EDITORIALS

DID THE FEDERAL GOVERNMENT ACQUIRE EXCLUSIVE AERIAL JURISDICTION TWO YEARS AGO?

I. In the Pan-American Convention on Commercial Aviation, signed at Habana on February 20, 1928, and ratified by the President on March 6, 1931, occurs the following innocent-looking sentence (Article 32): "The contracting States shall procure as far as possible uniformity of laws and regulations governing aerial navigation."

This clause has the appearance of a pledge, or at least a gesture, of cordial mutual intentions, by the several parties, to persuade their component States within the respective confederations to agree on uniformity of detailed regulations. But was it something more—something very much more? Was it an assumption of exclusive domestic jurisdiction over air-traffic by the Federal Government, superseding all State jurisdiction?

That is what it was, in the opinion of the able Chairman of the American Bar Association’s Committee on Aeronautical Law.¹ This zealous and learned leader in air-law legislation does indeed carefully point out that the Committee itself "expresses no opinion" on this question. But he himself is "personally convinced" that the extensive proposition above advanced is sound, and that therefore the Federal Congress now has power to pass "legislation governing all aerial navigation throughout the United States."

The authority relied on for this proposition is of course the Migratory Birds decision (Missouri v. Holland, 252 U. S. 416), and a long line of precedents culminating in the clear vindication of the Federal power to deal by treaty with "all proper subjects of negotiation between our government and other nations." And, of course, the subject of commercial aviation is eminently a "proper subject of negotiations" with other nations.

II. Now we should be the last to deny or to doubt this extent of the Federal Executive’s treaty power. We like the decision in Missouri v. Holland. We admire it and have always admired it. Indeed, we believe that it will some day be looked back upon as a landmark of progress in this country’s international relations. We

could wish to see the Federal treaty-power used even more broadly than hitherto,—to negotiate international bargains for oil exploitation, for example. Our only regret about that power is that because of the Federal Senate's arrogant arrogation of the right to delay and obstruct the Executive's treaty-powers for years and years (as witness the Lausanne treaty of ten years ago, still unconfirmed; witness this very Pan-American Convention, held up for three whole years, and so on),—we regret only that because of this obstacle, the Executive's treaty-power cannot be as effectively used as it might otherwise be used.

But, in the present case, while not expressing any doubt as to the scope of the abstract power, we venture to point out that the question here is, Has the Executive in fact and in law exercised that power? In the treaty sentence above quoted in italics, did the Federal Executive assume and use that power to supplant State legislation for aerial commercial navigation?

This becomes a question of interpretation. We believe that before that proposition can be maintained, certain questions must be answered.

Those questions are four:

(1) Would not express words be necessary if the Executive is to assume power over a new subject of vast extent and importance? Could one concede that such a power could creep in by implication only? But there are no such express words of claim of power in the convention.

(2) Do not the words actually used have a contrary implication? The promise is to "procure as far as possible uniformity." Does not this point to a process of persuading the domestic States to consent? In other articles of the Convention we find language plainly absolute—"each contracting State undertakes, —shall deposit,—shall, exchange," etc. But here the language changes to words contingent on ability to perform.

The words used point back to a hesitation often hitherto felt and expressed by the U. S. American delegates at international conferences. For example, in 1916, at the Second Convention of the International High Commission to Latin-America, one of the U. S. American delegates referred to the Federal limitations of power as the reason why this country's delegates were most reluctant to advance suggestions of any character on legal measures.

2. Committee Reports of I. H. C. (now called the Inter-American High Commission), Washington, p. 15. The undersigned was at that time, and for some ten years, a member of that Commission.
Again, at the Second Pan-American Financial Conference held in Washington in 1920, the Cuban delegate, in reporting on uniform commercial law, said, "How can negotiations concerning uniform legislation be carried on with the United States, which are simply a confederation lacking a common legislative agency for the solution of most of the matters contained in this questionnaire?" Similar allusions abound in the records of international conferences on legal subjects,—for example, the Hague Conference of 1912 on Uniform Laws of Bills of Exchange, and the International Labor Commission of 1919; the latter report candidly explained that the delegates could not sign the original draft, because they could not "provide against the possibility of such legislation being declared unconstitutional by the supreme judicial authorities."

So, in view of this well-known and often avowed limitation upon the Federal powers, is not this language in Art. 32 of the Aviation Treaty, "procure as far as possible", to be interpreted as an allusion to that limitation? Is not the language merely a promise to exercise good offices with the constituent domestic States to persuade them to consent to uniformity? Can it be regarded as a new exercise of a power superseding the local State powers?

(3) Furthermore, would the Executive, represented at Habana by nominees of the Secretary of State, be likely to take a radical step of this kind without explicit understanding to that effect between the U. S. American delegation and their aeronautical advisers? Is there anything in the record of proceedings, or the Committee reports, which reveals such an understanding? Can anything of that purport be found?

(4) And, finally, would not this new Federal exercise of power be equally applicable in the other Federal States of Latin-America, e. g. the Argentine, Brazil, and Mexico? Presumably, our delegation would not have made such an absolute and extensive undertaking without a "quid pro quo", i. e. the guarantee of a corresponding uniformity of law, by exercise of Federal power, in those other federated nations. That being so, have those other nations indicated that they are equally so empowered, or are ready to exercise the power if they have it? Is there any evidence, in the proceedings of the Conference, or in the later Latin-American legislation, that they had that clear understanding?

If not, can we afford to put that radical interpretation on the clause in question?

III These questions, it seems to us, fairly call for an answer before the proposed interpretation can be accepted.

Possibly they can be answered successfully. Until they are, the interpretation must remain merely an interesting hypothesis.

**JOHN H. WIGMORE.**

**THE C. I. T. E. J. A. AND LIABILITY TOWARD THIRD PERSONS ON THE SURFACE**

The function and work of the International Technical Committee of Aerial Legal Experts (C. I. T. E. J. A.) are well known in America. It is, therefore, sufficient to summarize a few facts concerning this committee and its aim on one particular point.

On October 13, 1919, an international convention was signed at Paris concerning air navigation which created a standing committee known as the International Commission for Air Navigation (C. I. N. A.). This committee holds periodical meetings and deals with technical points and questions of administrative law.

The French government, being of the opinion that private law in connection with aeronautics should also be developed, invited the other governments to send delegates (jurists) to a meeting to be held in Paris during October of 1925. The object was to study at least one point of private international law—the responsibility resulting from a transport contract. This meeting was held and a draft convention was worked out. The assembled jurists expressed a wish that a committee of legal experts could be formed to study, examine and prepare a program of private international air law as a whole, and that the French government might invite the other governments to send experts, in a restricted number, to constitute a standing committee. This was done accordingly and, in May, 1926, twenty-eight nations sent their delegates to Paris. The International Technical Committee of Aerial Legal Experts was thus organized and, afterwards, nine other nations joined.

The first work of the Committee was the revision of the draft convention of 1925, made necessary by different observations from different sides—governments and the International Chamber of Commerce. It was elaborated and completed by provisions concerning the contract of transport of passengers, luggage and merchandise. The new draft was sent to all the governments concerned for study. On the invitation of the Polish government, the
Second International Conference of Private Air Law met in Wars-
saw during October of 1929 and, on the 12th of that month, the
Convention for Unification of certain Rules Relative to Interna-
tional Air Transportation was signed.¹ This convention is usu-
ally referred to as the Warsaw Convention.

The second object of study of the C. I. T. E. J. A. was that
of liability towards persons and goods on the surface. It is with
that subject that the present article is concerned.

The general rule for liability without contract is based on the
idea of fault, culpa. No one is bound to repair damage anyone
else has suffered, to whom he is not bound by contract, unless he
has caused the damage by his wrongful act or his wrongful negli-
gence, and unless this wrongful act or negligence can be imputed
to him. This is the general rule of the continental law of Europe,
based on Roman law, and I believe it is also the principle of the
Anglo-American law of torts.

However, this principle does not always give satisfaction. It
is already an ancient rule that one is liable for damage caused by
one's children, animals or inanimate belongings. To try to bring
these rules under the principle of liability based on fault seems to
me to be found to be unsuccessful. The basis is, rather, the idea
that he who has the profits has to bear the losses, and that, as
far as minor children are concerned, there is no one nearer to bear
the damage than their parents. Once admitted that the principle
of liability for fault is not the only principle, it is only one step
to adopt a liability for those who in the intercourse of mankind
create special and abnormal danger—particularly if there is no
possible reciprocity.

This theory has been adopted² by learned authors, and in some
countries in their legislation.³ In France the Supreme Court comes
practically to the same conclusion by the interpretation of article
1384 of the Civil Code.⁴

It is this theory which the C. I. T. E. J. A. has adopted in its
draft convention on the liability with which we are dealing here.

Article 1 reads as follows:

(1) Any damage caused by an aircraft in maneuvers or in flight to
persons or property on the surface shall give a right to compensation by
the mere fact that the damage exists and that it has been caused by the
aircraft.

¹. If the 13th of October, 1929, had not been a Sunday, the convention
would have been signed on that date, exactly ten years after the C.I.N.A.
². In Germany.
³. In France, regarding aircraft; in Holland, regarding automobiles, etc.
⁴. Liability for damage caused by objects under one's control.
(2) This liability may be reduced or avoided only in case the injured person is at fault and in accordance with the provisions of the law of the court before which the case is brought.

It is here well understood that this liability for damage caused by aéronéf—which French word includes both heavier-than-air and lighter-than-air craft5—is based on the principle both of special and abnormal danger, and of the exclusion of the possibility of reciprocity. Protection is given the person who has to suffer from this particular danger and has no part in it—who experiences injury by objects coming down from the air on his head, his house, or his crops. But no protection is given by this article to one, who himself takes part in creating the same danger, or to one who is hurt while staying in an aerodrome—in that part of it where the general public is not admitted. For damage by collision of aeroplanes the general rules of fault or negligence are to be applied.

It is also well understood that the particular danger must arise from an act of flying—the aeroplane must be en vol or en manœuvre, flying, starting to fly or finishing its flight. Injury caused by an aeroplane on the ground, moved by other means than those mentioned, is to be treated as harm by any other object—again according to the general rules of fault and negligence.

We see here the difference of subjective and objective: Subjective is the general rule, because the basis for liability is what one has done or not done, and with what intention or neglect. Objective is this special rule, because it deals only with the material fact that damage has been caused by an aeroplane. If the general rule should have been maintained here, it would mean that, practically, an action is denied to him who is the victim of this injury. To prove that in the manoeuvring of an aeroplane not only were mistakes made, but also that there was imputable fault or negligence is practically impossible, also for the reason that, in most cases of accident, there is no fault or neglect at all. The victim would have to accept his losses. And this seems not to be just.

The principle of liability implies that the whole damage should have to be made good. This was, accordingly, proposed in the first draft of the convention, as sent to the different governments for examination. Several of these governments and also the International Chamber of Commerce at Paris raised objections against this unlimited liability. The C. I. T. E. J. A. had to re-examine the question and came to the conclusion that limitation could be

5. As does the English word "aircraft".

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accepted. The motives were that technical difficulties might arise in insuring unlimited liability as the legislation of different countries lays down, as one of the principles of insurance, that the limit of liability should be expressed in the policy. Also it was taken into consideration that the victim had the advantage of not having to prove fault or negligence and that this might be compensated by limitation of the damages—he remaining free to try to get full reparation by taking the risks of his proving fault or negligence.

The limitation is accepted in two directions: first, in a pecuniary maximum for each accident, and, secondly, in the limitation of the time within which a law-suit should have to be begun—two years after the accident or after the victim had knowledge of the accident and of the identity of the person responsible, but not later than four years after the accident. The operator of the aircraft is held responsible and he may have recourse to the author of the injury.

These are the principal points of the draft convention as worked out by the Committee after re-examination. However, some members were not satisfied and refused to advise their governments to accept it—especially Switzerland—unless the convention should be completed by guarantees on behalf of their citizens. In Switzerland it was argued that the legislation of their country provided that no aeroplane was admitted unless some guarantee had been given that, in case of damage, reparation would in reality follow. This guarantee might be given in cash, by a Swiss bank, or by a policy of a Swiss company, the amount to be fixed by the competent authorities at the frontier.

So the C. I. T. E. J. A. was forced to work out a second draft convention, which was done accordingly.

The principal idea adopted in this draft is that each State, which is a party to the convention, provides in its legislation with sanction, that no aeroplane, registered in that State, shall fly over the territory of any other State, also a party to the convention, without being insured against damage caused to persons on the ground. The legislation may dispense with this insurance—for the whole or for a part—if a sufficient guarantee is given, either in cash or by a bank, for the payment of reparation of possible damage. This insurance must be contracted either with a public assurance-institution, or with a company, accepted for this pur-
pose by the government. It is further provided that certificates of government officers shall state whether the above-mentioned provisions have been complied with, and if so, to what amount, and for what period. The certificate is one of the papers to be carried on board and to be produced on demand.

The draft convention contains only one sanction for these provisions inasmuch as the operator, who is not in possession of one of the guarantees and who causes damage to other people, is not entitled to benefit by any limitation of his liability.

The C. I. T. E. J. A., on adopting this second draft convention, decided that both drafts should be amalgamated into one. This was done at the meeting, held in July, 1932, at Stockholm, and the combination was augmented by a provision, remarkable from the point of view of private law, that the victim of damage has a direct action against the insurer of the aeroplane, a principle, however, already adopted in French laws of 1913 and 1930 and in an English statute also of 1930.

The latest draft convention is based on the newest ideas of liability for damage, and may give satisfaction to the mind that wishes to find an equilibrium between the parties concerned in cases of damage not caused on purpose or by neglect, but for which no one is responsible. It is planned that the draft shall be examined and signed in a diplomatic conference to be held at Rome in May, 1933, after which ratifications are to follow to make it a part of international air law.8

J. Wolterbeek Muller.9

AIR TRANSPORT OPERATORS OPPOSE AIRCRAFT FUEL TAX*

Current proposals of a tax to be levied on aircraft fuel have resulted in the development of opposition on the part of leading air transport operators of the United States, not because these companies desire to avoid the imposition of fairly determined

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8. The author appended a copy of the French text of the convention to his article, but since a full English translation appears in 4 JOURNAL OF AIR LAW 97, the French text has been omitted. [Ed.]

9. Of the Bar at The Hague. A member of the Third Commission of the C.I.T.E.J.A., Mr. Muller presided at the recent meetings at Paris and Stockholm as President.

*Believing it desirable to have both sides of the gasoline tax question presented in the JOURNAL, the editor some time ago invited Mr. William M. Allen, of Seattle, and Mr. C. C. Thompson, of Chicago—representing United Air Lines, and Mr. R. S. Pruit of Chicago—representing American Airways, Inc., to collaborate on an article that would express the views of the airline operators. The present editorial by Mr. Thompson is in answer to that invitation, and it is expected that a longer article, in behalf of the operators, will appear in an early number of the JOURNAL.—[Ed.]
taxes, but rather by reason of the fact that the principle of a gallonage tax does not constitute an equitable method of taxation in the particular case of air lines.

Following a general study of the potential state taxation of air transportation, the companies have joined forces to present resistance to a tax on aircraft fuel, and they are marshalling a formidable array of facts to support their position. It is believed by many air transport operators that an aggressive educational campaign must be undertaken if their new industry is to avoid the taxation pitfalls which have made progress costly for older public service enterprises.

Such points as those to be mentioned appear to justify the attitude of the air transport companies, and surely they merit serious consideration in an evaluation of the aircraft fuel tax question.

For example, do you know that from seven to twenty times as much engine fuel is required to transport a passenger one mile by aircraft as is necessary to transport a passenger one mile by highway bus?

Do you know that established airways today have cost the public only approximately $500.00 per mile, whereas first-class highways have cost the public approximately $10,000.00 per mile?

Do you know that highway motor vehicle operators paid no gasoline tax in any state fifteen years ago, yet today they are assessed over $500,000,000 annually in state-administered engine fuel taxes at rates ranging from two to seven cents per gallon in various states?

And do you know that highway motor vehicle operators are making a unified effort to lower gasoline tax rates, and that certain state highway bureaus are being criticized for spending millions on highway routes not yet justified?

The idea that air transportation, being largely interstate in character, has little to do with political units other than the Federal Government has received some severe jolts during the aircraft fuel tax litigation during the past four years. The U. S. Supreme Court decision in the case of Nashville, Chattanooga and St. Louis Railway v. Wallace handed down on February 6th of this year leaves little doubt that "the sovereign state" must be more seriously considered in future plans of air lines.

The aircraft educational movement has already been undertaken, and aircraft operators in the State of Oklahoma are

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1. Many times this amount in mountainous states.
probably entitled to credit for leading the way. A state-wide organization for the purpose of opposing unsound methods of aircraft taxation and the aircraft fuel tax in particular, was formed on January 30, 1933, by private pilots, air corps reserve personnel, airport managers, intra- and interstate transport operators from all parts of the state, who were assembled at Oklahoma City. This group selected as chairman Charles Mason, former state supreme court justice, and is assuming national leadership in the search for sound methods of taxation for the aviation industry.

The merit of air transportation's position in opposition to the principle of aircraft engine fuel taxation may be determined by a review of the points on which the industry bases its contention that the principle itself is inequitable.

(1) **Gasoline consumption** on an air transport line **bears no relation to net earnings.** Gasoline consumption bears no relation to airplane capacity, passenger load or cargo carried, and is in no way a fair device for measuring **ability to pay** a tax for general or special state purposes.

(2) **Gasoline consumption** by an air transport line **bears no relation to the use value of airway facilities** that a state may see fit to furnish or that the air line may care to use. Essential landing fields are generally provided by each air transport operator through contract for a fair consideration. The scheduled interstate air transport lines do not now need additional state airway facilities, and it therefore seems unsound to use any considerable part of their limited income to support state airway development programs through a gasoline tax at a time when the trend in air mail revenue is downward and the capital outlay in providing facilities for greatly needed passenger traffic is higher.

(3) The tendency to divert easily collected special project gasoline tax receipts **to uses not originally intended** is a great danger in this method of taxation. When such receipts are used for the purpose of highway construction and maintenance, and paid in by a great motoring public demanding more and more road improvements, legislative and administrative diversions are unpopular and difficult. However, $80,000,000.00 of state highway moneys from motorists' gasoline tax receipts was diverted to oyster beds, fish hatcheries, mental institutions and a variety of unexpected uses in 1931.

(4) **Gasoline consumption is so many times greater in the operation of aircraft than in the operation of highway vehicles** that it will not serve as a yardstick of fair taxation for both. A
gasoline tax rate applying alike to gasoline consumed by motor
vehicles and aircraft allows no provision for the equalization of
tax burden between two modes of transportation which make
vastly different demands upon state and local government.

A simple illustration of the unfairness of a fuel tax is found
in a comparison between a 32-passenger highway bus powered
with a 150-horsepower engine, reputed to travel about ten miles
for each gallon of engine fuel consumed, and a 14-passenger air
liner powered with engines developing 1575 horsepower and flying
about one mile for each gallon of fuel consumed. Thus the air
liner consumes ten times as much fuel as the highway bus to
transport less than half as many passengers.

To state the comparison in another manner, presuming that
both transportation units are loaded to capacity, it requires 20
times as much gasoline to carry a person one mile by air as is
required by highway bus, and an equal gallonage tax on engine
fuel would cost the operator of the air liner 20 times as much as
the bus operator. The latter has the use of a costly state highway
essential to his operations, while the air line operator uses munici-
pal landing fields paying a contract consideration, or uses Federal
Government emergency fields quite adequate for air transport at
this stage of its development.

The small unit, local or private, operator of aircraft carries
six passengers, for example, with an engine developing approxi-
mately from 400 to 500 horsepower and travels from three to
five miles per gallon of fuel, whereas the man with a seven-
passenger automobile carries his load with less than 75 horsepower,
usually, and travels 12 to 15 miles per gallon of fuel consumed.
Thus it is apparent that the private or single-engine airplane
operator must use approximately seven times the amount of engine
fuel, which, if taxed at the automobile gasoline tax rate, would
cost the airplane operator seven times as much in taxes as the
highway vehicle operator who has the use of a costly state-built
highway essential to his operation. The aircraft operator requires
no such costly public facility, and at this time desires to make
the best possible use of existing airway facilities instead of adding
more.

Aircraft owners and air transport companies are now paying
property taxes on land, buildings and airplanes owned, as well
as the usual corporation, franchise, income and license taxes im-
posed by various states in a variety of forms. If current conditions
make imperative the raising of additional revenue for general
government, the air lines would prefer that the rates of the above
taxes be increased. If there is any honest demand for intra-state
airway development by users of aircraft in any state and such
state desires to establish airways under a general property levy as
highway construction was financed prior to 1919, there can be little
objection from the industry benefited. But if it is proposed to
develop intrastate airways through a special tax upon aircraft or
aircraft fuel, the owners and operators quite naturally feel that
they should be summoned around the council table to consider and
to approve or reject a tax upon themselves.

Cyril C. Thompson.

NORTH CENTRAL REGIONAL MEETING OF THE
NATIONAL ASSOCIATION OF STATE
AVIATION OFFICIALS

The North Central Regional Meeting of the National Association
of State Aviation Officials will be held at Bismarck, North
Dakota, on May first and second, under the general chairmanship
of Hon. Fay Harding, Regional Vice-President, and President of
the Board of Railroad Commissioners of North Dakota.

Mr. Harding has announced the following tentative program
and list of speakers:

Aviation from the Taxpayer's Viewpoint. Hon. Minnie D. Craig, Speaker,
House of Representatives, Twenty-Third Legislative Assembly, Esmond,
North Dakota.

State Regulations Body, Organization and Available Funds. Hon. Dawes
E. Brisbine, Chairman, Board of Railroad Commissioners, Pierre, South
Dakota.

The Part that States Should Play in the Development of Airways. Col. L.
H. Brittin, Vice-President, Northwest Airways, Inc., St. Paul, Min-
nesota.

The Trend of Uniform Regulation Throughout the United States. Prof.
Fred D. Fagg, Jr., Managing Director, Air Law Institute, and Secre-
tary, National Association of State Aviation Officials, Chicago, Illinois.

The Federal Program and the Place for State Regulation. Mr. George W.
Vest, Supervising Aeronautical Inspector, Aeronautics Branch, United
States Department of Commerce, Chicago, Illinois.

Airport Management. Hon. Fred D. Sheriff, Chairman, Helena Municipal
Airport, Helena, Montana.

North Dakota State Laws Affecting Aeronautics. Hon. A. J. Gronna,
Attorney General, Bismarck, North Dakota.

Aids to Flying: Discussion on Wisconsin State Laws Affecting Aviation.
Hon. A. D. Murphy, Secretary, Association of Commerce, Green Bay,
Wisconsin.
Regulations from the Operators' Standpoint. Hon. S. Russell Halley,
President of the Rapid Air Lines Corporation, Omaha, Nebraska.

SUMMER COURSES IN AERONAUTICAL AND RADIO
LAW

During the Summer Term, June 19-August 19, Northwestern
University School of Law will offer courses of instruction in
aeronautical and radio law. Each course will be given two hours
per week and will offer one semester hour of credit.

The course in aeronautical law will be given by Professor
Fagg, and the radio lectures will given by Mr. Keith Masters,
a member of the Chicago Bar and, for several years, an assistant

The aeronautical law lecture and discussion topics will include
the following:

1. The Beginnings and Development of Aeronautical Law
2. The International Air Navigation Agreements: CINA, CIANA, and
   P. A. C.
3. The Function and Work of the CITEJA
4. The Right of Flight: "Cujus est Solum" and Precedent
5. The Right of Flight: American cases and Rationale
6. Aircraft Liability
7. Airports and Liability
8. Aircraft Insurance
9. Taxation of Aircraft Motor Fuel
10. Aeronautics and Workmen's Compensation
11. The Air Commerce Act of 1926: History and Analysis of
12. The Aeronautics Branch of the Department of Commerce
13. The Province of State Regulation and Problems of Uniformity
14. Aeronautical Regulatory Bodies: Legislative and Legal Problems
15. State Regulation Enforcement and Aviation Encouragement

The course of instruction is intended primarily for law stu-
dents and law instructors, but will be open to lawyers, aviation
commission members, airline operators, and other representatives
of the aviation industry.

A special section will be open to representative of the industry
—wherein the more immediate legal problems of airline operation
will be considered. The lectures offered in the second section will
include the following:

1. Air Transport as Common Carriers
2. Air Transport and Passenger Liability
3. Airline Passenger Discrimination
In connection with the courses in aeronautical and radio law, the instructors plan to supplement the class lectures and discussion with special field trips of an inspectional nature. In the aeronautical law course, trips will be made to airports, air transport company offices, etc., and, in radio, the studio rooms and sending stations of the larger broadcasting stations will be visited. In addition, it is expected that special lecturers will participate in each course.

Leon Green.