuing debate between Lord Beaverbrook and his colleagues in the House of Lords (all of which was extemporaneous) likewise made it sufficiently clear that Lord Beaverbrook considered that the subject of innocent passage required further discussion; and he stated categorically that "the right of innocent passage must depend upon the decisions of an international conference".

ference."

As is not unnatural in extemporaneous debate, the representative of the British Government emphasized points of interest to him and to his Government, and did not attempt to cover all aspects of the matter in the limited time at his disposal.

In conclusion, let me say that I do not believe Lord Beaverbrook's statement, read in the context of the entire discussion, warranted the conclusions drawn from it by the press which gave concern to your Committees.

I thoroughly appreciate the courteous cooperation of your Committee with the Department, and am especially gratified at your statement that your conferences with Mr. Berle have been of a character tending to make for the best relations between your Committee and the Department of State.

Sincerely yours,

Enclosure:

Copy of text of Lord Beaverbrook's statement before the House of Lords of May 10, 1944.

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THE WHITE HOUSE

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CIVIL AERONAUTICS BOARD

WASHINGTON 25

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MAY 20 1944



THE CHAIRMAN

My dear Mr. President:

There is enclosed, for your information, a copy of a letter dated May 5, 1944 to the Secretary of State making known the Board's desire to relax its previous policy and set down for hearing applications for certificates of public convenience and necessity to engage in new international air services. At the same time, the Board advised the Secretary of State of its desire to make known the proposed pattern of routes which it has tentatively concluded would be desirable for operation by United States air carriers. The views of the Department of State were requested on both of these proposals. At the same time, identical letters were addressed to the Secretaries of War and the Navy.

The Department of State has replied, giving its full approval of both proposals, and a copy of that letter is also attached.

It was always the Board's intention, after the views of these three agencies had been obtained, to consult you before any further steps were taken. However, Senator Bailey has requested me to appear this morning before an executive session of the Commerce Committee of the Senate and it is highly probable that it will be necessary to inform the Committee concerning the Board's proposals with respect to new international air services. Therefore, it has seemed desirable to advise you of the Board's position in the matter at this time rather than wait until clearance has been obtained from all of the interested agencies of government.

Sincerely yours,

L. Welch Pogue
Chairman



CIVIL AERONAUTICS BOARD
WASHINGTON

May 5, 1944

~~CONFIDENTIAL~~

The Honorable
The Secretary of State
Washington, D. C.

Through the Office of the Assistant Secretary of State,
Adolf A. Berle, Jr.

My dear Mr. Secretary:

Reference is made to our letters of January 26 and April 21, 1944, outlining the foreign air transportation services which the Board believed would be desirable for post-war operation by United States air carriers.

After further study and careful consideration of the comments received from interested agencies of this government, the Board is listing below for your information a revised description of these routes, some of which are now being served in whole or in part under existing certificates issued by the Civil Aeronautics Board, either on a temporary or permanent basis. In preparing this list, we have omitted services from the United States and Alaska terminating in the contiguous countries of Canada and Mexico; nor have we included a description of the services inaugurated as a means of furthering the war effort under temporary certificates.

- I. New York - a point in Newfoundland or Labrador - a point in Eire - London - Berlin - Prague - Vienna - Istanbul - Cairo
- II. New York - a point in Newfoundland or Labrador - a point in Eire - Paris - a point in Switzerland - Rome - Athens - Cairo - Basra - Karachi - Calcutta
- III. New York - points in Newfoundland or Labrador, Greenland and Iceland - Oslo - Stockholm - Helsinki - Leningrad - Moscow - Teheran - Basra
- IV. New York - Bermuda - Azores - Lisbon
 - (a) Lisbon - Madrid - Marseilles - Rome
 - (b) Lisbon - Algiers - Tunis - Tripoli - Cairo
 - (c) Lisbon - London
- V. New York - San Juan - Trinidad - Paramaribo - Belem - Natal;

- (a) Natal - Dakar - Casablanca - Tangier - Madrid - Paris
- (b) Natal - Dakar - Monrovia - Lagos or Accra - Brazzaville - Johannesburg - Capetown. As alternate on express trips, the route would be via Natal - Asencion Island - Lagos, Accra, Cabinda or Pointe Noire.

VI. San Francisco - Los Angeles - Honolulu - Canton Island - Suva - Noumea:

- (a) Noumea - Auckland
- (b) Noumea - Sydney

VII. San Francisco - Honolulu - Midway - Wake:

- (1) Wake - Tokyo - Shanghai
- (2) Wake - Guam - Manila:
 - (a) Manila - Macao - Hongkong
 - (b) Manila - Tarakan - Singapore - Batavia

VIII. Chicago - St. Paul - Minneapolis - Alaska
and
Seattle - Alaska

At least one of these routes to be extended beyond Alaska to:

- (a) Alaska - one or more intermediate points in Siberia - Vladivostok - Mukden - Shanghai - Hongkong (or Canton) - Hanoi - Calcutta
- (b) A leg from Mukden to Peiping and Chungking, as we would wish to serve the latter city if it should remain the capital of China.
- (c) Alaska - Unalaska - Kiska - Paramushiru - Tokyo - Shanghai - HongKong (or Canton)

NOTE: We would wish to serve the post-war Chinese capital, and, if it is not Chungking, we would do so by altering one of the above-outlined routes.

IX. Miami - San Juan - Trinidad - Belem - Fortaleza - Natal - Recife - Victoria - Rio de Janeiro:

- (a) Rio de Janeiro - Porto Alegre - Montevideo - Buenos Aires

(b) Rio de Janeiro - Sao Paulo - Asuncion -
Buenos Aires

And certain connecting services

X. Miami - Havana - Merida

XI. Miami - Cienfuegos - Kingston

- (a) Kingston - Cristobal
- (b) Kingston - Barranquilla

XII. Miami - Nassau

XIII. New Orleans - Merida - Guatemala City

XIV. Brownsville - Mexico City - Guatemala City -
San Salvador - Tegucigalpa - Managua - San Jose -
Balboa - Cristobal

(a) Cristobal - Barranquilla - La Guaira -
Trinidad

(b) Cristobal - Medellin

XV. Cristobal - Cali - Guayaquil - Lima - Arica:

- (a) Arica - La Paz - Buenos Aires
- (b) Arica - Santiago - Buenos Aires
- (c) Arica - Antofagasta - Salta - Buenos Aires

And certain connecting services

XVI. New York - a point in southeastern United States -
Ciudad Trujillo or Port-au-Prince - Caracas - Manaos:

(a) Manaos - Goiania - Bello Horizonte -
Rio de Janeiro

(b) Manaos - Cuyaba - Corumba - Asuncion -
Buenos Aires - Montevideo

XVII. New Orleans - Havana - Santiago - Port-au-Prince -
Ciudad Trujillo - San Juan

XVIII. Tampa - Havana

XIX. Balboa - Cali - Iquitos - La Paz - Buenos Aires

-4-

**IX. New York - Charleston - Nassau - a point or points
in Cuba - Kingston - Balboa (or Cristobal)**

In formulating this proposed route pattern, the Board has at no time considered by which United States carrier or carriers the service might be rendered. Under present law, decisions on that point can be reached only after public hearing, which will also finally determine the question of public convenience and necessity.

Due to the advent of the war, on December 12, 1941 the Board adopted the policy of holding in suspense all applications for new routes. Subsequently, the Board has unfrozen applications for certificates of convenience and necessity involving operations within the United States, and later unfroze applications for certificates of convenience and necessity involving foreign air transportation within the Western Hemisphere.

In view of proposed military developments which, it is expected, will result in the liberation of territory now in enemy hands, with the consequent need to supply air transportation for American civilian as well as military personnel to these liberated areas, the Board feels that it would be desirable to start now to put itself in a position to authorize such new services as may be needed on as sound a basis as possible. Therefore, unless your Department sees some compelling reason why this should not be done, the Board would like to unfreeze all of the applications of United States air carriers for certificates of convenience and necessity to engage in foreign air transportation, and to proceed as soon as practicable to set such applications down for hearing.

The Board is aware that most of these applications involve air transportation to and through nations with which we currently have no operating arrangements. Therefore, if we go forward with these cases, in order to avoid any misunderstanding abroad, it is our intention to include in our announcement of this policy a statement to the effect that in taking such a step the Board is merely following the statutory requirement that findings of public convenience and necessity shall be made as a result of hearings thereon, and that while this action by the Board is designed to permit the inauguration of United States air carrier service abroad at the earliest practicable moment, it will nevertheless be necessary to conclude suitable arrangements with the nations whose air space is to be traversed before actual operations can be commenced.

In the same announcement, a copy of which is attached, the Board proposes to describe the routes enumerated above. This would not be done, of course, with the idea of preventing parties to any of the proceedings from establishing that additional routes are required by the public convenience and necessity; and they would be free to submit evidence or argument designed to show that routes in addition to those suggested by the

Board are required.

The comments of your Department on this proposed procedure
be greatly appreciated.

Sincerely yours,

L. WELCH POGUE

L. Welch Pogue
Chairman

Attachment

PROPOSED PRESS RELEASE OF THE CIVIL AERONAUTICS BOARD

A list of proposed international air routes, which it has tentatively concluded would be desirable for post-war operation by United States air carriers, was made public today by the Civil Aeronautics Board. The Board also announced that applications for authority to operate international air transportation services would be brought to hearing and final decision rendered as speedily as the circumstances of the war will permit.

It was pointed out by the Board that obviously no services can be inaugurated on any of the new routes unless and until suitable arrangements have been concluded with the nations whose air space is to be traversed.

As a result of the United States' entry into the war, the Board, on December 12, 1941, adopted a policy of holding in suspense all applications for certificates of public convenience and necessity. Subsequently, the Board relaxed this policy with respect to applications involving domestic air transportation, and the policy was further modified on later dates with respect to applications involving air transportation between the United States and the other American Republics, and between the United States and Canada.

For some time the Board has been making studies to determine the future need for air transportation to other sections of the world which might be rendered by United States air carriers. As a result of these studies and consultations with other interested agencies of the Government, the aviation industry and other interested parties, the Board arrived at its tentative conclusions concerning new international air services. It expresses the belief that these tentative conclusions will afford a basis for the hearings on applications for certificates of public convenience and necessity to engage in foreign air transportation, and it said that it recognizes that

future developments and further study may require some changes in the route pattern as now proposed. The Board stated that it is desirable that the consideration of the need for new services be subject to a minimum of restriction and that applicants may, therefore, wish to amend their applications now on file and to include in any new ones a general provision which will permit an application to be considered as one applying for any new route which the Board may find to be required by the public convenience and necessity within the general area the applicant desires to serve.

In making public the following list of the proposed new international air services, which it has tentatively concluded would be desirable for operation by United States air carriers, the Board stated that it had omitted services from the United States and Alaska terminating in the contiguous countries of Canada and Mexico; nor had it included a description of the services inaugurated as a means of furthering the war effort under temporary certificates.

- I. New York - a point in Newfoundland or Labrador - a point in Eire - London - Berlin - Prague - Vienna - Istanbul - Cairo
- II. New York - a point in Newfoundland or Labrador - a point in Eire - Paris - a point in Switzerland - Rome - Athens - Cairo - Basra - Karachi - Calcutta
- III. New York - points in Newfoundland or Labrador, Greenland and Iceland - Oslo - Stockholm - Helsinki - Leningrad - Moscow - Teheran - Basra
- IV. New York - Bermuda - Azores - Lisbon
 - (a) Lisbon - Madrid - Marseilles - Rome
 - (b) Lisbon - Algiers - Tunis - Tripoli - Cairo
 - (c) Lisbon - London

V. New York - San Juan - Trinidad - Paramaribo - Belem - Natal:

- (a) Natal - Dakar - Casablanca - Tangier - Madrid - Paris
- (b) Natal - Dakar - Monrovia - Lagos or Accra - Brassaville - Johannesburg - Capetown. As alternate on express trips, the route would be via Natal - Asencion Island - Lagos, Accra, Cabinda or Pointe Noire.

VI. San Francisco - Los Angeles - Honolulu - Canton Island - Suva - Noumea:

- (a) Noumea - Auckland
- (b) Noumea - Sydney

VII. San Francisco - Honolulu - Midway - Wake:

- (1) Wake - Tokyo - Shanghai
- (2) Wake - Guam - Manila;
 - (a) Manila - Macao - HongKong
 - (b) Manila - Tarakan - Singapore - Batavia

VIII. Chicago - St. Paul-Minneapolis - Alaska and Seattle - Alaska

At least one of these routes to be extended beyond Alaska to:

- (a) Alaska - one or more intermediate points in Siberia - Vladivostok - Mukden - Shanghai - HongKong (or Canton) - Hanoi - Calcutta
- (b) A leg from Mukden to Peiping and Chungking.
- (c) Alaska - Unalaska - Kiska - Paramushiru - Tokyo - Shanghai - HongKong (or Canton)

IX. Miami - San Juan - Trinidad - Belem - Fortaleza - Natal - Recife - Victoria - Rio de Janeiro:

- (a) Rio de Janeiro - Porto Alegre - Montevideo - Buenos Aires
- (b) Rio de Janeiro - Sao Paulo - Asuncion - Buenos Aires

And certain connecting services

- X. Miami - Havana - Merida
 - XI. Miami - Cienfuegos - Kingston
 - (a) Kingston - Cristobal
 - (b) Kingston - Barranquilla
 - XII. Miami - Nassau
 - XIII. New Orleans - Merida - Guatemala City
 - XIV. Brownsville - Mexico City - Guatemala City - San Salvador - Tegucigalpa - Managua - San Jose - Balboa - Cristobal
 - (a) Cristobal - Barranquilla - La Guaira - Trinidad
 - (b) Cristobal - Medellin
 - XV. Cristobal - Cali - Guayaquil - Lima - Arica;
 - (a) Arica - La Paz - Buenos Aires
 - (b) Arica - Santiago - Buenos Aires
 - (c) Arica - Antofagasta - Salta - Buenos Aires
- And certain connecting services
- XVI. New York - a point in southeastern United States - Ciudad Trujillo or Port-au-Prince - Caracas - Manaos:
 - (a) Manaos - Coiania - Bello Horizonte - Rio de Janeiro
 - (b) Manaos - Cuyaba - Corumba - Asuncion - Buenos Aires - Montevideo
 - XVII. New Orleans - Havana - Santiago - Port-au-Prince - Ciudad Trujillo - San Juan
 - XVIII. Tampa - Havana
 - XIX. Balboa - Cali - Iquitos - La Paz - Buenos Aires
 - XX. New York - Charleston - Nassau - a point or points in Cuba - Kingston - Balboa (or Cristobal)

Some of the routes listed above are now being served in whole or in part under temporary or permanent certificates issued by the Civil Aeronautics Board.

In formulating its proposed route pattern, the Board has at no time considered by which United States air carrier or carriers the service might be rendered. It was pointed out by the Board that, under the Civil Aeronautics Act, decisions as to the question of public convenience and necessity and the carrier or carriers to be selected can be reached only after a public hearing.

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5/5/44

C
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DEPARTMENT OF STATE
WASHINGTON

In reply refer to
AD

May 16, 1944

My dear Mr. Pogue:

Reference is made to your letter of May 5, 1944 outlining the foreign air transportation services which the Civil Aeronautics Board believes will be desirable for post-war operation by United States air carriers. You state that the Board would like to unfreeze all of the applications of United States air carriers for certificates of convenience and necessity to engage in foreign air transportation and to proceed as soon as practicable to set such applications down for hearing.

I also understand that at the time these applications are unfrozen the Board wishes to make known the international air routes which it has tentatively concluded would be desirable for post-war operation by United States air carriers. You state further that the Board is fully aware that most of these applications involve air transportation to and through nations with which we currently have no operating rights.

The Department fully approves of the Board's policy of unfreezing the applications at this time and making public its tentative plans for post-war operation. At the same time the Department feels that the nations over whose territory operations are contemplated should be advised through diplomatic channels simultaneously with the release of this information to the press in this country, in order to prevent any possible misunderstanding with regard to our policy and motives.

Accordingly,

The Honorable
L. Welch Pogue, Chairman,
Civil Aeronautics Board,
Washington, D. C.

Accordingly, the Department suggests that simultaneously with the issuance of your press release, the Department should send a copy thereof with a suitable explanatory note to each of the appropriate diplomatic missions in Washington. Somewhat in advance of that date, however, the Department would wish to send a circular telegram to its missions in the appropriate countries abroad advising them that such a statement will be issued by the Civil Aeronautics Board at a stated day and hour and instructing them at the same day and hour to notify the authorities of the governments to which they are accredited. This notification would state that the Board is merely following the statutory requirements, that findings of public convenience and necessity shall be made as a result of hearings thereon, and that while this action by the Board is designed to permit the inauguration of United States air carrier service abroad at the earliest practicable moment, it fully understands that it will be necessary to conclude suitable arrangements with the nations whose air space is to be traversed before actual operations can be commenced.

Sincerely yours,

/s/ Adolf A. Berle, Jr.

Adolf A. Berle, Jr.
Assistant Secretary

PSF. Aviation folder 3-46

Wed.
THE WHITE HOUSE
WASHINGTON

*file
with other
papers on
same
subject*
May 24, 1944.

MEMORANDUM FOR

GENERAL WATSON

Will you arrange an appointment on Friday with Senator Bennett Clark Adolf Berle and Chairman Pogue? Please give these papers to me before they come in and give me a chance to look them over beforehand.

F. D. R.

THE WHITE HOUSE
WASHINGTON

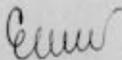
4-7-44

MEMORANDUM FOR MISS TULLY --

Dear Grace:

Will you please give this to the President. General Arnold asked me to look at it and wanted me to give it to him personally.

I give it into your hands.


E.M.W.

~~SECRET~~

WAR DEPARTMENT
HEADQUARTERS OF THE ARMY AIR FORCES
WASHINGTON

March 27, 1944

MEMORANDUM FOR THE PRESIDENT:

Subject: Policy of the United States Army
Air Forces in regard to International
Commercial Aviation.

In view of the increasing interest in post-war
international commercial aviation, I am inclosing
herewith certain fundamentals which developed from
the United States Army Air Forces round-the-world air
transport operations.

H. H. Arnold

H. H. ARNOLD,
General, U. S. Army,
Commanding General, Army Air Forces.

Incl.
Memo for The
President re
above subj
dtd 3/25/44

Franklin D. Roosevelt Library
DECLASSIFIED
DOD DIR. 5200.9 (9/27/58)

Date- 3-19-59

Signature- *Carl S. Spicer*

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WAR DEPARTMENT
HEADQUARTERS OF THE ARMY AIR FORCES
WASHINGTON

March 25, 1944

Franklin D. Roosevelt Library

UNCLASSIFIED

DDU Form 5200.9 (9/27/58)

Date: 3-19-59

Signature: Carl d. Spicer

MEMORANDUM FOR THE PRESIDENT:

Subject: Policy of the United States Army Air Forces in regard to International Commercial Aviation.

1. Since the position of this nation in the field of post-war international air transportation will have a direct effect upon the air power of the nation, I have had prepared a study covering the policy of the United States Army Air Forces in regard to international commercial aviation. The following paragraphs set forth the basic principles of this policy.
2. National security is of prime importance in the formulation of any international civil aviation policy. A powerful air force is a prerequisite of national security.
3. The nation's air power is dependent on the peacetime existence of a strong aviation manufacturing industry.
4. A strong domestic and international air transport system readily adapted to military use is vital, and will provide a potent stimulus to maintenance of a strong peacetime aviation industry.
5. Our experience that we should favor an international commercial aviation policy embracing freedom of air transit with respect to specified routes, with right of technical stop at designated airports; the right of commercial entry at designated airports to serve international traffic, subject to such reasonable limitations as may be necessary; the designation of airports of entry adjacent to traffic centers irrespective of geographic location; the establishment of an International Civil Aviation Authority to standardize air traffic procedures; the control, operation and maintenance of airports by the sovereign power except where by agreement joint national exercise of the functions is required; and the exclusion of enemy nations from any participation in civil aviation during the post-war period.
6. The national policy with respect to the international commercial aviation policy should include maximum encouragement of regulated private competitive enterprise in United States international air transport operation; ownership and operation of communication systems serving United States



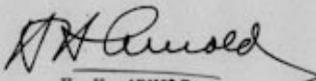
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airways beyond the continental limits by a single governmental agency (or by a private agency subject to governmental supervision) adapted to immediate utilization by the Army Air Forces in an emergency; and governmental approval (military and civil) of plans for any aviation facility to be constructed in foreign territory by an international air transport operator prior to undertaking construction.

7. A National Aviation Council should be established, composed of high-ranking representatives of the State, War, Navy and Commerce Departments, the Civil Aeronautics Board and the aircraft manufacturing and air transport industries, which would formulate national aviation policy and coordinate the activities of all interested agencies with respect thereto, and act in an advisory capacity to the President.

8. Attached hereto is a map of the world, sectionalized into eight areas, based upon routes presently operated by military transport, or, in general, indicated by future military requirements. Only those routes are shown which it is believed could be operated economically by American flag carriers.



H. H. ARNOLD,
General, U.S. Army,
Commanding General, Army Air Forces.

Incl:
Map.

~~SECRET~~

(3091)

hms



CIVIL AERONAUTICS BOARD
WASHINGTON 25

PSF: Aviation folder 3-44

file

MAY 30 1944

My dear Mr. President:

On May 20, 1944, we wrote you of the Board's proposal to relax its previous policy and set down for hearing applications to engage in new international air services. With that letter we transmitted a proposed press release which would announce the Board's decision to unfreeze applications for new international air services, and which would make known the proposed international routes which the Board has tentatively concluded would be desirable for operation by United States air carriers.

The Department of State advised the Board on May 16 that it fully approves of the Board's proposals. Our identical inquiries to the Secretaries of War and the Navy were referred to the Joint Chiefs of Staff, and we have just received a letter from Admiral Leahy, dated May 27, advising of the approval of the Joint Chiefs contingent upon clearance with the Department of State and prior consultation with the Russian delegation now in Washington.

However, before issuing the announcement, enclosed with our letter of May 20, the Board wishes to make sure that this procedure meets with your approval.

Respectfully yours,

L. Welch Pogue

L. Welch Pogue
Chairman

*LWP: JLC: FSR
Carbon initialed
and returned to
State Dept. 10/12/44*

The President
The White House

PSF: Austin folder - J-44

**THE WHITE HOUSE
WASHINGTON**

May 20, 1944

MEMORANDUM:

This is the report referred to in Chairman Pogue's letter sent to the President yesterday, making inquiry as to whether it would be all right to give copies of the report to the interested Congressional Committees.

M. C. L.

THE WHITE HOUSE
WASHINGTON

May 20, 1944

MEMORANDUM FOR THE PRESIDENT.

Pursuant to your request,
there is hereby attached a one-
page summary of this report from
the CAB entitled "International
Air Transport Policy".



S. I. R.

C.A.B.
International Air Transport Policy

Approach: Policies should be designed to render a public service to the largest numbers by aiding movement of persons, mail and goods and by opening up regions now inaccessible.

Operating Rights: There is now no freedom of the air. No commercial plane may fly over a country without its consent. Non-stop passage and landing for technical purposes (viz: refueling) should be freely permitted. The right, however, to pick up and discharge traffic should be permitted by intergovernmental agreement, so as to prevent undue competition. This right should be given reciprocally only where necessary for us to obtain it. Military security is no hindrance. Exclusion from restricted areas should apply to nationals and other nations alike. We do not subscribe to dividing the world into zones of influence. Agreements should be of long duration. There should be no limitation on volume of operations.

Airports and Facilities: These must be available to us overseas. We should have the right to use those fields we built or contributed to building for military purposes. We must obtain agreements to use communication, navigation aid and meteorological facilities, also. These should be standardized. There should be equality of treatment. Common ownership should be worked out where operations would be duplicated.

Economic Regulations: Sound regulation is necessary to provide financial stability, protection against improper practices, standards of and efficient service. Controls by joint action are required to avoid destructive competition. Subsidy to be used only where necessary, but frankness must be the basis of negotiation with other nations. Rates and volume may have to be regulated.

Safety Regulations: Adequate standardized regulations and traffic control should be promoted.

International Administrative Organization: An International Aviation Agency should be established to:
(1) study aviation problems; (2) prescribe air traffic rules;
(3) determine economic questions of mutual interest.

Relations with British: All principles must be adopted by the British since they are our greatest competitor. We must obtain pickup and discharge rights in the U.K. and colonies. There must be no rigid formula for division of traffic on the North Atlantic route. Our European termini must be elsewhere as well as on the coast.



THE SECRETARY OF COMMERCE
WASHINGTON

*S. J. R. +
to read +
summary
on page 1*

April 22, 1944

Dear Mr. President:

I am enclosing herewith letter addressed to you from Chairman Welch Pogue, of the Civil Aeronautics Board, with which he transmits a special report of the Board entitled "International Air Transport Policy."

Sincerely yours,

J. M. Jones
Secretary of Commerce

The President
The White House



OFFICE OF THE CHAIRMAN

CIVIL AERONAUTICS BOARD
WASHINGTON

APR 1 - 1944

My dear Mr. President:

As you know, the Civil Aeronautics Board has been studying the problems involved in post-war international air transportation. In view of the importance of this subject, we have now prepared a special report entitled "International Air Transport Policy" which sets out our conclusions concerning the major problems of international relations involved. This report is enclosed for your consideration.

Sincerely yours,

L. Melvin Rogue
Chairman

Attachment

The President
The White House
Washington, D. C.

File

~~SECRET~~

*PSF Aviation folder
3-44*

War Department
Office of the Chief of Staff

June 14, 1944.

MEMORANDUM FOR GENERAL WATSON:

General Arnold has asked me to forward the attached pamphlet, "Policy of the War Department in Regard to Post-War International Civil Aviation", to you for presentation to the President. This study was prepared in the Army Air Forces and was later approved by the War Department. General Arnold is of the opinion that the President will find the study interesting and perhaps useful in connection with other studies and reports which he is probably receiving on the same subject.

Franklin D. Roosevelt Library

DECLASSIFIED

DOD DIR. 5200.9 (9/27/58)

Date- 3-19-59

Signature- *Carl S. Spicer*

B.W. Davenport
B. W. DAVENPORT,
Lt. Colonel, G. S. C.,
Asst. Secretary, General Staff.

~~SECRET~~

V.A.
120 East End
Ave -
NYC
—

Aviation Index 3-44
COPY - THE WHITE HOUSE ✓

DEPARTMENT OF STATE
file
10/11/44
Memorandum of Conversation

DATE: September 9, 1944

SUBJECT: Proposed International Aviation Conference

PARTICIPANTS: The President;
Mr. A. A. Berle, Jr.

COPIES TO: The White House, S, U, EUR, NEA, FE, ARA, AD, IC

The President telephoned me yesterday evening. He referred to his conversation with Secretary Hull about the proposed international aviation conference; and then said that after thinking it over he approved the project and believed we should go ahead.

He said that a United Nations Conference on the Dumbarton Oaks agreements might be coming along on October 25 and wondered about dates. I told him that I thought late October would be the very earliest it could be held. He said he thought that some of the people coming from the Dumbarton Oaks Conference might go from there to the aviation conference; in fact, this was simply another section of the peace settlements; and left the question of the date to us. He asked whether

had any ideas as to place. I told him that I understood he did not want conferences in Washington where they would be difficult and inconvenient; and added that I had been wondering whether some Midwest city like Chicago, Illinois, might not be useful. He said this idea appealed to him; though he obviously had not had time to consider the point carefully.

He asked whether I thought we could get unanimity. I told him that as we had outlined the conference--to deal with preliminary arrangements, with principles for long-range settlement, and with reference to drafting committees to work up the final projects--there was always an "out": questions which threatened to provoke differences could always be referred, if need be, to the drafting committees. I further said that if he could find it in his heart to have this conference open to the public and press from the very beginning I thought we could come in with a proposition which would so powerfully engage public sentiment that few, if any, countries would care to exclude the United States from its legitimate rights; and that other differences could either be composed in committee or left for later negotiation. The President agreed and authorized us to go ahead.

A. A. B., Jr.

PSF Aviation
ANNEX I

DEPARTMENT OF STATE

FOR THE PRESS

SEPTEMBER 11, 1944
No. 427

CONFIDENTIAL RELEASE FOR PUBLICATION IN THE MORNING NEWSPAPERS OF TUESDAY, SEPTEMBER 12, 1944, WHICH DO NOT APPEAR ON THE STREETS BEFORE 9:00 P.M., E.W.T., MONDAY, SEPTEMBER 11, 1944. NOT TO BE PREVIOUSLY PUBLISHED, QUOTED FROM OR USED IN ANY WAY.

More than fifty countries have been invited by this Government to an international conference on civil aviation to take place in this country beginning November 1. Exploratory conversations with several countries which have been held in recent months have indicated the desirability of holding such a conference as soon as practicable. The course of military events has already freed great areas of the world from military interruptions which forced the cessation of civil air traffic. When Germany is defeated, military interruptions will have virtually ended in all areas save those presently held by the Japanese. The approach of German defeat underlines the need for prompt arrangements by which peaceful traffic through the air may be promptly resumed.

The invitation extended by the Department of State suggests that the forthcoming conference make arrangements for immediate establishment of provisional world air routes and services which would operate during a transitional period. The proposal is also made that an interim council with subordinate committees be set up by the Conference.

Through this council, the data of practical experience obtained during the transition period could be collected, recorded and studied, and further recommendations for improving international air transport arrangements could be made in the light of that experience. Such a council operating through working committees could likewise recommend future action to be taken with respect to technical standardization and uniform procedures.

The Conference would likewise discuss the principles and methods to be followed looking towards the adoption of a new over-all aviation convention.

The invitation, as sent to the governments and authorities listed on the attached page, is quoted below:

"The Government of the United States has concluded bilateral exploratory conversations with a number of other

governments

governments which have displayed a special interest on the subject of post-war civil aviation, with particular emphasis on the development of international air transport.

"These discussions have indicated a substantial measure of agreement on such topics as the right of transit and non-traffic stops, the non-exclusivity of international operating rights, the application of cabotage to air traffic, the control of rates and competitive practices, the gradual curtailment of subsidies, the need for uniform operating and safety standards and the standardization or coordination of air navigation aids and communications facilities, the use of airports and facilities on a non-discriminatory basis, and the operation of airports and facilities in certain areas. It was also generally conceded that international collaboration, probably by means of an international aeronautical body, would be desirable in achieving and implementing the aforementioned objectives, although there was some diversity of opinion as to the extent of regulatory powers on economic matters which should be delegated to this international body.

"The approaching defeat of Germany, and the consequent liberation of great parts of Europe and Africa from military interruption of traffic, sets up the urgent need for establishing an international civil air service pattern on a provisional basis at least, so that all important trade and population areas of the world may obtain the benefits of air transportation as soon as possible, and so that the restorative processes of prompt communication may be available to assist in returning great areas to processes of peace.

"The Government of the United States believes that an international civil aviation conference might profitably be convened within the near future for the purpose of agreeing on an increase in existing services and on the early establishment of international air routes and services for operation in and to areas now freed from danger of military interruption, such arrangements to continue during a transitional period. This conference might also agree so far as possible upon the principles of a permanent international structure of civil aviation and air transport, and might set up appropriate interim committees to prepare definitive proposals. Definitive action on such proposals, based on practical experience gained during the interim period, might be taken either as a result of a later conference, or by direct approval of the governments without the necessity of conference.

"This Government suggests that the international conference proposed for the immediate future could have the following objectives:

- "I. (a) The establishment of provisional world route arrangements by general agreement to be reached at the Conference. These arrangements would form the basis for the prompt establishment of international air transport services by the appropriate countries.

"(b) The

"(b) The countries participating in the conference would also be asked to agree to grant the landing and transit rights necessary for establishing the provisional route arrangements and air services referred to above.

"(It would be highly desirable if each delegation were sufficiently familiar with its country's plans for international air services to permit formulation of an international air transport pattern referred to in paragraphs (a) and (b) above.)

"II. The establishment of an Interim Council to act as the clearing house and advisory agency during the transitional period. It would receive and consider recommendations from each of the working committees referred to in item III; it would report upon desirable revisions in routes and services during the interim period, subject to the approval of the countries served by these routes and services; it would maintain liason with each of the participating countries; it would supervise studies and submit information to the interested governments concerning the development of air transport during the transitional period; and would make recommendations to be considered at any subsequent international conference.

"III. Agreement upon the principles to be followed in setting up a permanent international aeronautical body, and a multilateral aviation convention dealing with the fields of air transport, air navigation and aviation technical subjects; and, for the purpose of developing the details and making proposals for carrying into effect the principles so agreed, the establishment of the following working committees, which would be under the supervision of the Interim Council:

"(a) A committee to follow developments relating to the establishment of the routes and services to be established under item I, to correlate traffic data, to study related problems and to recommend desirable revisions in routes and services. This committee would also make studies and recommendations concerning the future pattern of these routes and services.

"(b) A central technical committee, with subordinate sub-committees, which would work closely with the committee described in subparagraph (c) below, to consider the whole field of technical matters including standards, procedures, and minimum requirements, and to make recommendations for their application and adoption at the earliest practicable time.

"(c) A committee to draft a proposal with respect to the constitution of a permanent international aeronautical body and a new multilateral aviation convention.

"Having

"Having in mind the foregoing considerations as a basis for discussion, the Government of the United States extends a cordial invitation to your Government to participate in an international conference along the above lines, to take place in the United States beginning November 1, 1944; and in view of the time element would appreciate receiving an early response as to whether your Government can arrange to have a delegation at such conference.

"This invitation is being extended to the following governments and authorities:

"a) all members of the United Nations;

"b) nations associated with the United Nations in this war;

"c) the European and Asiatic neutral nations, in view of their close relationship to the expansion of air transport which may be expected along with the liberation of Europe.

"The Danish Minister and Thai Minister in Washington will be invited to attend in their personal capacities."

LIST OF GOVERNMENTS AND AUTHORITIES TO WHOM INVITATIONS
HAVE BEEN EXTENDED

Afghanistan	Lebanon
Australia	Liberia
Belgium	Luxembourg
Bolivia	Mexico
Brazil	Netherlands
Canada	New Zealand
Chile	Nicaragua
China	Norway
Colombia	Panama
Costa Rica	Paraguay
Cuba	Peru
Czechoslovakia	Philippines
Dominican Republic	Poland
Ecuador	Portugal
Egypt	Saudi Arabia
El Salvador	Spain
Ethiopia	Sweden
French Delegation	Switzerland
Great Britain	Syria
Greece	Turkey
Guatemala	Union of South Africa
Haiti	Union of Soviet Socialist Republics
Honduras	Uruguay
Iceland	Venezuela
India	Yugoslavia
Iran	
Iraq	
Ireland	

The Danish Minister in Washington

The Thai Minister in Washington

* * *

PSF: Aviation ANNEX II

DEPARTMENT OF STATE

FOR THE PRESS

SEPTEMBER 29, 1944
No. 461

CONFIDENTIAL RELEASE FOR PUBLICATION AT 4:00 P.M., E.W.T.,
FRIDAY, SEPTEMBER 29, 1944. NOT TO BE PREVIOUSLY
PUBLISHED, QUOTED FROM OR USED IN ANY WAY.

Supplementing the invitation extended on September 11 for an international civil aviation conference to be convened in the United States on November 1, the Department of State has transmitted to the appropriate governments and authorities the following proposed agenda for this conference:

PROPOSED AGENDA FOR INTERNATIONAL CIVIL AVIATION CONFERENCE

(To be convened in the United States on November 1, 1944)

- I. Arrangements covering transitional period: Establishment of air transport services on a provisional basis.
 1. Arrangements for routes and services to operate during a transitional period.
 2. Drafting of agreements to implement the provisional route pattern and to guide operations during transitional period.
 - (a) Landing and transit rights to permit establishment of provisional air services as soon as possible.
 - (b) Right of technical or non-traffic stop.
 - (c) Application of cabotage.
 - (d) Use of public airports and facilities, on a non-discriminatory basis.
 - (e) Frequency of operations.
 - (f) Bona fide nationality of air carriers.
 - (g) Control of rates and competitive practices.
3. Arrangements for and selection of continuing Committee on Air Transport to serve during the transitional period.

II. Technical

II. Technical standards and procedures.

1. Recommendations for setting up and adopting standards and procedures in the following fields:
 - (a) Communications systems and air navigation aids, including ground markings.
 - (b) Rules of the air and traffic control practices.
 - (c) Standards governing the licensing of operating and mechanical personnel.
 - (d) Airworthiness of aircraft.
 - (e) Registration and identification of aircraft.
 - (f) Collection and exchange of meteorological information.
 - (g) Logbooks and manifests.
 - (h) Maps.
 - (i) Airports.
 - (j) Customs procedure.
2. Arrangements for and selection of a Technical Committee and subcommittees to serve during transitional period, and to draft definitive proposals for submission to the interested governments.

III. Multilateral Aviation Convention and International Aeronautical Body.

1. Formulation of principles to be followed in:
 - (a) Drawing up a new multilateral convention on air navigation and related subjects.
 - (b) Establishing such permanent international aeronautical body as may be agreed on, and determining the extent of its jurisdiction.
2. Arrangement for and selection of a Committee on Multilateral Convention and International Body to serve during transitional period and to draw up definitive proposals for submission to the interested governments.

- ## IV. Consideration of establishment of Interim Council to serve during a transitional period which might supervise the work of other committees functioning during this period; and performing such other functions as the conference may determine.
1. Recommendations concerning locale, composition, and scope of Interim Council.
 2. Length of transitional period, mechanism for converting recommendations of Interim Council and its committees into permanent arrangements, and other arrangements covering the transitional period.

PSF: Aviation

ANNEX III

(Copy of British "White Paper")

INTERNATIONAL AIR TRANSPORT

Presented by the Secretary of State for Air
to Parliament by Command of His Majesty
October 1944

For some time past, His Majesty's Government in the United Kingdom, in consultation with the Governments of other Commonwealth countries, have been giving close attention to the problems of international civil air transport and to the general principles which should govern the post-war arrangements. The Canadian Government have already published their proposals, other Commonwealth Governments have announced their views and it now seems appropriate that His Majesty's Government in the United Kingdom should lay before Parliament the plan which they, for their part, favour for the ordering of post-war air transport.

2. Before the war, the international regulation of civil aviation was concerned mainly with its technical aspects, e.g., safety regulations, rules of the air, air worthiness, radio and meteorological procedure, and the licensing of personnel and aircraft. Moreover, there was no single International Convention which commanded universal support. At the outbreak of war, the Convention for the Regulation of Air Navigation (the Paris Convention of 1919) had been ratified by thirty-three States, but, among others, the United States, the U.S.S.R. and China were not parties to it. In addition to providing for a high degree of uniformity in technical matters, the Convention embodied the doctrine of the national sovereignty of the air. Each party to the Convention, however, granted to private aircraft of other member States (a) the right of innocent passage through its air space--prohibited areas excepted--and (b) freedom of access to its aerodromes. The operation of regular commercial air services was, in practice, subject to the consent of the States through whose territory the services passed.

3. The United States of America, in conjunction with eight Central American Republics and Chile, ratified the Havana Convention, 1928, which, though broadly comparable

in scope with the Paris Convention, differed in certain important respects. In particular, its application was limited to the American Continent and it made no provision for international uniformity in technical matters.

4. Neither of these Conventions made provision for international regulation in the economic, as opposed to the technical field. In the result, the growth of air transport was conditioned by political rather than economic considerations and its development as an orderly system of world communications was impeded. Summed up, the major evils of the pre-war period were, first, that any country on an international air route could hold operators of other countries to ransom even if those operators only wished to fly over or refuel in its territory; secondly, that there was no means of controlling the heavy subsidisation of airlines which all too often were maintained at great cost for reasons mainly of national prestige or as a war potential; and thirdly, that the bargaining for transit and commercial rights introduced extraneous considerations and gave rise to international jealousies and mistrust.

General Principles which should Govern
the Post-War Arrangements

5. His Majesty's Government desire to see a radical change in this situation after the war. Recent technical advances have increased enormously both the range and carrying-capacity of transport aircraft. The modern multiple-engined aircraft has made possible the development of a network of air routes which already span the world. The potentialities of air transport are indeed great; so also will be its influence, for good or ill, on international relations.

6. In other economic spheres, the importance of co-operation between the nations after the war has been recognised. It is no less important that the development of air transport should proceed under enlightened international direction. Accordingly, the view of His Majesty's Government, as stated to Parliament on the 11th March, 1943,

is that

is that "some form of international collaboration will be essential if the air is to be developed in the interests of mankind as a whole, trade served, international understandings fostered and some measure of international security gained."

The main objectives of such collaboration would be:-

- (i) to meet the needs of the peoples of the world for plentiful, efficient and cheap air services;
- (ii) to maintain broad equilibrium between the world's air transport capacity and the traffic offering;
- (iii) to ensure equitable participation by the various countries engaged in international air transport;
- (iv) to eliminate wasteful competitive practices and, in particular, to control subsidies;
- (v) to standardise practice on technical matters important to the safety of flying;
- (vi) in general, to contribute to world security.

A New Air Convention to give Effect
to These Principles

7. His Majesty's Government propose that a new Convention should be drawn up to take the place both of the Paris Convention of 1919 and of the Havana Convention of 1928, and to make provision for the regulation of international air transport. This Convention would:-

- (i) reaffirm the principle of national sovereignty of the air and define what should, for this purpose, constitute the territory of a State;
- (ii) define the degree of freedom of the air to be enjoyed by the ratifying States, conditional on the acceptance in full of the

rest of the Convention. Subject to the right of each State to reserve its position in time of war or national emergency, it is proposed that freedom of the air should extend to:-

- (a) the right of innocent passage through a State's air space;
 - (b) the right to land for non-traffic purposes (re-fuelling, emergency, &c.);
 - (c) the right to disembark passengers, mails and freight from the country of origin of the aircraft;
 - (d) the right to embark passengers, mails and freight destined for the country of origin of the aircraft.
(Note:-The right to pick up and set down traffic to and from destinations which are not in the country of origin of the aircraft and the right to engage in the cabotage of another country would be a matter for negotiation.)
- (iii) define the international air routes which should be subject to international regulation; these would be reviewed from time to time as necessary;
 - (iv) provide for the elimination of uneconomic competition by the determination of frequencies (total services of all countries operating on any international route), the distribution of those frequencies between the countries concerned and the fixing of rates of carriage in relation to standards of speed and accommodation;
 - (v) provide for the licensing of international air operators who undertook to observe the Convention and to abide by the rulings of the appropriate authority, and for the withdrawal of the licence in the event of a breach of the obligations;
 - (vi) provide for the denial of facilities to any unlicensed operator;
 - (vii) provide for the collection and review of information about services, costs, subsidies, rates

- rates of carriage, landing fees, &c.;
- (viii) provide for arbitration in matters of dispute;
 - (ix) secure the acceptance by the ratifying States of an obligation to provide, in their respective territories, the ground facilities needed for international services or to allow such facilities to be provided;
 - (x) prescribe safety regulations, such as rules of the air, airworthiness, licensing of personnel and aircraft, ground signals, meteorological procedure, &c. (The domestic airlines operating within the territories of the member States would not be governed by the Convention, but it is hoped that States would voluntarily apply the agreed standards to their internal services.)
 - (xi) provide for the standardisation, so far as possible, of radio equipment, meteorological and ground facilities.

The International Machinery.

8. For the administration of the Convention, it is proposed that an International Air Authority should be established and under it (i) an Operational Executive with subsidiary Regional Panels; and (ii) sub-Commissions to deal with technical matters.

9. The Authority, which would in due course be placed in proper relationship to a World Security Organisation, would consist of representatives of the ratifying States with voting powers to be determined on an equitable basis.

10. The composition of the Operational Executive and the procedure for selecting its members are matters for further examination. Possibilities are (a) that the members should be nominated in the Convention; (b) that they should be elected by the Authority; and (c) that they

should

should be nominated by the major Powers, with provision for representation of the smaller Powers.

11. Membership of a Regional Panel would be confined to States which have an interest in international air transport in the areas for which each Panel is responsible.

12. It would be the prime task of the Authority to give effect to the provisions of the Convention for the determination and distribution of frequencies and for the fixing of rates of carriage in relation to standards of safety and accommodation. It would, for this purpose, work through the Operational Executive which in turn would delegate its functions as appropriate to the Regional Panels, the decisions of the Panels being subject to review by the Executive, and those of the Executive, as necessary, by the Authority.

13. In addition, the Authority would:-

- (1) administer the provisions of the Convention governing such matters as safety standards and ground organisations; and
- (11) prescribe minimum requirements for international aerodromes and ancillary facilities, the provision of which would be the responsibility of the ratifying States; or arrange for the provision of such aerodromes and facilities in cases where a State was unable to do so itself.

14. Such in broad outline are the proposals which His Majesty's Government favour in present circumstances for the ordering of post-war international civil air transport. The proposals are of a provisional nature and may be modified in the light of views expressed by other countries.

3636

hms

PSF: Aviation folder 3-44

THE WHITE HOUSE
WASHINGTON

October 26, 1944.

MEMORANDUM FOR

THE SECRETARY OF STATE

I think this list of the Conference is all right but I think it is a mistake to leave the lady on, as there are no other women on it and there will be a good deal of feeling to have just one selected.

F. D. R.

Returning carbon of memorandum "International Civil Aviation Conference - Organization of the Conference", which accompanied Mr. Hall's memorandum of 10/20/44 to the President.

Please just send
copy & original memo
to state - not W.L.H.'s
memos

THE WHITE HOUSE
WASHINGTON

October 15, 1944

MEMORANDUM FOR THE PRESIDENT

Dear Mr. President:

I have talked to Berle and he has agreed to ask you to include Elizabeth in the list.

Elizabeth is the wife of the husband of the Executive II-117 but three airlines men, the woman etc. etc. etc. Elizabeth is a Gen. and will probably be back there and both that. Elizabeth and Eleanor Wright are former employees of the FBI. Elizabeth's husband was an FBI man who will probably return to their own airlines.

Berle feels that she is not really represented and will, therefore, not have any influence in the conference. I agree with him.

I find that some of the other delegations have a good record their delegates and that the appointment of any woman on our part will stir up a hell of a row. Elizabeth and three other women who were not appointed. Berle, therefore, feels that Mrs. Wright should not be included in the list.

Tracy
H.L.H.

Gene:
The President has approved
this & I have told Berle & Byrd
is going on and Mrs. Wright off.
R.H.H.

**THE WHITE HOUSE
WASHINGTON**

October 24, 1944

MEMORANDUM FOR

HON. HARRY L. HOPKINS

I wish you would look over this proposal. I have no objection to Berle but their list has a definite omission, i.e., Rear Admiral Richard E. Byrd.

I am not sure whether we should put Cooper of Pan American with only two other air-lines men, Mr. Ralph Damon and Mr. Carleton Putnam. Will you tell him what you think, as speed is necessary?

F.D.R.

DEPARTMENT OF STATE
WASHINGTON
October 20, 1944

MEMORANDUM FOR THE PRESIDENT
INTERNATIONAL CIVIL AVIATION CONFERENCE

United States Delegation and Conference Organization

I believe it is desirable to announce at the earliest practicable date the composition of our Delegation to the forthcoming International Civil Aviation Conference so that the members may have an opportunity to collaborate in the preparations well in advance of the Conference and in order that the invited governments and authorities may have this information available when constituting their own delegations.

The Secretaries of War, the Navy, and Commerce have been consulted regarding the composition of the United States Delegation and I attach for your consideration a proposed Delegation list. I believe a delegation so constituted would be broadly representative of the agencies and interests primarily concerned and would assure able and effective participation by this Government.

In connection with this Government's responsibility for the organization of the Conference, I recommend that if you approve the suggestion that the Honorable Adolf A. Berle, Jr., Assistant Secretary of State, be named Chairman of the United States Delegation, he be designated also as Temporary President of the Conference and that Dr. Warren Kelchner, Chief, Division of International Conferences, Department of State, be named Secretary General. With your approval, I shall be glad to designate the other officers of the Secretariat upon the recommendation of the Temporary President and the Secretary General.

It will be appreciated if you will inform me whether you approve the designation of the above-mentioned individuals in the respective categories indicated.

INTERNATIONAL CIVIL AVIATION CONFERENCE

Organization of the Conference

Temporary President:

The Honorable
Adolf A. Berle, Jr.,
Assistant Secretary of State;

Secretary General of the Conference:

Dr. Warren Kelchner,
Chief, Division of International Conferences,
Department of State.

(Other Officers to be designated
by the Secretary of State.)

DELEGATION OF THE UNITED STATES TO THE
INTERNATIONAL CIVIL AVIATION CONFERENCE
CONVENING AT CHICAGO, ILLINOIS, NOVEMBER 1, 1944

Delegates:

- The Honorable
Adolf A. Berle, Jr.,
Assistant Secretary of State,
Chairman of the Delegation;
- The Honorable
Josiah W. Bailey,
Chairman, Committee on Commerce,
United States Senate;
- The Honorable
Owen Brewster,
Member, Committee on Commerce,
United States Senate;
- The Honorable
Alfred L. Bulwinkle,
House of Representatives.
- The Honorable
William A. M. Burden,
Assistant Secretary of Commerce for Air;
- The Honorable
Fiorello H. LaGuardia,
Chairman, United States Section,
Permanent Joint Board on Defense,
(Canada-United States);
- The Honorable
L. Welch Pogue,
Chairman, Civil Aeronautics Board;
- The Honorable
Edward Warner,
Vice Chairman, Civil Aeronautics Board;
- The Honorable
Charles A. Wolverton,
House of Representatives.
- Mrs. Quincy Wright,
Chicago, Illinois.

Consultants:

The Honorable
Artemus L. Gates,
Assistant Secretary of the Navy for A

Dr. J. C. Hunsaker,
Chairman, National Advisory Committee
for Aeronautics;

The Honorable
Robert A. Lovett,
Assistant Secretary of War for Air;

Major General C. R. Smith,
Air Transport Command;

Secretary General of the Delegation:

Mr. Stokeley W. Morgan,
Chief, Aviation Division,
Department of State;

Advisers:

Mr. John C. Cooper,
Vice President,
Pan American Airways;

Mr. Ralph Damon,
Vice President,
American Airlines, Inc.;

Colonel H. R. Harris,
Chief of Staff,
Air Transport Command;

Mr. Stephen Latchford,
Adviser on Air Law, Aviation Division,
Department of State;

Mr. Carleton Putnam,
President, Chicago and Southern Airlines;

Commander Paul Richter, U.S.N.R.;

Mr. Frank Russell,
National Aircraft War Production Council,
and President, Cerro de Pasco Copper

Secretaries of the Delegation:

Mr. Livingston Satterthwaite,
Civil Air Attaché,
American Embassy,
London.

Mr. Joe D. Walstrom,
Assistant Chief, Aviation Division.
Department of State.

aviation folder
3-44
file

THE WHITE HOUSE
WASHINGTON

October 24, 1944

MEMORANDUM FOR

HON. HARRY L. HOPKINS

I wish you would look over this proposal. I have no objection to Berle but their list has a definite omission, i.e., Rear Admiral Richard E. Byrd.

I am not sure whether we should put Cooper of Pan American with only two other air-lines men, Mr. Ralph Damon and Mr. Carleton Putnam. Will you tell him what you think, as speed is necessary?

F.D.R.

Memo from Hull, Oct. 20, Re Internatl.
Civil Aviation Conference, U. S. Delegation
and Conference Organization.

Aviation folder
3-44

*file
Confidential*

PSF

DEPARTMENT OF STATE
WASHINGTON

October 27, 1944

MEMORANDUM FOR THE PRESIDENT

I enclose a copy in translation of a note received yesterday afternoon from the Soviet Ambassador informing us of a reversal of the decision of the Soviet Government to participate in the Aviation Conference at Chicago on the grounds of the presence of representatives of Spain, Switzerland and Portugal at this Conference.

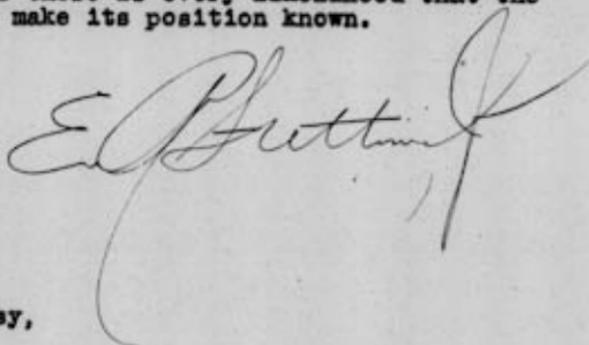
This decision is, of course, most disturbing and regrettable in view of the previous Soviet acceptance which was conveyed in a letter dated October 19 to our Embassy. In fact, the Soviet delegation to this Conference had already reached Minneapolis en route to Chicago when the attached note was delivered. This decision of the Soviet Government is all the more surprising in view of the fact that in extending the invitation, which was done by our Embassy in Moscow on September 12 and by note to the Soviet Embassy on September 13, it was specifically stated that "the European and Asiatic neutrals" were to be invited, and in its reply of acceptance the Soviet Foreign Office made specific mention of the participation of such neutrals. Furthermore, in the Department's press release of September 11 the actual list of countries, including Spain, Portugal and Switzerland, was given to and published in all leading American newspapers. Under the circumstances, it is impossible to believe that the Soviet Government, at the time of its acceptance, was not aware that these three countries would be represented.

In view of the character of the Soviet note, we feel there is little chance of getting a reconsideration by the Soviet Government and therefore we intend to reply to the Ambassador, and through our Embassy in Moscow to the Soviet Government, expressing our deep regret at this

decision

decision and our hope that if the Soviet Government finds it impossible to reconsider this decision not to participate the Soviet delegation at present in this country will be permitted to remain in order to maintain informal contact, quite outside of the Conference, with our civil aviation experts and those of other nations, as they may desire.

I am afraid we must anticipate some undesirable publicity on this point as there is every likelihood that the Soviet Government will make its position known.

A handwritten signature in cursive script, appearing to read "E. P. Butting". The signature is written in dark ink and is positioned to the right of the typed text.

Enclosure:

From Soviet Embassy,
October 28, 1944.

TRANSLATION

EMBASSY OF THE UNION OF
SOVIET SOCIALIST REPUBLICS
WASHINGTON, D. C.

26 October 1944

Your Excellency:

According to precise information received by the Soviet Government, in addition to other states, Switzerland, Spain, and Portugal have been invited to take part in the International Conference on Civil Aviation to be held in Chicago on November 1.

As is well known, the above-mentioned states, having adopted during the course of many years a hostile position in regard to the Soviet Union, do not have diplomatic relations with the U.S.S.R.

In view of this fact, the Presidium of the Supreme Soviet of the U.S.S.R., having heard the report of the Government in regard to the International Conference in Chicago, has turned down participation by the Soviet Union in this Conference. The Soviet Government hereby informs the Government of the United States that, in conformity with the above-mentioned decision of the Presidium of the Supreme Soviet of the U.S.S.R., the representatives of the U.S.S.R. will not be sent to the Conference in Chicago.

Accept, Excellency, etc.

A. GROMYKO

The Honorable

Cordell Hull,

Secretary of State,

Washington, D. C.

EE:CEB:JFF

PSF Aviation

ANNEX IV

DEPARTMENT OF STATE

FOR THE PRESS

OCTOBER 27, 1944
No. 518

The President has designated the following as members of the United States Delegation to the International Civil Aviation Conference which will convene at Chicago on November 1:

Delegates:

- The Honorable
Adolf A. Berle, Jr.,
Assistant Secretary of State,
Chairman of the Delegation;
- The Honorable
Josiah W. Bailey,
Chairman, Committee on Commerce,
United States Senate;
- The Honorable
Owen Brewster,
Member, Committee on Commerce,
United States Senate;
- The Honorable
Alfred L. Bulwinkle,
House of Representatives;
- The Honorable
William A. M. Burden,
Assistant Secretary of Commerce for Air;
- Rear Admiral Richard E. Byrd,
U.S.N., retired,
Boston, Massachusetts.
- The Honorable
Fiorello H. LaGuardia,
Chairman, United States Section,
Permanent Joint Board on Defense,
(Canada-United States);
- The Honorable
L. Welch Pogue,
Chairman, Civil Aeronautics Board;
- The Honorable
Edward Warner,
Vice Chairman, Civil Aeronautics Board;
- The Honorable
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House of Representatives;

Consultants:

- The Honorable
Artemus L. Gates,
Assistant Secretary of the Navy for Air;
- Dr. J. C. Hunsaker,
Chairman, National Advisory Committee
for Aeronautics;

The

The Honorable
Robert A. Lovett,
Assistant Secretary of War for Air;

Major General C. R. Smith,
Air Transport Command;

Secretary General of the Delegation:

Mr. Stokeley W. Morgan,
Chief, Aviation Division,
Department of State;

Advisers:

Mr. John C. Cooper,
Vice President,
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American Airlines, Inc.;

Colonel H. R. Harris,
Chief of Staff,
Air Transport Command;

Mr. Stephen Latchford,
Adviser on Air Law, Aviation Division,
Department of State;

Mr. Carleton Putnam,
President, Chicago and Southern Airlines;

Commander Paul Richter, U.S.N.R.;

Mr. Frank Russell,
National Aircraft War Production Council, Inc.,
and President, Cerro de Pasco Copper Company;

Secretaries of 5

Secretaries of the Delegation:

Mr. Livingston Satterthwaite,
Civil Air Attaché,
American Embassy,
London;

Mr. Joe D. Walstrom,
Assistant Chief, Aviation Division,
Department of State;

The Delegation will also include the following:

Technical Experts:

Mr. Russell Adams,
Civil Aeronautics Board,
Department of Commerce;

Mr. R. W. Craig,
Weather Bureau,
Department of Commerce;

Mr. C. F. Dycer,
Civil Aeronautics Administration,
Department of Commerce;

Mr. Glen A.

Mr. Glen A. Gilbert,
Civil Aeronautics Administration,
Department of Commerce;

Mr. James L. Kinney,
Civil Aeronautics Administration,
Department of Commerce;

Mr. Eugene Sibley,
Civil Aeronautics Administration,
Department of Commerce;

Lt. Com. Paul A. Smith,
Coast and Geodetic Survey,
Department of Commerce;

Mr. Harry G. Tarrington,
Civil Aeronautics Administration,
Department of Commerce;

Mr. A. A. Vollmecke,
Civil Aeronautics Administration,
Department of Commerce;

Press Relations Officer:

Mr. John C. Pool,
Department of State;

Special Assistant:

Mr. William J. Primm,
Assistant Clerk, Committee on Commerce,
United States Senate.

* * *

PSF: Aviation

ANNEX VI

FOR THE PRESS

INTERNATIONAL CIVIL AVIATION CONFERENCE

NOVEMBER 1, 1944

No. 6

CAUTION: Note future release.

Following is the text of a speech prepared by Viscount Swinton, United Kingdom Minister for Civil Aviation, for delivery at a plenary session of the International Civil Aviation Conference at Chicago on Thursday, November 2nd. It is for release on delivery.

Once again, we are indebted to the United States for calling the nations of the world in conference in order that in the important field of civil aviation there may be international cooperation and ordered progress. The fact that so many countries are here today in response to your invitation shows the importance they attach to such cooperation. They know the power of the air. In these years of war, looking at the vast destruction which Air Forces have wrought and the ever increasing range and potentiality of aircraft, it is natural that many should be more impressed by the menace of the air than by its power for good. They feel, and indeed they feel rightly, that the whole future of security is bound up with the air. And we all realize that without security there can be no freedom; and security must rest on unity of purpose, and cooperation both in purpose and in action. I think that is one great reason why/

why, the nations have responded to your invitation so readily and to your call for cooperation with such anxious hope.

I am a profound believer in the future of Civil Aviation and what, rightly handled, it can do for the peace of the world and the linking of its people.

Suspicion, like ignorance, can only be broken down by understanding and the best way to understand one another is to know one another. However far apart we are - air travel makes that possible.

As Secretary of State for Air, I had some part in building up an Air Force for war, the R.A.F. which won the Battle of Britain and thereby at the most critical moment saved the freedom of the world.

I am happy that I have the opportunity now to help in building the aviation of Peace.

I am often told that cooperation in civil aviation presents many difficulties. Someone (I think it was an American) once said, "What is difficult can be done today; what is impossible can be done tomorrow." And I believe we have broad and large a common objective. We want the world to have in peace the full benefit of air travel. We want to satisfy legitimate national aspirations, and at
the/

the same time to reconcile these aspirations with international cooperation.

We want to encourage enterprise and initiative and the development and application of all that science, design and craftsmanship and industry can give us. But we want to avoid disorderly competition with the waste of effort and money and loss of goodwill which such competition involves.

We want to discourage and, when possible, to end subsidies, open or concealed.

We want to pool all our knowledge on many technical matters like meteorology, radio facilities, safety regulations, airfield construction and the like. Technical indeed, but vital to the safety, efficiency, economy and success of civil aviation. We want to agree the best and most practical and apply the results by international agreement. And as these things are not static, to make them continuously the study of the experts of all nations working together, and to have an international body always in existence under whose aegis they will work and under whose authority the agreed results of their work will be applied.

Much good work has been done on these lines in the
past/

past. The Conventions of Paris and Havana are its landmarks. Conventions serving the same purpose and in many respects similar, and which should certainly be brought together in a single accord. But vast strides have been made; and the achievements of war must be harnessed to the service of peace.

Excellent work is in progress between scientists and experts of the United States and the British Commonwealth on these lines. We want all to join.

Here we are all together. It is a great opportunity. I am sure we can establish a framework within which this work can go forward on an international basis. We should be able to achieve a Convention which would cover these many essential matters, and provide for their progressive improvement as time goes on. That in itself is a formidable task, but a great work tremendously worth while. Indeed the air services of the future must have it.

Now I turn again to the pre-requisites, as I see them, of a satisfactory and harmonious system of air services. Each country will wish to be responsible for the air services within its own borders. We are concerned more directly with those which will span and serve the world.

After/

After much thought and much consultation, His Majesty's Government in the United Kingdom have outlined, in a short White Paper, the general principles and system, which they believe will effectively and fairly combine national aspirations with international cooperation. They submit this to the conference as their objective contribution. They would hope it may be the basis of international accord.

Every nation, which aspires to be in the air, will wish to have, and indeed insist on having, in addition to its own internal traffic, a fair share of its external air traffic as well.

That is a natural and legitimate desire. And I am sure that no system which did not recognise and meet that position would be willingly accepted or could long endure.

It is not just a matter of prestige. It is bound up in large measure with security. It is a deep rooted national sentiment. Moreover there are airfields, meteorological services, radio, landing facilities, etc., to be provided. Countries will naturally insist that they shall share in the air services for which they are providing these costly facilities.

The/

The United Kingdom Government not only recognises the strength and reasonableness of these sentiments; it shares them to the full. In entering into any Convention or agreement we shall find that the countries who are or intend to be interested in international air services will insist on a fair share in the services and the traffic. There is indeed nothing new in this. Before the war when the United States and the United Kingdom were planning the trans-Atlantic service we agreed to run the services on a fifty-fifty basis.

We have therefore tried to work out a plan which would provide the services needed, serve the interests of the travelling public, and be fair as between one country and another.

First there is the question of frequencies, i.e., how many services should we have on a particular route. It is suggested that the number of services should be fixed in relation to the traffic offering - a broad equilibrium. I think this is a good formula, provided we don't apply it too rigidly. We must base ourselves not solely on the traffic we are pretty sure of. We must have a liberal margin. Services attract traffic. We want to avoid wasteful competition on the one hand but to give ample facilities/

facilities, on the other. We must be elastic. If the general principle is accepted, practical traffic men and sensible Governments (and I am sure we shall have both), will agree on its application.

Then there is the share each country should have in the services to be operated, that is to say its national quota. Countries will insist on this as a necessary counterpart of frequencies. Any arrangement should be both fair and practical. We have suggested a basic distribution in proportion to the traffic (passenger, mail and freight), embarked in the respective countries. This seems to us both fair and easy to apply.

Then there is the question of rates. This is not so simple; but it is very important if we are to avoid waste and get rid of subsidies. We have suggested that minimum rates should be settled in relation to standards of speed and accommodation.

I would add this. These principles, upon which I am sure many countries will insist, will, I hope, if they are adopted, be applied liberally and progressively. While recognising national interests we want to encourage enterprise and efficiency which are indeed a national as well as an international interest. And we want therefore

to/

to encourage the efficient and to stimulate the less efficient. I am convinced that only by common action on some such lines as I have indicated can we reduce and gradually eliminate subsidies, thereby putting civil aviation on an economic footing and incidentally relieving the taxpayer. Unrestricted competition is their most fruitful soil.

I am sure we all want to face these issues frankly. And I think the conference will agree that I serve all our interests best by stating the issues as we see them clearly and fairly and by making the most constructive proposals I can to our common end.

We cannot draft round this table a complete Convention covering the wide range of subjects which have been opened up. Time and expert draughtsmen will be needed for that. But we can decide the principles and set up a representative body to follow up our work and give them their directions. I do not think that once we have taken decisions on important questions of principle the drafting should take too long. So much good work already stands to our credit on the technical side. So much thought and consultation have been given to other aspects of civil aviation.

But when a Convention has been drafted it has to be agreed by the Governments of all the countries and, more important/

important, still, it has to be ratified. The process of ratification depends upon the constitution of each country. In some countries the Government can adhere by executive action. In others, legislation or Parliamentary approval is required.

We must therefore envisage and plan the course of action to be followed before an agreed Convention comes into force. I think it would be generally accepted that such interim action should be consistent with the Convention. There will have to be temporary arrangements pending ratification: bilateral agreements to which we have been accustomed in the past. But in the future it would follow logically and reasonably that such interim agreements should be made in accord with the principles which will be embodied in the Convention. This should greatly simplify these interim negotiations because, if countries have agreed on the terms to be embodied in a Convention, those terms would naturally find their place in the temporary agreements. If we can act in this way in advance of its formal ratification, the Convention will begin to live in practice and valuable experience will be gained. It will be useful if the interim international authority which I hope we shall set up records all these temporary agreements and follows their/

their operation.

In connection with interim arrangements there is one other very important consideration we must have in mind. The war still rages across the Continent of Europe and with increasing intensity in the Far East. Great Britain is still the base of vast offensive air operations by day and night. Everything in these regions must subserve the supreme object of victory and conform to military requirements. And even after the fighting is over, there will be a considerable period during which the Allied Military Authorities will remain charged with wide and heavy responsibilities. Over a large part of the world, affecting many important air routes, any arrangements which are made during the interim period will have to be made in close consultation with the Allied Military Authorities.

I have tried to cover the wide and varied field of our work as briefly as possible and in a practical and constructive way. We are deeply grateful to the United States Government for bringing us together. We shall, I know, work with a real will to secure international cooperation. I feel confident that we can do much and lay sure foundations: foundations of security, cooperation and goodwill upon which the great edifice of civil aviation will rise tier by tier in the years to come.

INTERNATIONAL CIVIL AVIATION CONFERENCE

FOR THE PRESS

NOVEMBER 2, 1944
NO. 7

ADDRESS OF THE HONORABLE ADOLF A. BERLE, JR.,
CHAIRMAN OF THE DELEGATION OF THE UNITED STATES,
AT THE SECOND PLENARY SESSION, CHICAGO, ILLINOIS,
NOVEMBER 2, 1944.

(For release at time of delivery).

On behalf of the American Delegation, I set forth the position of the Government of the United States.

I.

The use of the air has this in common with the use of the sea: it is a highway given by nature to all men. It differs in this from the sea: that it is subject to the sovereignty of the nations over which it moves. Nations ought therefore to arrange among themselves for its use in that manner which will be of the greatest benefit to all humanity, wherever situated.

The United States believes in and asserts the rule that each country has a right to maintain sovereignty of the air which is over its lands and its territorial waters. There can be no question of alienating or qualifying this sovereignty.

Consistent with sovereignty, nations ought to subscribe to those rules of friendly intercourse which shall operate between friendly states in time of peace to the end that air navigation shall be encouraged, and that communication and commerce may be fostered between all peaceful states.

It is the position of the United States that this obligation rests upon nations because nations have a natural right to communicate and trade with each other in times of peace; and friendly nations do not have a right to burden or prevent this intercourse by discriminatory measures.

In this respect, there is a similarity between intercourse by air and intercourse by sea; for, as is well known, intercourse by sea between friendly nations in times of peace often requires the passage of ships through the waters of other countries so that voyages may be directly and safely made.

At sea, the custom of friendly permission for such transit has, after centuries, ripened into the right of innocent passage, but its beginning was in the customary permissions granted by friendly nations to each other.

It is the view of my Government that, in the matter of passage through the air, we are in a stage in which there should be developed established and settled customs of friendly permission as between friendly nations. Indeed, failure to establish such customs would burden

many

many countries and would actually jeopardize the situation of most of the smaller nations of the world, especially those without seacoasts. For, if the custom of friends did not permit friendly communication and commerce and intercourse through the air, these countries could at any time, or at all times, be subjected, even in peace, to an air blockade.

Clearly this privilege of friendly passage accorded by nations can only be availed of or expected by nations which themselves are prepared to accord like privileges and permissions.

It is therefore the view of the United States that, without prejudice to full rights of sovereignty, we should work upon the basis of the exchange of needed privileges and permissions which friendly nations have a right to expect from each other.

II.

No greater tragedy could befall the world than to repeat in the air the grim and bloody history which tormented the world some centuries ago when the denial of equal opportunity for intercourse made the sea a battleground instead of a highway.

You will recall that for a time nations forgot the famous Roman observation that the law was lord of the sea, and endeavored to establish great closed zones, from which they attempted to exclude all intercourse except through their own ships, or to place any other nation permitted to enter these zones at a discriminatory disadvantage. At various times there were included in these zones a great part of the North Atlantic and the North Sea; the waters lying between North and South America which today we call the Caribbean and the Gulf of Mexico, together with much of the Middle Atlantic; the Mediterranean; and great parts of the Western Pacific and the waters surrounding the East Indies. These zones became fertile breeding grounds for commercial monopolies, which sought to levy tribute on the commerce of the world, or to exclude or discriminate against the trade of other nations. Political complications followed which set neighbor against neighbor and friend against friend. War after war resulted from the attempts of bold pioneers, supported by extreme nationalist policy, to claim and exercise these special privileges. One result of one such controversy was the emergence of a young Dutch lawyer, by name Hugo Grotius, who, in a controversy over a Dutch ship, undertook to argue the case for the right of friendly intercourse, in a book addressed to the free and independent peoples of Christendom, and thereby began the long march of history toward the law of freedom of the sea in time of peace.

It is true that there are differences between closed zones upon the sea and closed zones in the air; arising from sovereign rights of nations affecting the air above them which they do not have in the open sea. Yet the dangers from closed air, where it lies across established or logical routes of commerce, are not dissimilar from the dangers which arose through the closing of the sea lanes. Indeed the base from which Grotius argued was not different from the base of our contention today, namely, that friendly nations in time of peace have the right to have intercourse each with the other, and in friendliness, should make this intercourse possible to others.

Perhaps

Perhaps no greater misfortune could befall the world than to set up a scheme of things by which new, shadowy barriers are traced in the air marking out for the future huge invisible frontiers, certain to become high future battlelines.

The United States accordingly will propose that there shall be an exchange of the needed privileges of intercourse between friendly nations; and that, in such exchanges, no exclusion or discrimination shall exist.

III

The privilege of communication by air with friendly countries, in the view of this Government, is not a right to wander at will throughout the world. In this respect traffic by air differs materially from traffic by sea, where commerce need have no direct connection with the country from which the ship may come. In air commerce, there appears at present to be little place for tramp trade.

In point of fact, the great air routes are not as yet sources of profit to the carriers, or indeed to nations fostering them, but rather have been developed at large expense by subsidies and other assistance. It would seem neither equitable nor just that routes so developed should be claimed by other countries not for the purpose of maintaining their own communications, but merely for the purpose of speculating in the possible profits of a commerce worked up by others among themselves. In this respect the air routes of the world are more like railroad lines than like free shipping; and indeed the right of air intercourse is primarily a right to connect the country in which the line starts with other countries, from which, to which or through which there flows a normal stream of traffic to and from the country which establishes the line.

These problems may well be left for later conferences. It is probably best not to try to see too far into the unknowable future. The business we have in hand now is the business of establishing the means by which communications can be established between each country and another, by reasonably direct economic routes, with reasonably convenient landing points connecting the chief basins of traffic. So far as this country is concerned, the United States has made public the routes which it will endeavor to obtain by the friendly exchange of permissions of transit and landing between it and the countries concerned. It is prepared to discuss like permissions with other countries seeking intercourse with the United States, and it hopes that similar agreements may be worked out between the other countries here present to take care of their own needs for communication.

In

In respect of establishment of routes which do not affect the United States, this Government disclaims any desire to intervene; and it does not believe that countries not interested in the routes sought by the United States will wish to intervene.

Rather, by common counsel, we should work out the general form of the friendly permissions here to be exchanged on a provisional basis; and then avail ourselves of the opportunity here presented to bring together all the countries interested in any route which may be proposed at this time for the purpose of reaching now, the relevant arrangements.

As the United States conceives it, this will be the work of the Committee on Provisional Routes. If its work is well done, I hope that we shall be able at the close of the Conference, to report a great number of agreements between the interested countries, which, taken together, shall thus establish a provisional route pattern capable of serving the immediate needs of the world and ready to be put in effect where and when the military interruptions of war shall have ceased.

Thus handled, no existing route or rights will be prejudiced or need come into discussion. The desire of any nation to obtain routes in the future which it may not presently be able to use will not be foreclosed. The pressing necessities of the situation will be taken care of; and the customs and practices will have ample room in which to grow as experience makes us wiser.

IV

There is, in the view of the United States, a basis for attempting now, in addition to the route agreements proposed, an air navigation agreement which shall modernize and make effective the rules of aerial navigation.

This task was attempted in Paris in 1910 without success; was carried forward with more success by the drafting of the Paris Convention of 1919. Another effort was made in the Habana Convention of 1928, and there were other agreements, among which must be cited the Warsaw Convention.

Yet the fierce developments compelled by five years of war have vastly changed and advanced the art of aviation, and at the same time have vastly increased the division between military aviation and civil air transport. According to experts, it is not possible to convert a peaceful transport plane into an effective instrument of war despite widespread popular misconception to the contrary; and it is very nearly impossible to convert a warplane into an economically available instrument of commerce. Twenty-five years of experience since the Paris Convention have taught us many things about the needs of travel and commerce by air. It is the hope that we shall here be able to agree upon a draft of an air navigation convention.

The customs affecting friendly intercourse in the air between nations, giving effect to the natural right of communication, have been far developed. So far as possible, it is hoped that they can be embodied in a document which will set out in these respects the fundamental law of the air.

Should this prove impossible, the Government of the United States believes that in any case we shall be able to agree upon a number of guiding principles which may serve, at least in part, as terms of reference and instructions for an interim drafting committee which can complete the work should we be unable to finish it here, and submit the result for ratification by all nations.

This task is a challenge to a noble piece of work. To the extent that intercourse by air can be brought within accepted rules of orderly development, we shall have removed great areas of controversy from future generations. If we are successful, we shall have rendered a real service to mankind.

V.

Intimately connected with the problem of routes and that of rules of the air is the problem of international organization, designed to make more effective that friendly cooperation which is essential if air-planes are not to be locked within their national borders.

The preparatory conversations for this Conference have revealed two schools of thought on this subject, both of which are entitled to be examined with respect.

All agree that an effective form of world organization for air purposes is necessary. This does not exclude regional organizations having primary interest in the problems of their particular areas; but no regional organization or group of regional organizations can effectively deal with the new problems resulting from interoceanic and intercontinental flying. This development, tentatively begun before the outbreak of the present World War, has now achieved a vast development, so that planes span oceans and continents on regular schedule with less difficulty than was involved in crossing the English Channel a few years ago.

The problems resulting from this development fall roughly into two great categories: the commercial and economic problems occasioned by competition between different transit lines and streams of commerce, private or governmental; and the technical problems involved in establishing a system of air routes so handled and so standardized that planes may safely fly from any point in the world to any other point in the world under reasonably uniform standards of practice and regulation. Of this last, a separate word will be said later.

But while there is general agreement on the need of organization, there is difference as to the extent of powers to be accorded a world authority or commission such as has been forecast.

It is

It is generally agreed that, in the purely technical field, a considerable measure of power can be exercised by, and indeed must be granted to, a world body. In these matters, there are few international controversies which are not susceptible of ready solution through the counsel of experts. For example, it is essential that the signal arrangements and landing practice at the Chicago airport for an intercontinental plane shall be so similar to the landing practice at Croydon, or Le Bourget, or Prague, or Cairo, or Chungking, that a plane arriving at any of these points, whatever its country of origin, will be able to recognize established and uniform signals, and to proceed securely according to settled practice.

A number of other technical fields can thus be covered; and, happily, here we are in a field in which science and technical practice provide common ground for everyone.

Some brave spirits have proposed that like powers be granted to an international body in the economic and commercial fields as well. One cannot but respect the boldness of this conception, and the brilliance and sincerity with which it has been urged. But -- and this, to the Government of the United States, is the cardinal difficulty -- there has not as yet been seriously proposed, let alone generally accepted, any set of rules or principles of law by which these powers would be guided. Thus it is proposed that an international body should allocate routes and divide traffic; but a great silence prevails when it is asked on what basis shall routes be allocated or traffic divided; or even, what is "equitable", in these matters. Shall an international body be authorized to say, "We do not like Lusitania at present; therefore we deny her carriers routes; we favor for the moment the aspirations of Shangri-la, therefore we give her license to fly?" Shall it be empowered to say, "We wish to preserve a Scythian route from competition, and accordingly divide traffic so that Numidia shall have little or none?" Shall the first flying line in the field be protected against newcomers, or shall there be a policy of fostering newcomers to the end that aviation may be encouraged? Shall the members of such a Board represent their national interest, or shall they be denationalized, uncontrolled arbiters? On the political side, can any nation delegate at this time, in the absence of such established law, the power to any international group to say, "You are entitled to access to the air; but we deny it to your neighbor?" Under these circumstances, imprecise formulae mean in reality arbitrary power, or petty deals to exclude competitors where one can, and divide traffic and profits where one must.

For this reason, the opposite school of thought, which is shared by the United States, believes that international organization at this time in economic and political fields must be primarily consultative, fact-gathering, and fact-finding, with power to bring together the interested

the interested states when friction develops; with power to suggest to the countries possible measures as problems existing and unforeseen come up; and designed to set up a system of periodic conferences which may lay out and agree upon and continuously develop the necessary rules as experience and prudence shall indicate their possibility and gathering custom shall make them feasible.

After a reasonable period of experience, and the development of ever-growing areas of agreement through processes of consultation and mutual agreement, we may then reexamine the possibilities of entrusting such an organization with such added powers as experience may have shown wise, and as prudence and well-being may dictate.

No one in the English-speaking world is unfamiliar with the real and poignant hopes which lie behind the position of our friends from New Zealand and from Canada, who have been most active in propounding the doctrine of an organization with power as a solution. Most of us are familiar with the hopes expressed by the great, imaginative English writer, Mr. H. G. Wells, that an aerial transport board might come to regulate the airways of the world untrammelled by these blundering things called government, and thereby minimize the danger of struggles like that through which we are now passing. All of us have read the brief, disguised as a piece of brilliant fiction, by Mr. Rudyard Kipling called "With the Night Mail" in which, under cover of a description of an airship crossing the Atlantic in a heavy storm, he developed his theory of an aerial transport authority, regulating the affairs of the world. Many of us are not too old to remember that it was Alfred Lord Tennyson who connected the hope of a lasting world federation for peace with the coming of air commerce, in passionate lines showing the wonders of the world yet to come which he never saw, but part of which have proved marvelously and terribly true:

"Saw the heavens fill with commerce, argosies
of magic sails,
Pilots of the purple twilight, dropping down
with costly bales;
Heard the heavens fill with shouting, and there
rain'd a ghastly dew
From the nations' airy navies grappling in the
central blue;

- - - -

Till the war drum throbb'd no longer and the
battle flags were furled,
In the Parliament of Man, the Federation of the
World."

I would

I would not willingly close any door to the ultimate realization of that splendid dream; and I believe that, painfully, and point by point, we are perhaps beginning to approach an era in which it may be realized. But it would be neither statesmanship nor practical to pretend that that situation has presently arrived. It would be unworthy not to go as far, at present, as we can. But the process must be one of evolution, for world peace must be world law and not world dictatorship. You solve no problem of peace merely by delegation of naked power.

For that reason, the United States will support an international organization in the realm of air commerce having power in technical matters and having consultative functions in economic matters and the political questions which may be directly connected with them under a plan by which continuing and collected experience, widening custom, and the growing maturity of its counsel may establish such added base as circumstances may warrant for the future consideration of enlarging the functions of the consultative group.

VI.

Certain specific matters remain to be dealt with. It is the view of the United States that each country should, so far as possible, come to control and direct its own internal air lines. In the long view, no country will wish to have its essential internal air communications under the domination of any save their own nationals. This, of course, does not exclude arrangements by which assistance can be obtained from other countries in the form of capital, or technical assistance; but suggests recognition of the principle that the people of each country must have the dominant voice in their own transport systems. If air transport is not to become an instrument of attempted domination, recognition of this principle seems to be essential.

For this reason, this country reserves, and believes that every country will insist on the right to reserve to itself, the internal traffic known as cabotage, so that, if it chooses, traffic between points within its borders may be carried by its own national lines. Clearly, the right of reserved cabotage can be exercised by one country only; for if a number of countries were to combine to pool their cabotage as between each other, the result would be merely to exclude nations not parties to the pool; and it is the firm conviction of this Government that discriminatory or exclusive agreements are raw material for future conflict.

Partly

Partly as a result of the turn which has been taken by war production, the United States has, at the moment, substantially the only supply of transport planes and of immediate productive facilities to manufacture the newer types of such planes.

The Government of the United States does not consider that this situation is permanent--or indeed that it should be permanent. It knows very well that other countries are quite as capable of manufacturing planes as we are; that their engineers are as good, and their science as far-reaching. Far from using this temporary position of monopoly as a means of securing permanent advantage, we feel that it is against our national interest, and, we think, against the interests of the world, to try to use this as a means of preventing others from flying.

Consequently, this Government is prepared to make available, on non-discriminatory terms, civil air transport planes when they can be released from military work, to those countries which recognize, as do we, the right of friendly intercourse, and grant permission for friendly intercourse to others.

This means that no country desiring to enter the air is barred from the air because it may have suffered under the heavy hand of enemy invasion, or because we may have played a leading part in the task of manufacturing and developing long-range commercial planes.

A byproduct of war has been the development of a great range of aids to navigation and flying which should vastly increase the safety, and speed, and comfort of air commerce. We are prepared to encourage the exchange of technical information between ourselves and other countries, to the end that the best of the art of aviation may become a part of the general fund of the world's resources.

There has been fear, a fear widely spread in this country, that devices such as subsidies would be used by us or by other nations so that the rates and charges in air commerce might reach such levels as would be designed to drive other planes out of the air. We have no such intent, ourselves, and we would oppose any such policy if practiced by others. No country can expect at present to have wide-flung aviation lines without subsidies, as matters now stand; but while a subsidy is legitimate and useful to keep needed planes in the air, it is certainly noxious if designed to knock the planes of others out of the air. For this reason, the United States is prepared

to discuss ways and means by which minimum rates can be agreed upon, and by which the subsidies which are involved in all transport trade shall be used for the purpose of legitimate air communication, but not for the purpose of assisting rate wars or uneconomic competition.

In this way, we believe there can be achieved a rule of equal opportunity from which no nation at this table shall be excluded.

VII

All of us here assembled are in some sense trustees of the present; and what we do will also influence the future in ways which we can hardly calculate. Science has vouchsafed us a great tool of international relationships, and custom is beginning to teach us its use. But science leaves human values to men; and this tool may serve or injure, unite or divide, kill or save, as men use it. If we are able, now and later, to bring the experience and the knowledge gained in the laboratory, on the battlefield, and in peaceful flying within the range of sound and effective rules, and of gracious practices, excluding none and conceived on a basis of world-wide equality of opportunity, we may open a new and statelier chapter in the history of the conquest of the air.

Oppressing none, considering all, establishing law where we can, and taking common counsel where the law has yet to emerge through custom and experience; liberating the wings whose line goes out to the ends of the earth, we shall succeed if our decisions are informed by that honor, and vision, and common kindness, which, now and always, are the great content of wisdom.

INTERNATIONAL CIVIL AVIATION CONFERENCE

FOR THE PRESS

NOVEMBER 2, 1944
No. 7-A

ADDRESS OF THE HONORABLE O. D. HOWE, CHAIRMAN OF THE
DELEGATION OF CANADA, AT THE SECOND PLENARY SESSION,
CHICAGO, ILLINOIS, NOVEMBER 2, 1944

1. An International Air Authority, established along the lines of the Civil Aeronautics Board of the United States, is the principal proposal which Canada places before this conference. We are firm believers in healthy competition. We are convinced that it will develop most fruitfully under an International Authority. We want to see free choice for the traveller between competing airlines; competition in service but not in subsidies; a guaranteed minimum of routes and frequencies to the airline companies of all nations -- large or small; the most frequencies where need exists, whether of nations large or small; the substitution of international regulation for national restrictions; and the complete absence of discriminations, preferences, exclusive rights, and arbitrary landing fees and charges. We also seek control of subsidies, not through any impractical methods of direct control, but through control of the uneconomical consequences of subsidies, such as rate cutting, and the maintenance of services at levels greater than traffic warrants.

2. The broad outline of Canada's views on international aviation is known, I think, to all who are concerned with the subject. It was published on March 17th of this year in the form of a tentative and preliminary draft of an international air transport convention and was the subject of public discussion and debate, both in the Canadian Parliament, and in the press of Canada and other countries. We still hold the views which were given wide publicity at that time. The Canadian delegation is in the fortunate position of knowing that, as a result of the thorough consideration which the draft convention received in the Canadian House of Commons, the principles of the convention command the almost unanimous support of members of all political parties in the Parliament of Canada.

3. May I attempt to sketch those principles briefly? We propose, as I have said, the establishment, by international convention, of an International Air Authority. We also propose that the nations of the world should grant four freedoms of the air, to airlines whose operations have been authorized by the Authority. These four freedoms are: --

The right of air transit.

The right to land for servicing.

The right to carry passengers, freight and mails from the country of origin to any place in the world.

The right to bring passengers, freight and mails back to the country of origin, from any place in the world.

4. The proposals may be summarized as follows: --

- (1) The Authority would consist of an Assembly, a Board and a number of Regional Councils. The Assembly would be composed of representatives of all the member states. The Board would be composed of twelve members -- one from each of the eight member states of chief importance in international air transport and four members elected by the Assembly. The Regional Councils would consist in part of representatives appointed by the states which are principally concerned in the airlines of the region.

(2) The

- (2) The Regional Councils, or the Board if more than one region is involved, should be given the power, acting in accordance with the principles set forth in the convention, to issue certificates to one or more airline companies of states applying for certificates giving the right to operate services over certain international routes, and specifying frequencies and rates on these services. An airline company, holding such a certificate should automatically be entitled to the four freedoms mentioned. (Rights to handle traffic originating in a foreign state and destined for a foreign state would be secured, not under the international convention, but as a result of special agreements between the governments concerned.)
- (3) All members states should undertake to provide and maintain airports and other ground facilities on their territory, adequate for the safe, regular, efficient and economical operation of the air services authorized by the international authority. In order to provide for an equitable division of costs, particularly for airports in thinly populated territory, the international authority should be given power, at the request of a member state, to apportion costs between interested states.
- (4) An agreed set of regulations to govern the field of air navigation should be established. Of this I shall have more to say later.
- (5) On all questions which directly affect world security, the International Air Transport Authority should be subject to the Security Council of the United Nations.
- (6) The convention agreed to at this conference should be regarded as a convention which would be subject to amendment later, by the member states, in the light of the practical experience gained during the trial period.

5. We have also had the privilege of discussing our draft convention with a number of other governments which have displayed a special interest in the future of international air transport, including the members of the Commonwealth. These discussions have been of great value to us.

6. In our draft convention of March 17th, 1944, we set forth three main general objectives which we considered an International Air Transport Authority should pursue. Our discussions with other countries have led us to the conclusion that it might be useful to set forth in any convention which is adopted a somewhat fuller statement of objectives. I would therefore suggest that the statement of objectives of an International air transport convention should read somewhat as follows:

The International Air Authority shall plan and foster the organization of international air services so as:

- (1) To avert the possibility of the misuse of civil aviation creating a threat to the security of nations and to make the most effective contribution to the establishment and maintenance of a permanent system of general security;

(2) To

- (2) To avert conflicts capable of creating friction among governments or peoples;
- (3) To avoid the development of economically wasteful competitive practices;
- (4) To ensure that, so far as possible, international air routes and services are divided fairly and equitably between the various member states, and to ensure to every state the opportunity of participating in international airline operations, in accordance with its needs for air transportation service, and its industrial and scientific resources;
- (5) To encourage the continued development of the peaceful arts of aircraft design and operation;
- (6) To reject and discourage discriminations in the following fields: operations, use of bases and aids to navigation, definition of prohibited areas, and customs arrangements;
- (7) To offer the potential users of air transportation safe, convenient and economical services; to offer free choice among alternative services; and generally to meet the needs of the peoples of the world for efficient and economical air transport.

7. In pursuing these objectives, difficulties have been encountered which I am confident can be surmounted, given goodwill on all sides, and a reasonable amount of give-and-take, especially as many of the difficulties arose from misconceptions. We would correct these misconceptions by pointing out the following:

- (a) We do not propose the internationalization of air transport. The Canadian plan proposes an International Authority with powers analogous to those possessed by the Civil Aeronautics Board of the United States. The existence of an International Civil Aeronautics Board would not mean that the international airlines of the world would be internationalized. We propose international regulation, not international ownership or international operation.
- (b) The Canadian plan does not propose that this International Authority should be given power to tell a nation that its airlines should be privately-owned or government-owned or that it should have one, or more than one, airline engaged in international traffic. In our opinion, these are purely domestic questions, entirely outside the scope of any International Authority or any international convention. These are questions which each state must decide for itself. Our proposals for an International regulatory Authority will work equally well with privately-owned lines or government-owned lines, with "chosen instruments" or competing national lines.

(c) We do

- (c) We do not propose to make it difficult for airline companies to obtain rights to operate international airlines. The Canadian plan proposes precisely the opposite. It proposes the removal of the existing high barriers in the way of airline companies securing rights. For the present restrictions imposed by nations against the airlines of foreign countries, we propose the substitution of international regulation, in the belief that an efficient airline company will find it easier to comply with these international regulations than to hurdle the present restrictive national barriers.
- (d) We do not propose to interfere with the rights or powers at present exercised by national licensing bodies such as the Civil Aeronautics Board of the United States. Under the Canadian plan, the rights and powers of such a body to issue licenses to its national airlines for operation of international routes are not touched. If our proposals are adopted, the Civil Aeronautics Board can continue to issue the same licenses, with precisely the same validity. A Civil Aeronautics Board license to a United States airline company, to operate over an international route today is of no practical effect until the United States government secures the necessary permissions from every foreign country which that airline is to traverse. Under our proposals the only difference would be that the United States government would not have to go to a whole series of foreign governments; it would go to one single international body, on which it would be represented by a member of its own choice.

8. We have discovered, from our conversations with other governments, that of the difficulties which they foresee, the crux is the proposal that an International Authority should have the right to say to a state "Your airline companies cannot operate on such-and-such a route", or "Your airline companies can only operate so many services a day, or so many services a week, on such-and-such a route." This, it is said, would put efficient airline companies in a strait-jacket. The last thing the Canadian plan contemplates is putting efficient airline companies in a strait-jacket. In reality the purpose is to make it hereafter impossible for any one of the countries over which an airline wants to operate to put that airline in a strait-jacket. Today, if an airline company wants to fly a route passing over six countries, it is possible for any one of these six countries to say, "No, your airline cannot operate on that route, because we refuse it permission to cross our territory," or "Your airline companies can only operate so many services a day, or so many a week, on that route."

9. It is essential that any International Authority must be bound by the convention under which it is established to operate in accordance with equitable, agreed purposes and principles, set forth clearly in the convention. In our draft convention of March 17th, 1944, precise criteria which the Authority should follow in granting certificates or licenses, and in increasing frequencies, were not set forth. The time has come when it is necessary to make precise suggestions, as a basis of discussion at this conference.

10. The Canadian delegation suggests that the basic criterion be the average payload which a particular airline company has been carrying over a representative period. Suppose, to take an example, that the initial allocation of services over a certain route is two a day, to the airline companies of a given country. If, after a reasonable period of say twelve months, it appeared that these services were operating with an average payload of say more than sixty-five percent of carrying capacity, then the International Authority should immediately increase the authorized number of frequencies granted to the airline companies of that country. If another country also had rights to operate two services a day over the route, but was operating with an average payload of less than forty percent of carrying capacity, it should be required to reduce its frequencies. In no circumstances, however, would it be required to reduce them below the basic minimum of one round trip a week. Special consideration would also be given to such factors as heavy seasonal fluctuations.

11. The argument in favour of the adoption of such a simple, easily understandable criterion is that -- given of course a common, agreed rate structure -- the traffic, as a result of the free choices of individual travellers and shippers, would flow to the most efficient companies, and the companies that get the traffic would get the frequencies. This would stimulate improvements, development and healthy competition.

12. The Canadian plan proposes also that any nation should have the right to have one of its airline companies operate at least one round trip per week, on any international route commencing in that nation's territory. If the application showed more than one frequency a week to be desirable in the general interest, that would be within the discretion of the International Authority, acting in accordance with the principles laid down in the convention. The airline company could not, however, be refused one frequency a week. If the service, once established, attracted sufficient traffic, the number of frequencies could be increased in accordance with the payload formula, so that the airline company might be operating services once or twice a day rather than just one a week. This opening of the door to aggressive competition, from the airline companies of the smaller nations, will have a healthy effect all around.

13. Another problem to be met is that of rate control. No one wants to see highly uneconomic out-throat competition, which would drive fares down to a ridiculously low level. This would mean high government subsidies, and bitter international controversies. It would mean, not the survival of the fittest airline, but the survival of the most highly subsidized airline. On the other hand, no one wants to see rates established at an artificially high level, in an attempt to make it possible for inefficient airlines to operate at a profit.

14. There may be a disinclination, in some quarters, to accept a proposal under which governments, acting either through ad hoc bilateral or multilateral agreements, or through an International Authority, should set rates. On the other hand, there is an equal disinclination, in other quarters, to give the airline companies complete freedom to get together and fix rates.

15. It seems

16. It seems to us, and the Canadian plan provides, that the rates should first be fixed by the airline companies operating on the route. The companies should file their tariffs with the appropriate Regional Council. If any interested government objects to the rates, the Regional Council should have the power to modify them, after proper public notice and hearing. If the airline companies are unable to agree on rates, the Regional Council should have the power to determine the rates. The Regional Council is, under the convention, instructed that the rates approved or determined should, so far as possible, be such as to permit the revenues of the most economical operator to cover the full cost of operation and reasonable profit, and provide that, where two or more classes of services are offered as alternatives, and so differ in their characteristics as to justify differentials, the rates charged should bear a proper relation to those differentials. In this, as in other matters, decisions of Regional Councils may be made the subject of appeal to the Board.

16. Before leaving the subject of rates, it might be useful if I were to point out that the problem of rate control will be with us, whether or not we set up an International Air Authority with the kind of power to control rates which I have just proposed. If there is no International Authority with effective control over rates, then rates will be settled as the result of a whole series of bilateral and multilateral agreements, which might be made initially between companies, but for which governments will be compelled by public opinion to accept responsibility. The reason for this is that no government responsible to public opinion will be able to permit a foreign airline company to operate into its territory if it has no effective protection against that airline company charging inequitable rates. It is no answer to say that the national licensing body of the state whose nationality that foreign airline possesses would prevent the company from charging inequitable rates. No government, especially a government whose people had ambitions to operate international air services could successfully defend to its parliament or congress an international agreement, or the absence of an international agreement, under which an agency of a foreign government could, in its sole discretion, determine the rates charged on air traffic to that country.

17. We have also recognized the desirability of including in this same document a set of regulations which would cover the field of air navigation dealing with such matters as prohibited areas, nationality of aircraft, air worthiness, and general traffic rules. Part 2 of our revised convention is intended to fill this need. It is a modernized version of the Paris and Havana conventions which it is intended to replace. We also provide for a series of annexes to this part of the convention which would elaborate upon the details contained therein. For the time being, however, these annexes have been left blank.

18. Another question which has arisen concerns the establishment of immediate provisional services, where possible, to the liberated countries. We concur in the necessity of making some immediate provisional arrangements and accordingly this convention deals with that also, by providing for a transitional period terminating on a set date during which states accepting the convention should have the right to enter into such arrangements

arrangements as may be agreed among themselves, for the provision of international air services. During this transitional period, the limitations of this convention with regard to routes, frequencies and rates, would be temporarily suspended, but contracting states undertake to observe the general principles and objectives of this convention. Upon the termination of this transitional period, any arrangements made therein would cease to have effect, and services, routes or frequencies would be governed entirely by the terms of this convention, just as if the transitional period had never existed.

It seems to us necessary that the provisional and permanent solutions be dealt with now, at the same time, and in the same document; otherwise the permanent solution so much desired by all will be seriously jeopardized, if not made impossible.

19. A special article in our draft convention provides for this transitional period. We recognize, however, that some time might elapse between the signature of the convention and its coming into force, consequent upon the necessary ratifications. In order to prevent any delay therefore, in arrangements for provisional services, we should be prepared, if the Canadian Convention in general were accepted, to have the arrangements for the transitional period arrived at separately, so that they might take effect immediately.

20. I have attempted to clear up certain possible misunderstandings about the Canadian government's proposals, embodied in its draft international air transport convention of March 17th, 1944. I have attempted to indicate how certain of the gaps in that convention have been filled in. For the rest, I am content to leave our convention for study, criticism, suggestion, or amendment by this conference, believing that it offers a practical workable way of solving our common problems.

21. We submit our proposals for the consideration of this conference because we are convinced that they represent in their main lines a sound practical basis for elimination of the dangerous prewar international regime in the air. From our study of the problems, we believe that a selection must be made between the kind of proposals we have made, and a continuance of that dangerous and unsatisfactory prewar system. We think that it is unrealistic to talk in terms of a multi-lateral grant of freedom of air transit and commercial outlet, unless those grants of air freedoms are accompanied by the establishment of an effective International Authority, with power, in the ultimate resort, to regulate frequencies and to fix rates. Without an effective International Regulatory Authority, mere freedoms of the air would lead either to unbridled competition, or to domination of the airways of the world by a few.

22. Nations can exercise, in an anti-social way, their present right to refuse foreign airlines air transit over their territories. Nations can likewise exercise, in an anti-social way, their present right to prevent foreign airlines from landing on their territories to pick up and discharge traffic. The obstructionist use of the one right can be "an outrageous exploitation of geography for purely negative and destructive purposes" by nations which are situated athwart the great
airways

airways of the world. The obstructionist use of the other right can be an equally outrageous exploitation of economic power for purely negative and destructive purposes. An unconditional grant of freedom of air transit, under a multilateral convention, would remedy the one abuse, but do nothing even to curb the other abuse. Indeed, it might make it earlier for some to enter into restrictive agreements, establishing monopolies for themselves on certain routes, at the expense of other countries which should run airlines on these routes. It is essential, therefore, that both sets of abuses be remedied or curbed, by the setting up of an effective International Authority.

23. If this conference is unable to reach a sufficiently large measure of general agreement, and we therefore have to continue with substantially the prewar system, Canada has no intention of pursuing an obstructive attitude in dealing with transit or landing rights. Our record has been good in the past. It will remain good in the future. But though Canada's immediate and direct national interests probably would not be endangered by a continuance of the prewar system, we know that our long-run interests, in the creation and maintenance of a peaceful and prosperous world, would be gravely endangered.

24. In our opinion, the lesson to be drawn from the history of international air transport, in the period between the wars, is clear. To permit a reversion, after this war, to the interwar system, would mean a revival of the prewar international rivalry in air transport. This would retard the development of efficient and economical air transport; it would mean wasteful competition, excessive government subsidies, failure to meet genuine air transport needs on an economic basis, and serious international friction, resulting from the efforts which nations would make to build up their own international air transport services, and to hinder by high subsidies, and by all the tricks of prewar international air diplomacy, the development of the international air transport services of other countries. The international friction which would result would be much more serious than formerly, partly because air transport is so much more important now than it was then, to the prosperity, security and prestige of nations, and partly because a continuance, after the war, of the prewar regime of the closed-sky would result in unbalance between the international regime in the air, and the potential sources of new operations.

25. An enlightened settlement of the problem of international air transport will mean that the nations of the world have gone a long way toward establishing a lasting peace and a new order of security. Taken with the organization foreshadowed by the Dumbarton Oaks meetings, it would constitute a model for the settlement of other difficult international problems, and would create an atmosphere in which the settlement of these other problems will be easier. On the other hand, if we cannot devise a working system of cooperation and collaboration between the nations of the world in the field of air transport, there will be a smaller chance of our enjoying peace for the remainder of our lives.

26. The opportunity before this conference is great. The responsibility it bears is grave. I am confident that this assembly will grasp the opportunity and accept the responsibility, and thus guarantee one essential of lasting peace.

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