

United Nations

Nations Unies

UNRESTRICTED

**ECONOMIC
AND
SOCIAL COUNCIL**

**CONSEIL
ECONOMIQUE
ET SOCIAL**

E/C.2/145
3 March 1949
ORIGINAL: ENGLISH-
FRENCH

COMMITTEE ON ARRANGEMENTS FOR CONSULTATION WITH
NON-GOVERNMENTAL ORGANIZATIONS

Communication received from the International Chamber of Commerce
(Chambre de commerce internationale)
dated 23 February 1949

Circulated to the members of Council for information
in accordance with the report (Section 4, paragraph 2)
of the Committee on Arrangements for Consultation with
Non-Governmental Organizations, approved by the Council
on 21 June 1946 (Resolution No. 2/3 of 21 June 1946.
Official Records of the Economic and Social Council
First Year, Second Session, pages 360-365).

/INTERNATIONAL

INTERNATIONAL CHAMBER OF COMMERCE
38, Cours Albert Ier.,
Paris, VIII

PLD. 23rd February, 1949

Transport & Communications:

Dear Sir,

On behalf of the International Chamber of Commerce, an organization granted consultative status (A) by the Economic and Social Council, I have the honour to submit a statement in three copies (English and French) on co-ordination of Inland Transport.

I request that this statement be circulated to the members of the Economic and Social Council in accordance with the decision of the Council contained in Resolution 2/3.

I also ask that it be brought to the attention of the Transport and Communications Commission.

The Transport and Communications Commission in its Resolution No. 12 adopted on April 12th, 1948, noting with satisfaction that the I.C.C. was prepared to make a study of the present situation with respect to Inland Transport Co-ordination, declared itself ready, at its next session, to take into account the results of the study by the I.C.C.

In view of the wide scope of co-ordination problems, the complexity of which has increased since the war, and of the need for consulting our National Committees, the Chamber found it impossible in a matter of months, to draw up a final report on this subject.

However, the study by a Committee of Independent International Experts of documents established as a result of an inquiry, has provided valuable information which merits consideration.

The statement we are submitting herewith is not the final and formal expression of the views of the Chamber on these issues, but merely represents the present stage of the work in hand.

Transmission of this document to the Economic and Social Council was authorized by the Executive Committee of the I.C.C. at its meeting of 21.11.1949, in Paris.

I have the honour to be dear Sir

Your obedient Servant,

(signed) ARTHUR GUINNESS
President

International Chamber of Commerce

Mr. TRYGVE LIE,
Secretary-General
of the United Nations,
Lake Success, NEW YORK

/18.11.1949 nz

18.11.1949 nz

INTERNATIONAL CHAMBER OF COMMERCE
International Headquarters
38, Cours Albert I-er, Paris VIII

Preliminary Statement
on the
CO-ORDINATION OF INLAND TRANSPORT

established by
a Committee of International Experts of the I.C.C.
at its Meeting of February 17th, 1949

1. Between 1930 and 1939, during which period the problem of Co-ordination* of Inland Transport assumed an acute form in many countries, the International Chamber of Commerce, on several occasions, felt called upon to intervene in this field, to make known the desiderata of Industry and Commerce.

The various solutions which at that time might have been applied to the problem of the relationship of the different forms of transport to one another, were classified under the following heads:

- (1) Free competition
- (2) Comprehensive monopoly covering all forms of transport
- (3) Co-ordination of several competitive monopolies
- (4) Co-ordinated competition between the various forms of transport.

The I.C.C. advocated the latter solution and made it clear that co-ordination should be achieved by means of agreements freely entered into by the parties concerned.

2. Many legislative measures were taken during the period in question, but it soon became apparent that these could not remain static as all decisions of this nature were liable to be rapidly outstripped by technical advances in one or more of the forms of transport to which they applied, as well as by economic and social development generally. At its Copenhagen Congress in 1939, the I.C.C. declared that no definite solution had as yet been found to the problem of transport co-ordination and foresaw the need for revision of the regulations then in force. Once again, at its last Congress (Montreux 1947), the Chamber advocated international exchanges of

* Definition of "co-ordination": Co-ordination shall be understood to mean any action in respect of one or more of the different forms of transport with a view to creating order and harmony.

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views on these issues in order to arrive at common principles, at least on essential points.

3. The problem of Co-ordination of Inland Transport would appear to call for examination on the international plan, for a dangerous situation would indeed arise if the different countries followed substantially divergent policies when developing their transport systems. In that case there would be the risk, in international traffic, of goods intended for a foreign country leaving their point of departure by a given form of transport and not permitted to cross the frontier because the regulations in force in that country prohibited the conveyance of such goods by that particular form of transport. Difficulties of this nature are already encountered at the present time, in spite of the efforts to remove them that have been made in various quarters and especially by the Economic Commission for Europe.

4. Consideration of this important problem demands an atmosphere as free from prejudice as possible and industrialists and traders, all of them transport users, and as such vitally interested in co-ordination, can afford valuable assistance in this respect, for their attitude, exempt from any suspicion of bias, is prompted solely by the desire for greater economic efficiency.

5. The complexity of these issues has increased considerably during the last few years.

On the one hand, the potentialities of certain forms of transport have been vastly enhanced by progress in the technical field, as in the case of aviation, or through recent legislation, as in the case of international road transport. New factors such as these make reconsideration of the problem essential.

On the other hand, the legal status enjoyed by each form of transport or by the various enterprises is in some countries no longer the same as when the transport legislation at present in force was enacted. Some forms of transport, previously operated under the system of private enterprise, have been nationalized to a greater or lesser degree. Their relations with these forms of transport which have remained private have undergone considerable change, whereas the overall legislation governing them has remained unchanged.

Lastly, in certain countries, emergency measures had to be taken between 1939 and 1945 and their influence affected the operation of the different forms of transport. These measures have sometimes remained in force and the I.C.C. loses no opportunity of urging the repeal of those that are no longer justified by circumstances. It believes that their indirect influence on traffic distribution as well as on the expansion of one or other of the

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different forms of transport should not be disregarded. A case in point is the official allocation of raw materials.

It also appears desirable to call attention to the fact that products essential for certain forms of transport, fuel for instance, are only delivered in many countries against foreign currency. Consequently, the impact of the international foreign exchange situation is also severely felt in this sphere.

6. The complexity of these problems must not, however, be allowed to overshadow their urgency. It is difficult for countries to prepare detailed plans for the reconstruction and modernization of their channels of communication or of their various forms of transport, until they know the relative importance and the nature of the traffic to be assigned to each of them. European Governments, in view of the European Recovery Program, are also called upon, at the present time, to calculate their specific needs in transport equipment. This they can only do by determining their future transport policy. The question is now under discussion in a number of countries and the moment appears well chosen to inform them of the trends that seem to be gaining ground in other countries and to draw their attention to the need for not losing sight of certain facets of the problem.

7. In the opinion of the I.C.C., the primary object of such co-ordination should be the organization of all forms of transport so as to ensure the provision of the cheapest suitable facilities for the industrial and commercial interests of the community as a whole, yet sufficiently flexible to take advantage of future improvements in any of the forms of transport.

8. It considers, moreover, that a co-ordination policy should also aim at:

(a) Reducing the dangers of excessive and uneconomic competition, as well as of the disadvantages likely to result from the existence side by side of public and private services;

(b) Fostering the gradual creation of improved services and equipment to the benefit of the whole community whilst guarding against the expansion of excessive total plant all of which excess will ultimately become a charge upon the users.

9. Basic to these general principles must be the rights of the public and traders to use freely any kind of transport which may be available and best suited to their particular requirements, and to employ transport of their own, not for profit or reward, when they can advantageously do so.

10. The first particulars to reach the Chamber in response to the inquiry it has conducted in this field, demonstrate that co-ordination or regulations of a preparatory nature assume different aspects from country to country. Sometimes freely consented, it has, on the contrary been

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obtained under pressure from the Government in certain countries, whilst in others again, it has been the object of measures of compulsion.

The United States, it seems, should be placed in the first category. France was, for a time, in the second. Most countries, the Netherlands, Belgium, Sweden and Great Britain amongst others, belong to the third.

The last mentioned system, which is very widespread, appears to merit particular attention. Measures of compulsion may be classified as follows:

- Substitution of one form of transport for another
- Restriction of competition by measures based on rates
- Restriction of competition by means of various obstacles to the activities of certain forms of transport
- Nationalization of transport.

It is believed that little recourse has been had to measures falling under the first two heads or the last. The third method has been more frequently employed and has led official authorities to subject certain forms of transport to a licencing system aimed at limiting their further expansion and bringing about a reduction of their activity, or even at saddling them with contractual obligations which sometimes confer on them the character of public utilities. Generally speaking, however measures of this kind leave the ownership of the means of transport either entirely or partially in the hands of private enterprise.

Nationalization, on the contrary, may transfer ownership to the State under specified conditions. In some quarters this centralization is regarded as a suitable means for arriving at a rapid solution of the co-ordination problem. In others, it is pointed out that nationalization of transport leaves the co-ordination problem untouched, for it does not determine, among other matters, what is to guide the transport user in his choice of one form of transport rather than another.

Nationalization of public transport, moreover, cannot fail to have grave repercussions on "transport on private account". In addition, fears are often expressed that measures of nationalization partly aimed at eliminating competition between privately-owned transport services, sometimes considered as over-costly, are likely to prove ineffective in this respect, for rivalry or antagonism between the various Administrations responsible for the management of the different forms of transport can be at least as keen as between private companies operating different forms of transport but, in the latter case, rivalry arises out of the pursuit of profits.

The I.C.C. is resolved to continue its investigation of the present position by examining data supplementing the information it has already

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received from the different countries. It will also direct its attention to a number of points which appear worthy of study, such as:

(a) The elaboration of an international terminology, since certain words, though identical in French and English or closely related, bear different meanings as, for example "Public Transport" "Private Transport" "Public Transport Service" "Independent Transport Service" "Transport on own Account" "Transport on Account of Third Parties".

(b) The investigation of a system in which the different forms of transport, with the general interest in view, would be operated under conditions of maximum economic efficiency.

(c) Maintenance of the user's right freely to choose his means of transport.

(d) Freedom for the user to employ his own vehicles for transporting goods of which he is the owner, which he handles for the purposes of his industry, business or enterprise. The elaboration of a system whereby, at the start, the different forms of transport working on account of others would be placed on a comparable competitive basis as regards:

- Infrastructure charges (construction and upkeep of roads, railways, canals, etc.)
- Certain charges imposed by the State (conveyance without payment or at reduced rates, etc.)
- Fiscal charges
- Compulsion to carry.

(f) The problem of tariff levels and structure

(g) The possible effects of nationalization on the Co-ordination problem

(h) The influence of the Co-ordination of Inland Transport on inter-continental sea and air transport.

The foregoing are some of the points which the Committee on Co-ordination of Inland Transport of the I.C.C. has tabled for consideration at its forthcoming meetings. It urges immediately:

The institution by those Governments that have not already done so, of a Supreme Transport Council comprising representatives of all forms of transport as well as transport users, this Council to be permanent and to assist the Authorities in an advisory capacity in the elaboration of their transport policy and to facilitate its implementation by seeking ways and means of establishing an equitable balance between the fewest possible essential restraints and the greatest possible freedom compatible with economic requirements.
