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Book Reviews

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BOOK REVIEWS

AIRPORT LEASE AND CONCESSION AGREEMENTS, by Charles S. Rhyne (National Institute of Municipal Law Officers, Washington, D.C.)

Mr. Rhyne deals with controversial questions in this book, and he has gathered together under one cover much information and statistical data which may be of considerable benefit to officials of municipalities having to do with airports.

The foreword to Mr. Rhyne's book was written by Mr. Fred T. Van Liew, City Solicitor of Des Moines, Iowa, who has successfully pointed up the almost overwhelming questions which are presented to attorneys for municipalities, a situation that is appreciated by so few. Such problems are focused when we are reminded in the foreword and elsewhere in the book that the municipal attorney is not only called upon to possess a working knowledge of many phases of law, but is expected to look into practical, economic, social and political questions of great importance. Mr. Rhyne's book is specifically aimed at such questions, so far as airport use is concerned, on the theory that the subject of airport use has not been explored to any great extent, from a practical, legal or financial viewpoint in so far as the interest of municipalities is concerned.

His book, a report to the National Institute of Municipal Law Officers, will provide the municipality and its attorney with help in future negotiations with airline companies, fixed base operators, concessionaires, etc. Mr. Rhyne's work consists of sixteen chapters and an index, with Chapter V dealing with Airport Revenues, Financing and Costs of Operation, probably being the most controversial. The part of this chapter dealing with gasoline and oil concessions will be one of the portions to which the scheduled airlines will have objection.

The author has not overlooked the fact that a municipality is a governmental unit with limited powers, and that under its police power, its activities are generally confined to fire prevention, health and safety measures. However, the author urges municipalities and their officials to look for money-making possibilities. In fairness, it should be noted that the author stresses the money-making possibilities, because, as he says, most cities have experienced acute difficulties in balancing their airport budgets. Moreover, it is recognized in Chapter V that courts have held airports to be public utilities, that handsome profits have no place in a public utility operation, and that a reasonable return is more akin to the theory upon which municipal airports should be operated.

The fact that the book may prove highly controversial is a good thing. The reader will not find conclusive answers to the problems which the book raises, but the excellent compilation of statistics, comparison of various model forms of agreements, and the viewpoints of segments of the aviation industry, which are fairly and clearly set forth, will be of considerable profit, particularly to municipal officials. Further, in the event that greater uniformity in municipal airport operation may be given an impetus by Mr. Rhyne's efforts, the benefits to the industry will be all to the good.

ERWIN SEAGO*

* Partner, Seago, Pipin, Bradley & Vetter, Chicago, Ill.

AIRLINE RECORD 1948, by Roy R. Roadcap. (Published by the Author, 208 So. La Salle St., Chicago 4, Ill., 1948, pp. 111. \$7.50.)

Mr. Roadcap, a security analyst, presents in this volume detailed data on air transport companies whose securities are publicly held in the United States. Companies covered include all domestic trunk lines, and also Alaska, A.O.A., Pan Am, Pioneer, Taca, West Coast, and Wisconsin Central.

The first fourteen pages explain the terms and ratios which are used, and contain maps, charts, and statistics on the industry. The remainder of the book presents analyses of individual companies. Each analysis includes a route map of the company, brief history, summary of property and equipment, names of officers and directors, and the numbers of stockholders and employees. Detailed data are then given for a seven year period (where available) on traffic, and on operating revenues and expenses. These are followed by ratios selected to indicate pertinent facts on payload, revenue, and expenses. Balance sheets, and capitalization and financial ratios also are presented for the same period. The sources used in compiling the statistics are CAB and company reports.

Mr. Roadcap's study has been carefully prepared. It should prove an excellent source of information for analysts and investors who wish to appraise the securities of individual airlines. It should be a valuable reference also for people with a more general interest in air transportation.

H. W. T.

LABOR RELATIONS IN THE AIR TRANSPORT INDUSTRY UNDER THE AMENDED RAILWAY LABOR ACT, by E. B. McNatt. (Bulletin Three, Institute of Aeronautics, University of Illinois, Urbana, 1948, pp. 26, free upon request.)

It has long been recognized that the air transportation industry requires the allocation of an unusually high percentage of operating costs to wages, and it is becoming increasingly clear that mature and economical labor-management relations must be considered among the major questions facing American carriers today.

To this complex problem, Dr. E. B. McNatt, Professor of Economics at the University of Illinois College of Commerce and Business Administration, has devoted his wide experience in industrial relations. The product provides a compact and informative historical survey of the machinery and regulations set up to control possible controversies.

The guiding legislation is the Railway Labor Act, a statute which has been only moderately effective in achieving its avowed objective of avoiding work stoppages in the nation's vital transport facilities. The bulk of this brief study is concerned with the record of the sensitive Air Line Pilots Association, whose strikes against T.W.A. and National have provoked criticism of the wisdom of applying this surface carrier law to aviation.

Should the pilots develop satisfactory relations with the employing carriers, Dr. McNatt believes that other airline unions would probably adopt similar conciliatory attitudes and follow the trend. He recommends the abandonment of the ALPA policies which bar industry-wide negotiations and which require a new contract for each improved plane developed. There is no wholly effective barrier against strikes in current legislation, and a good deal of careful and patient bargaining lies ahead. Informative reports such as this may make future labor negotiations a little more understandable to those interested in civil aviation.

W. H. W.