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CO-ORDINATION OF INLAND TRANSPORT

Note by the Secretary-General

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## I. INTRODUCTION

The Transport and Communications Commission at its fourth session continued its consideration of the problem of the co-ordination of the various means of inland transport on the basis of a report (document E/CN.2/69) prepared by the Secretary-General in accordance with the request of the Commission at its third session.

It adopted a resolution requesting the Secretariat:

"1. To continue to study the problem and to follow the situation with respect to its treatment on the international and national levels on the basis inter alia of

"(a) Information from specialized international transport bodies in the various fields of inland transport,

"(b) Information from regional economic commissions and other regional bodies,

"(c) Information from other sources including national regulations, laws, and decrees;

"2. To report to the fifth session of the Transport and Communications Commission concerning developments, and to recommend to the Commission whether, and in what form, consultation with Governments should take place concerning this problem."

In its resolution the Commission furthermore recommended to the Economic and Social Council that it

"1. Request the regional economic commissions of the Council which have not already done so to study the question of the co-ordination of inland transport in their regions;

"2. Request the Secretary-General to arrange an exchange among the various regional economic commissions of their studies of the problem of co-ordination of inland transport."

The Council at its eleventh session considered the report and recommendations of the Transport and Communications Commission on the subject of the co-ordination of inland transport. While there was agreement with the Commission's recommendations concerning the study of the problem by the regional economic commissions, the desirability was stressed during the discussion of the continued study of the problem by the Secretary-General on a world-wide basis. The Council

/decided to

decided to include a request to this effect in its resolution on co-ordination of inland transport. At the same time it decided also to include in this resolution a recommendation to the Secretary-General concerning assistance for regional conferences on co-ordination.

Accordingly the Council adopted the following resolution (298 H (XI)):

"The Economic and Social Council

"Requests the Secretary-General to continue to examine the problem of co-ordination of inland transport;

"Invites the regional economic commissions which have not already done so to consider the question of the co-ordination of inland transport in their regions;

"Instructs the Secretary-General to arrange an exchange among the various regional economic commissions of the results of their considerations of the problem of co-ordination of inland transport; and

"Recommends to the Secretary-General that, as far as lies within his power, he grant any requests for facilities for the organization of conferences for co-ordination of inland transport between countries belonging to a single geographical region."

Attention should be drawn to the fact that the expression "co-ordination of inland transport" is used in two somewhat different senses in resolution 298 H (XI). Thus the problem which has been under examination by the Transport and Communications Commission and under study by the Secretariat and to which the first three paragraphs of the Council's resolution refer is the specific problem of the co-ordination of the various means of inland transport, for example rail, road, and inland waterway. The fourth paragraph on the other hand refers to co-ordinated action by the countries of a region in developing and organizing inland transport facilities, with a view particularly to the facilitation of international traffic. The proposer of the paragraph mentioned as a case in point a regional highway conference.

Co-ordination in the latter and broader sense is the general objective of the greater part of international activity in the field of transport. The present paper, however, is concerned rather with the problem referred to in the Commission's resolution quoted above and in the first three paragraphs of the Council's resolution 298 H (XI), and the expression "co-ordination of inland transport" will be used here in the specific sense of co-ordination between the means of inland transport.

## II. REVIEW OF INTERNATIONAL ACTIVITIES SINCE THE FOURTH SESSION OF THE COMMISSION

### A. Activities of organizations of a world-wide character

#### International Labour Organisation (ILO)

The fourth session of the Inland Transport Committee of the ILO, which will meet in the latter part of 1951 has on its agenda an item concerning labour problems affecting the co-ordination of inland transport. As a result of suggestions by the Inland Transport Committee of the Economic Commission for Europe<sup>1/</sup> the Governing Body of the ILO authorized the International Labour Office to carry out studies with reference to the transport industry relating to (1) wages, allowances and other benefits, (2) social charges, including pensions, borne by transport undertakings, (3) hours of work, the weekly rest period, and holidays with pay. Completed studies under (2) and (3), a preliminary study under (1) are to be submitted to the fourth session of the ILO Inland Transport Committee.

#### International Chamber of Commerce (ICC)

The documentation on this subject for the third and fourth sessions of the Transport and Communications Commission (E/CN.2/58 and E/CN.2/69) included reports by the International Chamber of Commerce on the question of co-ordination of inland transport. The latter organization has continued its consideration of this subject. A resolution adopted by the 73rd session of the Council of the ICC, in June 1950, inter alia proposed that all interests in the motor transport industry, including users and carriers for own account, should be represented at inter-governmental discussions concerning co-ordination of transport and expressed the view that regulations relating to the co-ordination of transport should leave transport for own account outside their conclusions. The ICC's Committee on Co-ordination of Transport met in October 1950 and adopted reports which were subsequently approved by the General Transport Commission of the ICC for submission to the latter's Council at its session in January 1951. One report dealt with the relationship between transport costs and rates and recommended the application of the cost principle in tarification, and analyzed differences in cost calculation in various countries. Another report, by the British National Committee of the ICC dealt with the needs of users and quality of service and

<sup>1/</sup> E/ECE/TRANS/192. Restricted.

was based on the answers to a questionnaire sent to users. The users felt that two principles must be upheld (1) the freedom of choice between different means of transport, (2) the inalienable right of transport for own account. The report inter alia pointed out that the tariff structure should reflect the true cost of service and that in determining the type of service which in each separate case would be most economical to the user factors such as speed, convenience, etc. will in some cases have priority over direct costs. The report stressed the importance of combined transport, use of containers, and further study of materials handling methods.

The General Transport Commission of the ICC approved a definition of transport for own account, drafted by the Committee on Co-ordination, as follows:

"Transport is called "transport for own account" when it is operated by a contractor (or corporate body)

1. for its own requirements;
2. - either in his own vehicles
  - or in vehicles placed exclusively at his disposal under the conditions laid down by national laws and regulations regarding transport;
3. of goods
  - either belonging to him,
  - or connected with his trade, industry, activity or equipment and which have been the subject of a transaction other than conveyance in the course of his professional activity."

#### International Railway Congress Association

The International Railway Congress Association held its fifteenth session in Rome in September-October 1950. While the question of co-ordination of transport as such was not on the agenda, Question VIII of the agenda was however concerned with the relationship between rail and road transport:

#### Question VIII

"In view of the ever increasing weight of road competition, what are the most appropriate measures, apart from reduced rates, for keeping traffic by full wagon loads in the hands of the railway?

/ "Would not

"Would not road transport at the end of the railway journey be justified in order to get direct contact with clients who are not connected up by railway sidings?"

"Should not the road vehicles required to assure such transport be attached to centre stations, equipped with suitable handling equipment, from which the road transport services would start?"

"Choice of the vehicles to be used."

Several reports prepared in reply were discussed at the Congress which adopted conclusions stressing the need for rationalizing terminal operations in reducing the cost of transport and the importance of door to door services in which the railway should control the supplementary road services. Attention was drawn to the type of equipment which should be used in combined rail-road services. It was furthermore stressed that the railways must improve service to compete with private carriers and should convince the public that the use of private carriers is contrary to the general interest as it raised the price of public service by reducing the volume of business by public carriers.

B. Activities of a regional character

1. United Nations Regional Economic Commissions

Economic Commission for Europe (ECE)

Working Party on Co-ordination of Transport as reported to the Commission at its fourth session (document E/CN.2/69) the ECE Working Party on Co-ordination held its first session in October 1949 and recommended to the Inland Transport Committee a programme of study which the Committee requested the Executive Secretary to forward to Governments for their comments, at the same time inviting them to supply information on any studies which they might be making on the subject of co-ordination of inland transport.<sup>1/</sup> A second session of the Working Party, meeting in February 1951, will have before it a document<sup>2/</sup> containing replies from the following Governments: Austria, Belgium, Bulgaria, Denmark, Finland, France, Italy, Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

1/ E/ECE/TRANS/192. Restricted.

2/ ECE document TRANS/WP12/4. Restricted.

The replies varied considerably in the nature of their comments. In some cases they were confined mainly to expressions of opinion concerning the utility and manner of studying the various aspects of the problem of co-ordination which had been raised by the Working Party on Co-ordination of Transport, but in some cases detailed data were supplied under the various headings with respect to the situation in the country concerned. A number of the replies discussed only certain of the points on which views had been requested.

According to the replies, agreement seems to exist as to the usefulness of the study of this problem, although some difference of opinion was expressed as to the general approach which should be made to the problem. Some Governments preferred the selection of a concrete aspect, for example the cost-problem, as a starting point, whereas others would prefer a preliminary study of basic conditions influencing the problem of co-ordination, or an inventory of background conditions in inland transport in various countries and of national studies and investigations of the problem.

As regards the main points on which the opinion of the Governments was requested, namely,

1. true costs of transport,
2. tariff structure,
3. needs of users and quality of service,
4. conditions of employment,
5. principal flows of traffic,

a number of the replies stressed the importance of the study of true costs of transport. Some Governments felt that as far as the railways are concerned it would be useful to await the results of the study which is being made in ECE of a uniform system of accountancy for main line railways because of the necessity to establish a uniform system of cost calculation in the various countries. A similar procedure for the road transport and inland waterway transport industries was considered a desideratum by certain Governments. Attention was drawn by some Governments to the long-term nature of studies concerning the cost of transport. At the same time it was pointed out that this question has already been studied for many years in some countries and a substantial documentation is already available. One Government stated that it is impossible even approximately to determine railway costs for less-than-wagon load traffic.

/As regards

As regards tariff structure several Governments felt that although a general knowledge of tariff regulations and practices in various countries would be useful, the true costs of transport are as yet too little known to make comparisons possible between tariffs and true costs.

The views expressed concerning the study of the needs of users varied; on the one hand this was stressed as basic, and on the other doubt was expressed as to the possibility of making such a comprehensive study of the question except perhaps in the case of tourist traffic. A study of quality of service however, would help to bring about an improvement of services.

The question of principal flows of traffic was also the subject of divergent views. One Government considered study of this question fundamental; another pointed to the importance of certain non-economic factors as for instance currency questions, the closing of some international routes because of political reasons and the influence of certain treaties regulating the trade between different countries; while a third felt that this question should be dealt with by the Working Group of Statistical Experts of the Inland Transport Committee of the ECE.

The members of the Transport and Communications Commission will be informed at the fifth session of the Commission concerning the action taken by the Working Party on Co-ordination of Transport on the basis of the report containing these replies.

Group of Experts to Study a Uniform System of Accountancy for Main Line Railway Systems. The relationship of the study of a uniform system of accountancy for main line railway systems to the problem of the co-ordination of inland transport was referred to above. The fourth session of the Group of Experts in October 1950<sup>1/</sup> considered the question of so calculating railway costs as to facilitate comparison with the costs of other forms of transport and the interpretation of such comparisons.

During the discussion it was brought out that to achieve co-ordination attention should be given primarily to the following questions: (1) type of expenditure, (2) sub-division of costs, (3) variability (in type of expenditure or in cost, according to length of haul), (4) other factors (for instance, unpaid services, marginal costs, etc.).

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<sup>1/</sup> E/ECE/TRANS/SC.2/73



The Group of Experts decided to request one of its sub-groups to ascertain whether the breakdown of expenditure, as previously proposed, was likely to enable costs to be calculated in such a way as to take account of the aims with regard to co-ordination of transport and the fixing of rates.

Economic Commission for Asia and the Far East (ECAFE)

The Ad Hoc Committee of Experts on Inland Transport which met at Bangkok, 24 October to 4 November 1950, as reported in document E/CN.2/102 on regional developments in the field of inland transport, recommended the setting up of an Inland Transport Committee within the frame work of ECAFE. Among the functions of the proposed Inland Transport Committee is "to study the co-ordination of different means of transport and to make recommendations for the promotion of action in this matter where desirable." The Ad Hoc Committee further noted the Economic and Social Council's invitation (Resolution 298 H (XI)) to its Regional Economic Commissions to consider the question of co-ordination of inland transport in their regions and expressed the opinion that the co-ordination of inland transport having been specifically included in the terms of reference of the proposed Inland Transport Committee, the latter should be asked to give its first consideration to the study of this problem. It was recommended that the Secretariat should in the meantime collect from Governments basic information that might be required in this connexion.

2. The Central and Southern Africa Transport Conference

This Conference which met in Johannesburg in October-November 1950 is discussed in document E/CN.2/102 and E/CN.2/102/Add.1 on regional developments in the field of inland transport. The available documentation from the Conference does not indicate that there was discussion of the question of the co-ordination of the various means of inland transport, although in preparing for the Conference the Secretariat of the Interim Transport Organization included in a questionnaire to Governments the following questions:

1. State to what extent, if any, transport competition exists between road and rail or between other forms of transport and whether such competition is considered wasteful or beneficial.
2. Give a brief description of existing or proposed measures, if any, designed to co-ordinate road, rail and inland waterways transportation with a view to preventing wasteful competition.

/3. Non-Governmental

### 3. Non-Governmental Organizations

#### International Railway Union (IUC)

The International Railway Union, whose views on the problem of the co-ordination of inland transport and its treatment at the international level were reported to the third and fourth sessions of the Transport and Communications Commission (documents E/CN.2/58 and E/CN.2/69), has continued to study the question but has published no further documentation. Several questions connected with this problem, raised by the IUC in its note on rail and road co-ordination which was annexed to document E/CN.2/58 prepared for the third session of the Transport and Communications Commission, were placed on the agenda of the Fifteenth International Railway Congress which is discussed above.

#### Pan-American Railway Congress Association

The VII Pan American Railway Congress Association met at Mexico City 10 to 20 October 1950. As had also been the case at the three previous sessions, the IV at Bogota in 1941, the V at Montevideo in 1946, and the VI at Havana in 1948, co-ordination of inland transport was a leading subject of discussion. A number of papers dealing with various aspects of the question of co-ordination were presented. They were mainly concerned with competition of road and rail transport. The question of private versus public carriers was discussed at particular length. The Congress adopted a resolution in which it ratified the declarations and recommendations on co-ordination, approved by the IV, V and VI Pan American Railway Congresses; and recommended: that the Governments of the American countries enforce strictly all the laws governing transportation, and that in the absence of such laws they be drafted forthwith; that in the public interest private carriers and contract carriers be restricted in order that common carriers may operate under satisfactory conditions; that commercial motor carriers be taxed for expenses incurred in constructing the highways; that it should be borne in mind, when planning common carrier operations, that co-ordination is only possible where all existing means of transportation operate harmoniously; that the public should be informed about transportation problems and educated with a view to its taking a part in solving them; and that Governments control the weights of loaded trucks in order to prevent their exceeding the authorized weight.

#### III. SOME RECENT NATIONAL DEVELOPMENTS

Previous reports to the Commission (documents E/CN.2/58 and E/CN.2/69) contained information concerning developments in various countries relating to

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the co-ordination of inland transport. Further information on recent national developments is given below.

France. As reported to the fourth session of the Commission (document E/CN.2/69), a comprehensive co-ordination plan was adopted in France by the decree of 14 November 1949. Subsequently, further measures have been proposed by the Minister of Transport but not yet adopted by Parliament. Aimed primarily at equalizing the fiscal burden of road and rail transport, the proposed measures include inter alia the introduction of a tax on road vehicles weighing more than three tons, the receipts of which will be exclusively used to cover the costs of highway construction and maintenance. At the same time the railways would be relieved of the duty of providing track costs instead of which a special fee amounting to 2 per cent of the annual traffic revenue will be paid by the French National Railways to the Government. Furthermore the network will be split into main lines and feeder lines with separate budgets. The operation of this net of feeder lines will be much simplified as compared with that of the main lines and part of it will eventually be closed down.

Portugal. A law on co-ordination of inland transport was adopted in Portugal in 1945; a decree of implementation entered into force 1 January 1949. This decree is of particular interest because it clearly states that its main purpose is to achieve a division of functions between the various means of transport by means of co-ordination. This is to be done mainly in granting concessions as between competing agencies. The intention is also to promote amalgamation between railways and motor transport undertakings respectively, and to limit the number of concessions for road transport to those now existing. Contract carriers are subjected to a number of operating limitations and to a higher tax rate than common carriers. Private carriers are not regulated.

Norway. As previously reported (document E/CN.2/58) a law establishing a Central Transport Commission for the co-ordination of transport in Norway came into force in 1948, making Government concession and authorization necessary for all public inland and coastal carriers. Following the adoption of the law efforts have been concentrated on the creation of an effective network of communications. Measures taken include, inter alia, restriction of the number of trucks and taxis in accordance with estimates of requirements made by the local authorities, and efforts to promote the amalgamation of transport undertakings. Finally, a council

/representing

representing transport undertakings has attempted to define provisionally the sphere of activity of the various means of transport and inter alia reached the conclusion that the railways should be used to full capacity as they are the cheapest means of transport for bulky goods.

United Kingdom. The recent activities of the British Transport Commission have to a great extent been directed towards the integration and amalgamation of road transport undertakings taken over in accordance with the Transport Act and with measures aiming at the rationalization of the railway transport industry whose financial returns, mainly because of rising costs, have been declining.

Italy. New steps have been taken to promote co-ordination of transport in Italy and since July 1949 several regional transport co-ordination committees have been set up. Their functions however are limited to the study of co-ordination of motor transport with other modes of transport and they have no influence on railways or tariffication questions. A bill was recently submitted to Parliament requesting the setting up of a Central Transport Board which is to have special functions in regard to co-ordination of transport.

Belgium. Since 1928 several Royal Commissions or Committees in Belgium have in succession studied the problem of ~~co-ordination~~ co-ordination. A new Commission was set up in November 1949 to study all parts of the transport problem in Belgium, including the question of co-ordination of transport.

Latin America. The problem of co-ordination has been widely discussed in recent times as for example at the VII Pan American Railway Congress, as reported above. The general trend in Latin America has been to establish or to propose the establishment in several countries of councils or central committees charged either with the study and planning of or the supervising of co-ordination of transport with the final power of decision in the person of the Minister of Transport, of Public Works, or Commerce.

The Latin American country where the question of co-ordination of transport probably has been dealt with more comprehensively than in any other is Argentina. A recent decree (1950) places under national jurisdiction and subjects to the control of the Ministry of Transport all except strictly local (within the limits of one municipality) road transport for hire, including both common and contract carriers, whether passenger or goods. The decree provides further for strict control of routes, rates and fares and thus means an advanced step towards

/co-ordination

co-ordination between road and rail.

United States of America. The historical development of transport co-ordination and integration in the United States is the subject of a document issued in 1950 by the Bureau of Transport Economics and Statistics of the Interstate Commerce Commission. The problem of co-ordination has had somewhat different features in the United States than in other industrially developed countries, due in considerable part to the special emphasis given in federal legislation to the preservation of competition which has to some degree limited the possibility of amalgamations and co-operation of transport agencies, although in recent decades the encouragement of consolidations, establishment of through routes and rates, etc., has grown. The Interstate Commerce Commission has gradually received authority to regulate within limits the competition of the railroads and waterway and road transport agencies through measures such as the requiring of certificates of convenience and necessity for public carriers and permits for contract carriers and regulations with respect to through routes, joint rates, fares and charges, etc. There is some tendency towards greater centralization of governmental authority in the transport field but a recent proposal to bring all Federal agencies regulating transportation under a Secretary of Transport, with cabinet rank, has not materialized. The latest development in this field is the so-called Reorganization Plan No. 7, which became law in March 1950. It inter alia concentrates the administrative powers of the ICC in the hands of a chairman.

#### IV. SUMMARY OF POST-WAR TENDENCIES WITH RESPECT TO CO-ORDINATION OF INLAND TRANSPORT

As pointed out during discussions at previous sessions of the Transport and Communications Commission co-ordination of inland transport has two principal aspects: (1) integration of services performed by two or means of transport so that one complements - or supplements - the other, (2) the division of traffic between different means of transport, such division being made, in theory at least, in accordance with the best economic use of the various means of transport. The latter is the more difficult economic question.

Although the problem of co-ordination of inland transport in principle concerns all the means of inland transport, national co-ordination measures adopted or proposed during the period between the two Wars and since World War II have generally had as their purpose the regulation of competition between road and

/rail transport.

rail transport. The basic legislative or administrative measures existing in many countries were adopted between 1932 and 1939 and have been subsequently amended. The bulk of the pertinent transport legislation of the period is concerned with regulation of road transport, mainly by various kinds of licensing of road transport haulage. The central point of this legislation, which is still predominantly in force, is a compulsory allocation of traffic between the two competing means of transport. Since World War II there has been a tendency in a number of countries, as soon as attention was no longer focussed on short-term problems connected with restoration and rehabilitation, to continue the pre-war co-ordination policy of licensing, combined with taxation. Decrees of implementation of previous laws have been introduced and the regulations of motor transport have been tightened.

A recent development has been the creation in a number of countries of a central body dealing with co-ordination as in Argentina (1948), Colombia (1943), Chile (1944), Ecuador (1944), Norway (1947), Belgium (1947), Canada (1948) and India (1948). Some of these bodies have however only been of a temporary character with restricted terms of reference such as studying the problem of co-ordination and making proposals for a system to be introduced.

In some countries restriction of various types of services to particular means of transport has resulted, or will result when the planned measures have been put into effect, in the elimination of virtually all competition between the various means of transport, producing thus in effect a transport monopoly. In countries with planned national economies of a type to be found in the Union of Soviet Socialist Republics and some eastern European countries all road transport services are included in this monopoly. Other countries where there is a tendency toward monopolistic organization (although not necessarily monopolistic ownerships) have, however, excluded private carriers from control, e.g. Great Britain, Norway, some of the Indian States as Madras, Bombay, and the Central Provinces, Northern Ireland and Eire.

The problem of private versus public carriers (railways and public carriers in the road haulage business) emerges from the recent discussions of international bodies as one of central importance. The regulation of private carriers has hitherto been widely opposed both on a national and an international level. This is still the position of the International Chamber of Commerce which is strongly

/concerned

concerned with the exclusion of private carriers, i.e. "transport for own account" from any co-ordination measures. International railway bodies on the other hand wish the importance of private carriers to be diminished, either through governmental restrictions, as proposed by the Pan American Railway Congress, or through successful competition by integrated railway and road transport services, as proposed by the fifteenth International Railway Congress.

A very important post-war development to which attention was drawn in earlier reports to the Commission marks a departure from the between wars approach. This refers to the tendency to revise railway rate systems away from the ad valorem principle toward the cost of service principle. One of the most difficult aspects of the problem of co-ordination has been the difference in rate structure of rail and road transport. The railways because of their cost-structure, with heavy overhead costs, have depended financially upon the total volume of traffic and have to a large extent applied the ad valorem system of rate-making. The road transport industry where the overhead costs are less important, has relied mainly on the cost of service principle. The revision of railway rates now under way in various countries is based on studies concerning various items of railway costs, studies of terminal operations and handling methods, etc. In most recent discussions of co-ordination emphasis has been laid on the problem of determining true costs and particularly on the problem of allocating track costs. The question of costs is being studied both on a national and an international basis as indicated above.

In somewhat the same vein is the tendency indicated by the discussion at the fifteenth International Railway Congress for railway bodies to examine possibilities of the improvement of the competitive position of the railways vis-a-vis road transport by means of improvements in service and reduction in costs through increased efficiency in terminal and handling operations.

#### V. CONCLUSION

In conclusion it should be noted that the problem of co-ordination of inland transport in the period since 1930 has been regarded mainly as one, in its broader sense, of dealing with uneconomic competition resulting from an over-supply of transport facilities, and in its narrower sense, of the protection of an older and established means of transport capable of handling a greater volume of traffic over longer distances from the competition of a new and more flexible means of transport capable of reaching more areas. This is a problem to a considerable

/extent

extent of economically developed, as against under-developed countries, although this is not entirely the case, as railways or other means of transport constructed in under-developed countries to serve a particular traffic or strategic purpose may suffer from the competition of new transport facilities where introduction of the latter precedes a corresponding general economic development of the country.

While thus particular circumstances have in the past two decades given urgency to the problem of co-ordination and have affected the nature of the measures taken, the general economic objective of co-ordination of inland transport remains the development of integrated transport systems in which the various means of inland transport perform the functions for which they are suited. In economically developed countries this implies application of co-ordination measures to existing transport services. In economically under-developed countries, apart from situations of the sort referred to in the preceding paragraph which would presumably frequently be temporary, the problem of co-ordination would seem to be two-fold. The most immediate problem is probably in many cases the integration of existing unconnected transport facilities into a system. The longer-run problem would however seem to be the planning of expanded transport systems in accordance with the best principles of co-ordination, i.e. the best economic use of the various means of transport. The interest of economically developed and under-developed countries in studying the problem of the co-ordination of inland transport with a view to arriving at such principles would thus be the same. The former would perhaps have more to contribute on the basis of experience but would have a more complicated task of harmonizing conflicting views of various groups of interests both in studying the problem of co-ordination and in applying the results of such study.

The Secretary-General in making the present review of the problem of co-ordination has, as requested by the Transport and Communications Commission at its fourth session, done so on the basis of information from international bodies and available published material including national laws and decrees. As indicated above a number of international organizations are extremely interested in the question and the information received from them is very valuable and this type of material should undoubtedly continue to be reviewed in future. As previously noted by the Transport and Communications Commission most of the non-governmental international organizations taking an active interest in the question are however railway bodies with the exception of the International Chamber of Commerce which

/justifiably



justifiably see the problem from the railway point of view. Although, in accordance with the Commission's wishes, the views of specialized international bodies in other fields of inland transport have been requested by the Secretariat, none have been forthcoming. The other principal source, available national laws and decrees or published reports about such laws and decrees, have provided useful and interesting information concerning some general tendencies in this field. However, it has not been possible to make a comprehensive up-to-date survey of the situation in the various countries in this way. In order to enable the Secretary-General, in continuing the examination of the problem as requested by the Economic and Social Council in Resolution ~~1950~~(XII), to make such a survey it would be desirable to receive some information from Governments indicating in a general way the situation in their countries with respect to the problem of co-ordination. The Secretary-General does not propose at this time to make a detailed inquiry or to initiate a study of any of the particular aspects of the co-ordination problem. This is especially true at this time when European Governments have under consideration the question of carrying out the numerous detailed studies proposed by the ECE Working Party on Co-ordination of Transport and by the ECE Secretariat. At this stage, it would appear to be more useful from the world-wide point of view to obtain a clearer picture of the nature of the co-ordination problem and approaches being made to it in the countries in various parts of the world. To this end it is proposed that an enquiry be sent requesting Governments:

1. to state whether governmental functions related to inland transport (rail, road, and inland waterway) are performed by a single Government agency or by different agencies as regards the different means of transport, and to indicate briefly the nature of the functions performed;
2. if competition exists between the various means of inland transport to indicate briefly the nature and extent of this competition;
3. to indicate whether the Government has taken, or proposes to take, measures intended to bring about the co-ordination of the means of inland transport, either in the sense of allocating traffic between the various means of transport (e.g. through restriction of various types of services to particular means of transport, licensing of various means of transport, etc.) or in the sense of integrating services performed by the various means of transport (e.g. relating to the establishment of through services, rates, etc.)  
/by different

by different means of inland transport), to give a brief description of any such measures, and to mention also any laws or decrees relating thereto;

4. to mention any studies relating to the co-ordination of inland transport which have been made under the auspices of the Government or which are now in process or planned;

It is believed that if the suggested basic information were made available it would serve the double purpose of facilitating the study of the problem of co-ordination at the world-wide and regional levels.

Thus, with reference to the Commission's request that the Secretary-General recommend whether, and in what form, consultation with Governments should take place concerning this problem, it is recommended that for the present such consultation take the form suggested above.

UNITED NATIONS  
ECONOMIC  
AND  
SOCIAL COUNCIL



GENERAL

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CO-ORDINATION OF INLAND TRANSPORT  
Supplementary Note by the Secretary-General

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REVIEW OF INTERNATIONAL ACTIVITIES SINCE THE  
FOURTH SESSION OF THE COMMISSION  
(continued)

Since document E/CN.2/98 was issued some additional information has become available concerning international activities relating to the co-ordination of inland transport. This information is summarized below.

A. Activities of organizations of a world-wide character

International Chamber of Commerce (ICC)

The 74th session of the Council of the ICC, held in Paris 7-9 January 1951, adopted the report on users and quality of service formerly approved by the ICC's General Transport Commission as reported in document E/CN.2/98 and also adopted the definition of transport for own account mentioned in the same document. (See also document E/CN.2/NGO/8.)

B. Activities of a regional character

United Nations Regional Economic Commissions

Economic Commission for Europe (ECE)

Since document E/CN.2/98 was issued, the second session of the ECE Working Party on Co-ordination of Transport was held in Geneva from 5-9 February 1951. The Working Party had before it ECE document TRANS/WP.12/4 containing comments by Governments, summarized in document E/CN.2/98, on the programme of national studies proposed by the Working Party at its first session in December 1949 and a statement by the Secretariat drawing attention to aspects of the studies which had been recommended by the Working Party.

The Working Party at its second session recommended that the Governments in their national studies should take account of questions raised in the Secretariat's report in the light of the discussions of the Working Party while agreeing also that certain subjects might have to be treated separately. The proposed studies concern the following subjects: organization of the transport industry; true cost of transport; needs of users and quality of service; rate structure; conditions of employment; principal flows of international traffic.

The Working Party considered that in order to compare trends and policies in the various countries it was essential to have information on the organization and structure of the industry in each country. An outline was agreed upon on which information should be based covering the administrative, financial and operating

/status

status of, and system of control over, transport undertakings; the number and relative importance of transport undertakings; co-ordination of operations; organizations of transport undertakings, and organizations of transport users. Governments were requested to send these studies to the Secretariat by 1 June 1951.

The problem of true costs was discussed at length and it was considered that strict comparability on most of the items entering into the cost of transport could not be achieved. In view of this fact it was recommended that Governments should in their national studies pay special attention to definitions of concepts, assumptions and rules for allocation of various items of expenditure between different kinds of traffic. In this connexion the special problems of unit costs, historic costs and depreciation, the effect of the obligation-to-carry rule on costs, permanent deficits incurred by parts of the network and track costs were discussed. Before deciding on the date and manner of submission of the national studies on costs, the Working Party wished to study further the work of the ECE Group of Experts on a Uniform System of Accountancy for Main Line Railways as well as any interim studies on costs that countries might be able to submit.

With reference to the needs of users the Working Party recommended that national studies endeavour:

- (1) to define the interpretation given to "freedom of choice" and "freedom of operating transport on own account", and
- (2) to determine the incidence of these factors on the co-ordination of transport.

As regards rate structure the Working Party noted that a study of railway tariffs had already been undertaken by an ECE working party but drew attention to the fact that matters concerning the structure of tariffs for all three means of inland transport affected the co-ordination of transport. It recommended that Governments send by 15 May 1951 information on the present structure and probable development of tariffs for road and inland waterway transport, at the same time giving their views as to the best means of co-ordinating the studies for all means of inland transport. The matter could then be raised at the next session of the Inland Transport Committee.

With regard to conditions of employment the Working Party was informed that the question would be considered by the Inland Transport Committee of the ILO during the fourth quarter of 1951.

/The Working

The Working Party decided that studies of principal flows of international traffic should not be undertaken before the statistics on the movement of goods in international traffic became available.

Non-Governmental Organizations

International Railway Union (UIC)

Since document E/CN.2/98 was issued, the UIC has forwarded to the Secretary-General a long-published memorandum containing the views of the railway administrations which compose the UIC entitled "Position of European Railways, Difficulties, Causes and Possible Remedies". The object of the memorandum is stated to be the financial position of the railways which in a majority of European countries "is characterised by a constant increase in operating expenses and the stabilization of, or even reduction in, receipts." The memorandum deals extensively with the question of co-ordination of rail and road transport.

It is stated that as compared with pre-war conditions traffic has grown considerably although less than industrial output in general and this is attributed largely to competition by road transport. While railway traffic volume and receipts have grown, expenses have grown still more. The memorandum analyzes the characteristics of rail and road transport and stresses the advantages of rail transport with respect to security, speed, economy, and capacity, particularly over long distances and with respect to bulky merchandise and large movements of persons. On the other hand the advantages of road transport are noted both for terminal and other local operations and for some short-distance goods and passenger services, and for tourist traffic over longer distances. It is stated that the railroads, meanwhile, are still burdened by various obligations originally conceived in connexion with their previous transport monopoly which has now disappeared.

The memorandum refers to efforts which have been made by the railways, technically, economically, and commercially, to improve their financial situation, but states that much remains to be done, both by the railways themselves in the standardization and modernization of equipment and operating methods, etc. and by measures outside the control of the railways.

The measures proposed for effecting stability on the railways and the national organization of transport are summarized in the memorandum as follows:

/ "the modernisation

"the modernisation of the railways and a corresponding decrease in their costs,

"the granting to the railways of wide facilities, particularly in the sphere of tariffs and of the use of motor transport,

"a certain equality of obligations in regard to rail and road, carried out as far as possible,

"repayment, where necessary, for the special services devolving upon the railways in their capacity of a public transport undertaking,

"any necessary measures designed to place public and private road transport on an equal footing,

"finally, certain steps to be applied on an international scale."

The steps to be taken internationally include the following: limitation to tourist needs of regular motor coach services on an international scale and freedom of the railways themselves to organize international motor coach services, supplementing their regular services; the same system of co-ordination for international goods transport as for internal transport and the drawing up of an international system of "regulated freedom" as contemplated by the ECE Inland Transport Committee, i.e. a licensing system to be determined by an international Convention and quota determination by bilateral Agreements taking into account the needs of the traffic; facilities for crossing frontiers; in conjunction with examination of the extension of the road system and financing it, examination on the national and international levels of a plan for co-ordinating essential railway investments; rationalization of the manufacturing of railway stock by concentrating production and by the international allocation of orders.

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