Book Reviews

Recommended Citation

*Book Reviews*, 13 J. AIR L. & COM. 95 (1942)
https://scholar.smu.edu/jalc/vol13/iss1/8

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This fat volume contains a detailed account of the economic and legal characteristics of air transportation as an industry. This account, for the most part, covers an investigation and statement of the activities and decisions of the Interstate Commerce Commission, of the Civil Aeronautics Authority, and of the latter agency as now subdivided into the Civil Aeronautics Board and the Civil Aeronautics Administration. The laws covered begin with the Kelly Act of 1925 and end with the Civil Aeronautics Act of 1938, including the, 1940 Presidential Reorganization of the Civil Aeronautics Authority. The purpose of the book, in the words of the author, is "to investigate the economic and legal characteristics of the air transportation industry in an effort to decide whether or not the industry should be regulated; to analyze present and past federal legislation to determine whether it has been sound or unsound; to evaluate the efficiency with which federal laws have been administered; and to suggest improvements in law or administration." The evaluation is accomplished by eight subchapters entitled "Conclusions," which close a like number of selected chapters.

The text is written in a clear style designed for easy reading and the subject matter of the chapters and their arrangement is appropriate and logical. Chapter I deals with historical material; Chapters II and III give the highlights of the economic and legal characteristics of the air transportation industry, viewed in its broadest aspects; Chapter IV describes the regulatory agency set up by the Civil Aeronautics Act of 1938; Chapters V, VI, VII, VIII, IX, and XI deal with the various powers and duties of this regulatory agency evaluated against the background of legislative history and previous aeronautical administrative activities; Chapter X deals with the regulation of aviation labor relations; and Chapter XII reviews other federal regulation and aids. The appendices give important and useful tables (including reference to those in the text) which show the development of the air transportation industry, together with a valuable selected bibliography. The text has numerous footnotes and there are cross-references at certain key points.

This volume should prove a valuable reference work to the air transport industry and a useful text to the teaching profession in the fields of aeronautical law and commerce. Its chief worth is that it represents a painstaking job of exploring the whole subject matter of air transport. Its table of contents is unusual in its completeness. The new contributions to the field, in a book of this kind, consist of chapters dealing rather fully with labor relations and with presently existing federal activities other than those of the Civil Aeronautics Authority.
The limitations of the work consist in its attempt to cover the entire field of air transport. In this respect it is like any one-volume encyclopedia in that you find something valuable, and not too incomplete, about anything and everything, but the reader must go elsewhere to get the whole picture of any one activity and of the philosophy connected with it. For such a detailed effort the book has two serious omissions: one, the failure to give an account of and to evaluate the work of the Bureau of Air Commerce in laying the background for and helping write and pass the Civil Aeronautics Act of 1938, and, two, in using footnote citations to a newspaper which does not have its back files generally available in the large libraries of the country. Also, the somewhat numerous footnotes, citing letters from certain individuals, would have greater force if the references were to the policies or the data of the aeronautical organizations to which these individuals belong.

HOWARD C. KNOTTS.


This volume is a study submitted by the author as a Fellow of The Brookings Institution to its Institute of Economics. It was originally designed as a doctoral dissertation at Princeton University with its scope limited to the adjustment of air mail pay by the Interstate Commerce Commission. That study was enlarged to the present work which covers that part of the field of air transportation which is concerned with the place of air mail pay in the development of commercial transportation, and the relationship between the government and the air carriers (domestic, for the most part) in connection with the determination and adjustment of such air mail pay.

Chapters in the book include: I. Emergence of the Issues and Problems of Air Mail Compensation; II. Government Operation of Air Mail, 1918-27; III. Early Period of Contract Air Mail Operation, 1925-30; IV. Air Mail Rates and Regulation of Carriers Under the Watres Act, 1930-34; V. Army Operation and "Temporary" Contracts; VI. Air Mail Act of 1934; VII. Rate-Making Technique and Control of Accounting Practice Under ICC; VIII. Distinctive Problems in the Control of Air Mail Compensation; IX. Depreciation Allowances; X. The Rate Base; XI. Rate of Return; XII. Rates and Rate Scales Under the ICC; XIII. The Civil Aeronautics Act and Rate-Making Procedure; XIV. Air Mail Compensation Under the Civil Aeronautics Act; and XV. The CAB and the Future. The appendices include all federal legislation affecting air mail, starting with the Air Mail Act of 1925 and concluding with the pertinent provisions of the Civil Aeronautics Act of 1938. They further include divisions headed Bibliography, Cases Cited, and Index, each unusual in its completeness. Three principal parts constitute the plan of the book: Chapters II through V present a historical and analytical account of the period of Post Office control; Chapters VI through XII similarly cover the procedures and problems which characterize the period of fixing of air mail rates by the Interstate Commerce Commission; and Chapters XIII through XV deal with the rate-making procedure.
under the Civil Aeronautics Act of 1938, plus a posing of some future problems based upon the entire study.

The subject matter considered in this book is difficult because the economic and administrative issues are so closely related, and heretofore the field has been inadequately explored. This volume is an exhaustive and truly analytical study of the problems involved. The language, the tabular data, and the citations employed, plus the completeness of the treatment of the subject matter as a whole, give the book first rank in its field. The study does not purport to cover the whole field of air transportation, but it is so co-related with it that the reader can get all necessary information within its covers. Indeed, the researcher can cover the entire field by the employment of this text and the source material in and cited by its footnotes. The future problems posed at the end of the book deal with the troublesome adjustments in air mail pay, immediately in the offing, as to those air carriers with large and increasing passenger and express revenues. Here unreasonable profits must be checked without jeopardizing the formula for air mail pay by which compensation goes to the smaller air carriers whose passenger and express revenues are not an important part of their gross income. The warning given by the author is that of one who understandingly deals with a problem to be faced.

There is good reason for the author's having accomplished so much. He has a splendid economic background at both Northwestern University and at Princeton University, and he is a member of the American Economic Association, National Aeronautic Association, and Reserve Officers' Association. He flew during the years 1936, 1937, and 1938, for one of the large oil companies and he holds a commercial pilot certificate. He is also a military pilot and a Second Lieutenant in the Air Corps Reserve, assigned to Intelligence Division, Office of Chief of Air Corps, United States Army. Presently, unless he has been called to active duty, he is a member of the staff of J. Parker VanZandt, Technical Consultant, Civil Aeronautics Board.

Howard C. Knotts.