

1949

International

Recommended Citation

International, 16 J. AIR L. & COM. 445 (1949)
<https://scholar.smu.edu/jalc/vol16/iss4/5>

This Current Legislation and Decisions is brought to you for free and open access by the Law Journals at SMU Scholar. It has been accepted for inclusion in Journal of Air Law and Commerce by an authorized administrator of SMU Scholar. For more information, please visit <http://digitalrepository.smu.edu>.

INTERNATIONAL

Department Editor: Joan H. Stacy*

INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)

THE ICAO Council devoted the greater part of the first few meetings of its eighth session to organizational and administrative matters and thus cleared the way for work on aviation problems on which it must report to the 1950 Assembly. The representative of Argentina, at the first meeting of the session on September 6, announced that his Government found it necessary to withdraw its invitation to the Organization to hold its 1950 Assembly in Buenos Aires. It was therefore necessary for the Council to consider a new site. The decision was reached on October 4 that the Fourth Assembly could be held at headquarters in Montreal in June 1950.

The following officers of the Council were elected for the 1949-50 term:

First Vice-President—Lt. Col. J. Verhaegen (Belgium);

Second Vice President—Dr. K. N. E. Bradfield (Australia);

Third Vice-President—Cmdr. D. Arturo Francisco Grassi (Argentina);
Chairman of Air Transport Committee—Brigadier C. S. Booth (Canada);

Chairman of the Committee on Joint Support of Air Navigation Services
—Rear Admiral Paul A. Smith (United States).

The Third Assembly had recommended a general reduction of \$60,000 in the provision for meetings in the Organization's 1950 budget. Consequently, the Council, assisted by its Air Navigation Commission and Air Transport and Joint Support Committees, had to review very carefully the need for holding various regional, divisional, joint support and special meetings in 1950 and to consider ways in which economies might be made in conducting these meetings without sacrificing efficiency. A tentative decision was reached by the Council to omit the area meeting on facilitation of air transport and the joint support meeting from ICAO's 1950 calendar and to postpone until another year the meetings of the Personnel Licensing and Search and Rescue Divisions. The Air Navigation Commission reported that a Caribbean and a Middle East Regional Air Navigation Meeting in 1950 would both be technically necessary.

The Council declared Annexes 8 and 9 to the Chicago Convention in effect as of September 1, 1949. These annexes became effective in accordance with Article 90 of the Convention because no part of them was disapproved by a majority of Contracting States. Compliance by ICAO Member States with Annex 8, Standards and Recommended Practices for Airworthiness of Aircraft, should insure that transport aircraft traveling internationally are sound in structure and performance. Full implementation of Annex 9, Standards and Recommended Practices for Facilitation of International Air Transport, should result in substantial savings in time and money for international airlines.

The Council gave general endorsement to the August 15, 1949 resolution of the Economic and Social Council (ECOSOC) of the United Nations on the conduct by the UN and its specialized agencies of an expanded technical assistance program. More definitive action by ICAO on its contribution to a "Point IV Program" is expected to be taken after the UN General

* Aviation Planning Staff, Department of State.

Assembly has completed its examination of the recommendations of ECOSOC. The Joint Support Committee has been directed to recommend ways in which ICAO might join in the program. Under the plan projected by ECOSOC, ICAO would get 1% of the first \$20,000,000 of special funds contributed to the UN organization for technical assistance.

AIR NAVIGATION COMMISSION

The ICAO Air Navigation Commission convened for its second session on September 12. One of the first items on the Commission's agenda was the matter of the draft international standards for accident investigation. After discussion of the legal difficulties which might arise in connection with the adoption of standards affecting the investigatory powers of Member States, the Commission agreed that accident investigation could appropriately be made the subject of an annex to the Chicago Convention,¹ but that improvements should be made in the material already drafted. The Commission approved for submission to the Council amendments to Annex 4,² recommended by the Fourth Session of the Aeronautical Maps and Charts Division. It also considered amendments to Annex 2,³ recommended by the Third Session of the Rules of the Air and Air Traffic Control Division. The agenda for the Third Session of the Meteorology Division was approved by the Commission for distribution to Contracting States.

AIR TRANSPORT COMMITTEE

The Air Transport Committee began its work for the fall of 1949 with a discussion of burdensome insurance requirements imposed on international air carriers, resulting from the different national laws on insurance of the same risks. The Committee examined the various States' comments on the Annex to Second ICAO Assembly Resolution A2-20, which would provide for recognition by all ICAO Member States of insurance coverage certified by any Member State as having been obtained under its own laws. The majority of ICAO States had indicated that they had no national requirements for insurance of air transport risks and therefore would have no problem in implementing this annex. The Committee agreed, however, that the Assembly's recommendation would serve a purpose by eliminating the danger that many engaged in international air navigation, in the not unforeseeable future, might have to insure the same risks in different countries. The Committee directed the Secretariat to prepare a draft Council resolution along the lines of the annex to Resolution A2-20. The Secretariat was also directed to prepare a summary of the economic aspects of aviation insurance which had previously been handled by the Legal Committee with a view to having this phase of the work turned over to the Air Transport Committee.

Similar action by both the Air Navigation Commission and the Air Transport Committee, in recommending to the Council that no amendments to the Chicago Convention be made at the 1950 Assembly, may presage the action the Council will take on one of the most important items on its agenda. The Air Navigation Commission took the position that no amendments to the technical, air navigation articles of the Convention should be

¹ The draft technical annex drawn up at the Chicago International Civil Aviation Conference in 1944 at the same time as the Convention on International Civil Aviation included Annex L, Search and Rescue, and Investigation of Accidents.

² Standards and Recommended Practices for Aeronautical Charts, March 1949.

³ Standards and Recommended Practices for Rules of the Air, September 1948.

proposed at the 1950 Assembly; that there are no problems of sufficient urgency to warrant immediate and detailed study of possible amendments; and that the question of general amendment of the Convention should be handled by an orderly plan and much more time devoted to study of the problem. Articles of the Convention covered by the report of the Air Navigation Commission's working group on amendments were

Article 12—Undertaking of Contracting States on compliance with rules of the air and adoption of such rules in conformity with the Convention;

Article 26—Investigation of accidents;

Article 33—Recognition of certificates of airworthiness and licenses;

Article 39—Endorsement of certificates and licenses which fail to meet ICAO standards;

Article 40—Validity of endorsed certificates and licenses;

Article 41—Recognition of existing standards of airworthiness;

Chapter VI (Articles 37-42) as a whole—International Standards and Recommended Practices.

Likewise, the Air Transport Committee reported that early amendment of the following articles of the Convention did not appear feasible:

Article 5—Right of non-scheduled flight;

Article 15—National treatment for aircraft of Contracting States with regard to use of airports and charges imposed therefor;

Article 96—Definition of general terms used in the Convention, e.g., "air service."

STUDIES BY THE ICAO SECRETARIAT

The ICAO Secretariat has recently produced some very useful summaries and analyses. The Air Transport Committee was given considerable background material for its discussions in the fall of 1949 of onerous economic burdens on air transport by a study prepared by the Secretariat on the problem of multiple taxation. This working document contained not only historical and factual data on national and international tax practices and principles but also some recommendations on what action ICAO might take to alleviate the tax burden of international air transport enterprise. The study pointed out that ICAO's role in connection with multiple, discriminatory and unduly burdensome taxation should be in connection with aviation tax problems which are unique and which require separate treatment from the international tax problems of business in general or other transport enterprises. The Secretariat's analysis of the various types of taxes to be considered by ICAO was handled in five separate sections:

Multiple Taxation

- (1) Income and property taxes on international air transport enterprises and their aircraft.

[The Secretariat has found that about two-thirds of the States reporting to ICAO on these types of assessment apply the reciprocal exemption ("vessel") theory of taxation to aircraft, as distinguished from the allocation ("railroad") theory.]

- (2) Income taxes of airline employees.

[The Secretariat concludes that the principle of taxation only by the foreign State of those stationed permanently abroad and taxation only by the State of regular residence of those stationed temporarily abroad appears to be set forth adequately in the London and Mexico drafts of the model bilateral tax convention developed by the League of Nations.]

Unfairly Burdensome or Discriminatory Taxation

- (3) Customs duties and excise taxes on the ground equipment and Article 24 of the Chicago Convention and Paragraph 4.5 of Annex 9

on Facilitation of International Air Transport.⁴ The Secretariat recommends expansion of these international provisions to cover exemption from certain other related categories of taxes.]

- (4) Import and excise taxes on fuels and lubricants used in international air transport.
[About two-thirds of ICAO Member States give a substantial amount of relief from taxation of fuels used by international airlines. The Secretariat suggests that ICAO might wish to adopt a policy advocating complete exemption from fuel taxes for aircraft making their next stop in another State.]
- (5) Excise taxes on the sale of international transportation by air.
[Since these taxes are prevalent today in one form or another in many different States and undoubtedly discourage the use of air transport by increasing its cost, the Secretariat recommends an ICAO resolution drawing the attention of Contracting States to the problem.]

The Secretariat has made a study of the classification of international civil aircraft operations.⁵ Comments which Contracting States have been asked to submit on the Secretariat's study may form the basis for Council recommendations to the Fourth Assembly on the problem of distinguishing between "scheduled" and "non-scheduled" air services as the terms are used in Articles 5 and 6 of the Chicago Convention.

The study is based on the proposition that most States would want flights in substantial competition with authorized international air services to be subjected to restrictions of an economic nature requiring prior permission. Flights conducted by international airlines, charter flights, contract services, business or pleasure flights by the owner of the aircraft and non-transport flights are analyzed, and the conclusion is reached that these different categories are not completely distinguishable from each other and that numerous borderline cases arise. For this reason, the use of such categories is of little assistance in determining the dividing line between scheduled and non-scheduled services or in determining what constitutes the carriage of passengers, cargo or mail for remuneration. The proposal is made by the Secretariat that three different categories of aircraft—light aircraft, freight aircraft and aircraft performing passenger services for higher fares than regular services—should be permitted freedom of international flight without prior permission. The remainder of what is now generally referred to as "non-scheduled" flights would consist chiefly of operations that do compete with regular public air services, e.g., passenger operations performed under contract and charter flights of designated international air carriers off their regular routes. Most States, wishing to keep close control of any air services that might compete with or develop into regular public air services, would be expected to regard as desirable a requirement that these other "non-scheduled" flights obtain prior permission so that they could scrutinize them and grant or withhold permits according to their own national policies.

The distribution to Contracting States late in the summer of 1949 of ICAO Statistical Summaries No. 3 and 4⁶ revealed that the ICAO Secretariat is making progress in the collection of postwar air transport statistics.

⁴ 4.5 RECOMMENDATION—Ground equipment and technical supplies imported into a Contracting State for use within the limits of an airport by an airline of another Contracting State in connection with the establishment or maintenance of an international air service of such airline, should be admitted free of customs duty, subject to compliance with the regulations of the Contracting State concerned; such regulations should not unreasonably interfere with the necessary use in such service of such ground equipment and technical supplies.

⁵ ICAO Doc. 6895, AT/695, 26/8/49.

⁶ ICAO Docs. 6740, AT/692 and 6741, AT/693 of June 1949.

Statistical Summary No. 3 contains data on revenue traffic along scheduled domestic and international routes (by country) and international revenue traffic coefficients (by country and by airline). Statistical Summary No. 4 contains the first figures ever published by ICAO on origin and destination of passengers (by country and by airline). Although the data cover only eleven countries and are not strictly comparable due to States' misinterpretation of or failure to carry out ICAO's statistical reporting instructions, Statistical Summary No. 4 is a welcome start in the direction of an exact determination of the volume of Third, Fourth and Fifth Freedom traffic carried by the various airlines. Data of this type may be useful in any future international discussions with regard to a multilateral agreement on commercial rights in international air transport. It should be pointed out, however, that postwar development of international air transport has enabled international travelers to fly by such devious routes with so many stop-overs and changes of carrier that their true origin and destination is open to question.

A draft ICAO Lexicon of Aeronautical Terms, also prepared by the Secretariat, was approved by the ICAO Council on September 30. The Secretary General was authorized to proceed with the preparation of a regular edition. Approximately 1600 terms in English, French and Spanish pertinent to the work of ICAO will be defined in the first edition and will serve as a nucleus for later more complete editions of aeronautical terms.

NATIONAL ACTION ON ICAO MATTERS

The success of ICAO, like any other international organization of sovereign States, depends on the fulfillment by individual Member States of their international commitments. Consequently, recent action of the various Member States on ICAO matters is worthy of note.

On July 19, the Government of Norway notified ICAO of its consent to assessment for the Icelandic joint support project. On August 9, President Truman accepted on behalf of the United States the Second Agreement on North Atlantic Ocean Weather Stations.

On September 9, Denmark signed the bilateral agreement with the ICAO Council required to bring the joint support arrangement for air navigation services in Greenland and the Faroes into effect. A further requirement for bringing the arrangement into force is the receipt by ICAO of consents to assessment from States whose contributions make up 80% of the total assessments. This additional national action on the Danish joint support arrangement is now awaited.

On August 30, the United States ratified the Convention on International Recognition of Rights in Aircraft. It was the first State to take this action. The next step for the United States to take at home to insure the maximum benefits from this Convention for its nationals will be to enact Federal legislation which would prevent jurisdictional problems arising from the lack of uniformity in applicable legislation of the 48 States. At the present time, an aircraft may be sold under the laws of one State, the purchaser may be under the jurisdiction of a second State and the title holder subject to the laws of a third State, presenting a problem as to which State's laws would be applicable in an attachment proceeding instituted abroad.

Lebanon ratified the Chicago Convention on September 19 and thirty days thereafter became the fifty-fifth member of ICAO.

JOAN H. STACY

INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA)

FIFTH ANNUAL GENERAL MEETING

THE Fifth Annual General Meeting of IATA, which commemorated the 30th anniversary of the foundation of international organization in air transport, was held in the Palace of Peace at The Hague from September 12 to 16, 1949. Representatives of 54 IATA member airlines from 38 countries, as well as observers for ICAO, ICC and other international organizations participated.

Dr. Albert Plesman, President of KLM Royal Dutch Airlines, a founder company of IATA when it first met in The Hague in 1919, assumed the Presidency of IATA at the opening of the meeting. The sessions were welcomed to the Netherlands on behalf of its Government, which had given the organization its first meeting place, by Prince Bernhard of the Netherlands and by the Minister of Transport and Waterstaat, Mr. D. G. W. Spitzen.

At the close of the sessions, the assembly voted to hold the Sixth Annual General Meeting in the United States in September, 1950, and elected Mr. Warren Lee Pierson, Chairman of the Board of Trans World Airline, to be President at that time.

STATE OF THE WORLD AIR TRANSPORT SYSTEM

Sir William P. Hildred, Director General of IATA, asserted in his Annual Report that the scheduled airlines of the world had, during 1948, performed some 12,000,000,000 passenger miles, 100,000,000 mail ton-miles and 250,000,000 cargo ton miles. Each of these figures was an increase over the corresponding figure for 1947, with a most spectacular rise in the amount of cargo carried. At the same time, he pointed out, the number of aircraft used by the airlines and the number of their employees had not increased. While this was due partially to the fact that newer and larger equipment had come into service, it was also an indication of greater utilization and efficiency of operation.

While costs might for the time being keep the mass market tantalizingly just out of reach, the Director General pointed out that fare reductions, judiciously made for special services and off-peak periods, might attract new customers to the airlines at a price which they could better afford to pay and at which the airlines could still afford to give them service. He also urged further efforts to encourage tourist travel through all-expense "packaged" tours, closer liaison with surface transport, hotels and resorts, and the like.

Discussing the financial position of the industry, the Director General said that once the airlines could sell their services in the mass market, their financial problems would tend to disappear. At the moment, however, it was clear that, with costs rising steadily, the airlines must continue to rely on government subsidies in order to keep operating. Some governments had already indicated that fare reductions made since the end of the war—the reduction of the transatlantic round trip from more than \$1,000 to an off-season level of \$466 this year was cited as an example—were as much as they felt could be afforded.

The Director General said, however, the process of self-sufficiency had begun, that it was inevitable that the position of the airlines would improve and that, as time went on, they would become less dependent upon public

subsidy. This support was now being given them through direct grant, through adjusted mail payments, through the provision of air navigation facilities and airports, and by indirect means. The question would sooner or later arise, when the earnings of the airlines had improved of how this additional money should be applied to the reduction of public support. He hoped that governments would look at this problem as a whole, so that there would not be a demand that all four forms of support be wiped off the books at the same time.

The Director General pointed out that while the scheduled companies were beneficiaries in the matter of direct subsidy and mail pay, the other forms of support were available to the whole of aviation, scheduled, non-scheduled, private and military.

STANDING COMMITTEE REPORTS

The Meeting had submitted to it the reports of the various IATA standing and special committees, outlining the course of the past year's work and proposing activities for the coming year. Brief highlights of these reports were:

Financial Committee—The Financial Committee reported that it had completed for issuance by IATA standard statements of revenue and expenditure, together with notes for guidance in their preparation, and revised sets of cost reporting forms with supporting tables. In addition, a Manual of Revenue Accounting Procedure would soon be issued by IATA and a study of budgeting and cost control methods was under way. These Manuals and guides were not compulsory upon members, but it was hoped that, of their own will, all airlines would eventually be able to adopt them in their operations.

Among insurance matters dealt with during the year, the Committee reported the renewal of the IATA worldwide Agency Bond, a study of worldwide carriers legal liability insurance and voluntary passenger accident insurance.

IATA Clearing House—Membership in the IATA Clearing House as of June 30, 1949 had increased to 36 from a figure of 24 at the beginning of 1948. The total turnover in 1948 had grown almost two and one half times over that of the preceding year—from \$52,000,000 to \$124,000,000—and the turnover for the first six months of 1949 had already exceeded \$75,000,000. The offset ratio—the amount automatically cleared by the balancing of credits and debits—had risen from 64 per cent in 1947 to 84 per cent during the first half of 1949. Interclearances with the Airlines Clearing House at Chicago during the first 12 months of the cooperative agreement between the two had totalled \$2,375,000.

Legal Matters—The Legal Committee, which met immediately prior to the General Meeting, reported that it had studied the question of rendering negotiable the air waybill/consignment note and had come to the conclusion that the Warsaw Convention did not intend to preclude negotiability of the air waybill. While in those countries which have ratified the Warsaw Convention and by the act of ratification and without further legislation it becomes effective, a negotiable air waybill would not be prevented under the Convention, it was found that in some countries, notably Great Britain, the domestic legislation implementing the Warsaw Convention when construed in the light of other domestic legislation would preclude the issuance of an air waybill that would have all the attributes of negotiability. To

introduce a document possessing all the attributes of negotiability would further require legislation in a number of countries and would be possible under the existing laws of only a few. It would be possible to attempt to obtain the necessary national legislation. However, it is quite doubtful whether, in the absence of an international convention, some of the important commercial countries would adopt such legislation. Therefore, any attempt to prepare and to use a negotiable air waybill at this time was found to be extremely impractical.

The Committee suggested, however, that much the same purpose might be achieved by the use of the present air waybill, but with the lending institution or its agent at the place of destination named as the consignee and with the true consignee put in a secondary position. This could be reinforced by a suggested collateral agreement by which the consignor would give to the lending institution an irrevocable power of sale of the goods covered by the waybill. This proposal will go to the IATA Traffic Committee.

The Legal Committee also reported that it had approved and sent to the IATA Executive Committee for action a Glossary of Traffic Terms—technical operating terms frequently employed by the IATA Traffic Conferences in the construction of their resolutions. The Committee recommended that the Glossary be given the widest possible distribution to bring about uniformity of expression and understanding in the industry.

Following the approval by the U.S. Civil Aeronautics Board of the IATA passenger ticket and baggage check, the IATA waybill and the IATA rules tariffs relating thereto, the Committee drafted and submitted to the meeting a number of revisions in the rules to meet suggestions made by the CAB. In similar fashion, it recommended to the General Meeting certain changes in the IATA Traffic Conference resolution designed to provide sanctions for breaches of Conference resolutions which would, it was hoped, overcome objections raised by the CAB to the original text as approved by the Conferences in 1947.

The Committee reported also on the results of studies it had made, at the request of the IATA Traffic Committee, of such questions as declared value, interline baggage agreements, exchange orders, and the IATA Sales Agency Agreement.

At the request of the IATA Technical Committee, the Legal Committee had prepared an Interline Spare Parts Agreement containing indemnification and "hold harmless" provisions that would cover risks involved in the interchanging of spare parts between members, particularly at outlying stations. In response to a further communication from the technical side of IATA, the Legal Committee also recommended to the General Meeting a resolution asking that representatives of airlines and manufacturers be permitted to attend official accident investigations and have access to the findings.

During the Legal Committee Meeting at The Hague, Mr. Kenneth H. Staple, British Overseas Airways Corporation, was elected chairman of the committee, to succeed Mr. Samuel E. Gates; Mr. Henry J. Friendly, Pan American Airways, and M. René Golstein, Sabena, were elected first and second vice-chairmen, respectively.

WARSAW CONVENTION—The Warsaw Convention Special Committee reported in full to the General Meeting on the result of IATA observers' participation in the meetings of the ICAO Legal Committee dealing with the Warsaw Convention and of further studies by the Special Committee.

Both the Special Committee and the Legal Committee reaffirmed their recommendation that ICAO prepare an Air Transport Liability Convention.

ROME CONVENTION — The General Meeting also received a report from the IATA Legal Adviser, Mr. John C. Cooper, on the status of the Rome Convention on liability for damage to persons and property on the ground.¹

TECHNICAL MATTERS — A comprehensive report on technical problems of international operations was laid before the Meeting by the IATA Technical Committee. The subject matter of the report, drawn largely from the record developed by the May, 1949 meeting of the IATA Technical Conference at Burgenstock emphasized the need for more adequate landing aids at all international airports and for the installation of approach lights as the link between the landing aid and the runway itself.

Particular stress was placed on the need for advance preparation for the coming into service of new, jet and turboprop aircraft which would operate at speeds and altitudes considerably greater than those of planes now flying. It was pointed out that the operating characteristics of these aircraft would affect meteorological services, airport design, air traffic control, navigation and other matters as well.

TRAFFIC MATTERS — The Traffic Committee reported to the General Meeting that an attempt will be made with the Air Transport Association of America to standardize traffic forms in use by international and U.S. domestic carriers and that this effort to gain greater uniformity might be extended to certain other documents as well.

During the past year, the Committee had also worked out standardization recommendations for exchange orders, interline checking of baggage, tracing of missing baggage, cargo and mail, and had considerably rationalized the process of requesting interline reservations. Expressing the belief that expansion of cargo traffic, already proceeding at a great rate, would further be helped by the development of new forms of containers and light-weight packing materials, the Committee announced that it had begun studies of these subjects.

Particular stress was laid on support by IATA members of the new ICAO Facilitation recommendations — the new Annex 9 to the Chicago Convention. The Traffic Committee urged that members take every step possible to bring to the attention of their governments the need for the standardization and simplification of border documents and procedures as outlined in the Annex.

A report on behalf of the IATA Traffic Conferences reviewed the developments of the past year in matters of rates, tariffs, conditions of carriage and agency administration. It posed the question of whether, in their present division of the world into three large Conference areas and their insistence upon a single fare level, the Conferences may not have been entirely fair to the local or short-haul international carrier and therefore recommend a study of differential fares. It was pointed out that in some parts of the world, the public cannot afford or does not have available service by the latest and fastest equipment and suggested that, if a just criterion for the establishment of a differential could be found, lower rates might be established for service by slower and less up-to-date aircraft on other than trunk routes.

¹ Full texts of these reports, as well as those of the Director General, the other committees of IATA and certain other documents mentioned herein, will be found in IATA Bulletin No. 10, to be published in December.

FINAL RESOLUTIONS

The Final Resolutions of the General Meeting covered, together with certain matters of internal administration, the following subjects:

Penalties for Breach of Conference Obligations — The General Meeting concurred in the changes suggested by the Legal Committee to the original IATA resolution on this subject, in order to meet objections by the Civil Aeronautics Board (see *supra*). The resolution provides that alleged breaches shall be referred for investigation and decision to a Commission which would have power to impose upon a member determined to be guilty of a breach one or more of the following penalties: notification to all members, reprimand, fines up to \$25,000, or expulsion from IATA. It was specified that fines shall be related to the breach and shall be based upon a consideration of the disruptive effect on traffic and relations with other carriers; on the wilful or wanton nature of the breach; on any mitigating facts; or on other relevant circumstance.

Facilitation — The General Meeting urged all members by resolution to support the ICAO Facilitation Program as outlined in Annex 9 to the Chicago Convention and recommended continued effort to bring administrative formalities more completely into line with technical advances in international air transport.

Exchange of Commercial Rights Between Governments — The General Meeting asserted that the present system of exchanging commercial rights between governments restricts the full development of international air transport and urged that a more stable basis be found for international air transport. It was asserted that this is especially urgent in view of the fact that large capital expenditures will be required during the next decade to enable the airlines to make the most of new technical advances in the service of the public.

Air Transport Liability Convention — Pointing out that the ICAO Legal Committee is already studying the revision of the Warsaw Convention, the Rome Convention and a draft of a collisions convention, the General Meeting reiterated its last year's advocacy of a general convention covering the whole subject of air transport liability and asked that the IATA Executive Committee commission a study of such a document.

Airline Accident Investigations — Asserting the vital interest of airlines in the investigations of accidents, the General Meeting urged ICAO to recommend the adoption of procedures pursuant to Article 26 of the Chicago Convention to provide that operators and manufacturers of aircraft involved in accidents be permitted immediate access to the scene of the accident and be entitled to attend official investigations and have access to all evidence taken there.

Transfer of Revenues and Discriminatory Currency Controls — The General Meeting declared that restrictions on revenue transfers and discriminatory state formalities applied in certain countries to the use of air transport seriously impeded the development of the industry. It therefore urged on governments the view that on the grant of agreements respecting commercial flying rights, it should in all cases be implied that appropriate facilities will be conceded to the parties concerned to enable them freely to transfer the revenues thereby derived. The Meeting also requested the immediate removal of all discriminatory practices and state controls relating to currency as they operate against the free selection of the means of transport or militate against its use. The operators of other forms of transport and communications were invited to associate themselves with the resolution.

Effectiveness of Traffic Conference Resolutions — The General Meeting took the view that the practice of making Conference resolutions effective for six-month periods had resulted in too many meetings, in instability of tariffs and fare structures and unnecessary work and expense. It therefore recommended to the Conferences that future resolutions be made effective for a period of not less than 12 months.

Fare Differentials — Adopting the views put forward in the Traffic Conference report, the General Meeting requested the Traffic Conferences to consider immediately the establishment of fare differentials based on such factors as aircraft types, aircraft usages, character of traffic and whether regional or trunk-line operation is involved.

Aircraft Interchange — The General Meeting considered that free interchange of equipment between airlines, which would appreciably enhance their economic utilization, was impeded by certain legal and administrative difficulties. It therefore directed the Standing Committees of IATA to consider means to promote the free interchange of aircraft between countries without transfer of ownership. It particularly recommended for study the establishment of international registry of aircraft or the elimination of any national legislation which prevents aircraft not owned by a national of the state concerned to be registered by that state.

ANNUAL IATA PAPER

The Annual IATA Paper for 1949 was presented at The Hague by M. Joseph-Jean LeMouel, Director General of the French Post Office and Chairman of the Executive and Liaison Commission of the Universal Postal Union. M. LeMouel spoke on the organization and structure of the UPU, its relations with the carriers of the airmail, and made personal forecasts of the future of airmail traffic. The full text of his paper will be found in IATA Bulletin No. 10.