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Establishment of a European Transport Office

Report¹

Committee on Economic Affairs and Development

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A. Explanatory Memorandum

1.

The Consultative Assembly having declared itself in favour of what has been called the functional approach, in other words the integration of the European economy, sector by sector, it was to be expected that one of the first sectors to which attention would be given would be that of transport.

From the point of view of the total manpower employed, the transport industry is second to none : a very considerable amount of capital has been invested in it. It plays a vital part in the economic life of every country. Finally it is an industry which in character is essentially international, and which it would appear comparatively easy to organise on a European basis, in view of the degree of co-ordination which it has already achieved.

This last point is important, and the Committee on Economic Questions is fully aware of the considerable progress already made by the international organisations which are working in this field. It has, however, observed that their efforts have hitherto been more particularly concerned with each method of transport considered independently, and the Committee is of the opinion that it is of even greater importance to consider the means of bringing about a general co-ordination of all the methods of transport.

With this in mind it welcomes the Resolution relating to general transport policy adopted in July, 1951, by the Committee on Inland Transport of the Economic Commission for Europe.

The Committee takes the view, however, that the co-ordination of the different methods of transport raises certain economic problems of such importance that their solution cannot be found solely on the technical level. The problems in question call in fact for political decisions, and the Consultative Assembly of the Council of Europe is the only political organisation within whose framework they can be broached otherwise than from a national point of view and which can bring them to the notice of European public opinion.

The need to co-ordinate the various methods of transport and the need to find a political solution for the problems involved are the two fundamental reasons which have led the Committee on Economic Questions, despite its appreciation of the important achievements of the specialised organisations which already exist, to declare itself in favour of the establishment of a European Transport Office.

In considering the competence of such an institution the Committee was bound by the terms of its mandate from the Assembly, which had instructed it to study the co-ordination of inland transport, to the exclusion of transatlantic shipping. It would have been possible, while remaining within the limits of these terms of reference, to have brought questions of harbour administration within the competence of the proposed European Transport Office. After studying the problem, however, the Committee recognised that it is impossible to separate the question of the administration of harbours from that of the transatlantic shipping which makes use of them, and, consequently, took the view that such problems should remain outside the competence of the Office.

The Committee also considered whether intra-European airlines should be brought within the competence of the Office. The airlines in question so far compete very little, however, with intra-European rail and road systems. The commercial and administrative problems involved are fundamentally different. Air transport is, moreover, a comparatively young industry, the integration of which on a European basis raises fewer difficulties than in the case of the older methods of transport, whose integration would, in some cases, involve the surrender of large-scale capital investments.

For these various reasons the Committee has decided to make air transport the subject of a special Report, and to recommend in the present Report that a European Transport Office be established whose scope would extend " to all forms and means of intra-European transport, by road, rail, waterway and coastal shipping, " air transport being excluded.

It may be noted that this is the position in the United States, where the Inter-State Commerce Commission regulates the various means of transport between American States, to the exclusion of air traffic which is under the control of the Civil Aeronautics Board.

As far as the powers and functions of the Office are concerned, it was originally proposed that it should take the form of a veritable Specialised Authority, with its own powers of decision and having a constitution inspired by that of the High Authority for Coal and Steel. After thorough study of the problem, the Committee took the

view that measures adopted in the case of complementary industries such as coal and steel could not be wade to fit, as simply as that, in the case of competitive industries such as transport by rail and transport by road.

Moreover, even to propose such an Authority would in itself have the effect of limiting the number of countries prepared to collaborate. This would be particularly regrettable in the case of transport, since it is essential for success that the European transport community should cover as wide a geographical area as possible and that it should, in particular, include certain countries which, while not Members of the Council of Europe, occupy key positions in the European communications network.

The solution adopted by the Committee consists in proposing the creation of an Office endowed with powers of recommendation only. Its powers would thus not be greater than those of other already existing organisations. The Office would, however, at the very least be in a position to co-ordinate the activities of the organisations in question, and, through its reports to the Consultative Assembly, it would be able to submit to public discussion problems for which no solution can be expected without the support of an informed public opinion.

The Office would, naturally, have recourse to the experience and to the staff of existing specialised organisations, and would thus require only a limited administrative staff of its own, but there is no doubt that once its recommendations had been discussed and adopted by the Consultative Assembly they would have considerable influence.

Finally, it is pointed out that the creation of such an office would in no way preclude the establishment, at a later date, of a European Transport Authority, should the need for it be generally recognised. The Committee is none the less of the opinion that, even so, the creation of an Office, such as the one which is proposed, represents in present circumstances a preliminary step which is necessary and which cannot be by-passed.

The Committee accordingly unanimously adopted and now submits to the Assembly the following draft Recommendation :

B. Draft Recommendation

The Assembly,

Having approved the draft Convention on the Establishment of a European Transport Office which appears hereafter,

Recommends to the Committee of Ministers that a conference of Experts be convened for the purpose of preparing its implementation. Instructs the Secretariat-General to keep it informed of the action taken on the basis of this Recommendation :

C. Draft Convention on the establishment of a European Transport Office

Preamble

The Member States of the Council of Europe, Convinced that transport represents one of the essential means of achieving the progressive unification of the European economy as a whole, and of ensuring the proper economic, social, political and cultural development of Europe;

Believing that the degree of unification achieved in the field of European transport may be considered as a reliable indication of the progress made in implementing the declared object of the Council of Europe, namely that of serving the interests of the countries of Europe by promoting closer unity among them;

Recognising that the present situation in the field of European transport prevents the full utilisation and application of up-to-date technical knowledge, as also the introduction of a rational organisation, of methods of efficient operation, and of measures necessary for achieving a free flow of traffic and free intercourse between the citizens of the nations which constitute the European community;

Appreciating the fact that a general improvement of the European transport system would help to raise the standard of living of the workers engaged in the transport industry, and that a greater degree of co-ordination would lead to an increase in their professional skill at both the executive and operative levels, as well as helping to solve the problem of full employment in Europe,

Considering that too close an adherence to a transport system planned to satisfy purely national needs may prevent Europe from carrying out certain essential schemes, and considering that certain changes are necessary to meet the demands of an expanding economy which have constantly made themselves felt throughout the present century,

Have therefore decided to establish a European Transport Office, the aim of which shall be to foster the efficient, economical and appropriate use of existing transport facilities and to assist in the rational development of the European transport system.

Scope

Article 1. — The Office shall deal with all media of intra-European transport by road, rail and inland waterways.

Task

Article 2. — The task of the Office shall be to undertake studies and to make recommendations designed :

- a. to secure the effective use of existing transport facilities, having regard to the general needs of Europe,
- b. to encourage the scale of investment in the field of transport which is necessary for the well-being of the European community,
- c. to prevent all wasteful competition either between various means of transport or between similar means using different or parallel routes,
- d. to draw attention to any danger of overinvestment in transport facilities which may arise.

Powers and Functions

Article 3. — The European Transport Office shall study the existing transport systems and the technical and economic conditions affecting traffic of an international character, with a view to preparing a plan for an improved system of European transport, to which the Office shall endeavour to give practical effect. The countries which are members of the Office shall be recommended to adjust their own national transport systems to this plan.

Article 4. — The member countries are invited to supply the Office with all information concerning existing media of transport, the manner in which they are operated, and any plans for their modification or for establishing new methods. The Office shall transmit to the Governments concerned its observations and recommendations.

Article 5. — In particular, the Office, acting on behalf of the Council of Europe, shall establish contact with the various international transport organisations dealing with, the above-mentioned means of transport, shall make recommendations for their rational organisation with a view to their ultimate integration, and shall propose such amendments to existing conventions on transport as it may consider advisable.

Article 6. — Acting on behalf of the Council of Europe, the Office shall establish relations with all international bodies either directly or indirectly concerned with transport.

Article 7. — The Office shall encourage mutual consultations and, at the request of two or more member countries, shall arrange for arbitration proceedings between Governments, national administrative departments and public and private companies. It shall encourage partial agreements between two or more member countries.

Article 8. — To ensure the most rational coordination of international transport and to foster its technical development, the Office, with the assistance of the competent international organisations, shall promote such studies as may be useful in connection with :

the conditions governing the international transport of passengers, goods and mail;

the joint use of transport equipment between member countries;

loans , exchanges and pools of transport equipment;

the progressive standardisation of the various types of transport equipment and fixed installations;

the international conventions and regulations governing the equipment used on the main international routes by member countries;

the establishment of international organisations with legal powers to finance in part or in full all plans for the development of European transport.

Article 9. — The Office shall study the rates to be charged for international traffic and make recommendations to the member countries and the transport organisations concerned.

Article 10. — The member countries shall annually inform the Office of their investment plans in the field of transport. The Office shall study these plans and make recommendations designed to ensure their co-ordination.

Participation of States not Members of the Council of Europe

Article 11. — States which are not Members of the Council of Europe may be invited to take part in the activities of the European Transport Office. The conditions governing such participation shall be determined by the Committee of Ministers after consultation with the Assembly.

Structure

Article 12. — The Office shall consist of :

1. a Governing Body which shall meet at regular intervals;
2. a permanent Chief Administrator, and
3. a Technical Secretariat.

Article 13. — The Governing Body shall consist of between six and nine members chosen for their special qualifications. They shall be appointed by the Consultative Assembly of the Council of Europe from a list of candidates submitted by the Committee of Ministers; they shall hold office for a period of three years and be eligible for re-election. The Governing Body shall take its decisions by a simple majority.

Article 14. — On the basis of proposals made by the Governing Body, the Committee of Ministers of the Council of Europe shall nominate the Chief Administrator of the Office, who shall not be a member of the Governing Body. - The Chief Administrator shall be responsible for implementing the principles adopted by the Governing Body. He shall draw up the Annual Report of the Office and submit it to the vote of the Governing Body.

Article 15. — The Governing Body shall be empowered to call upon any experts whom it may deem it necessary to consult. Member countries shall be invited to loan the services of those of their experts whose collaboration would be of assistance to the Office.

Article 16. — The Report, after being voted upon by the Governing Body, shall be submitted through its Chairman to the Consultative Assembly and to each of the Member States of the Council of Europe. It shall, moreover, be published, and the Office shall be granted the appropriations necessary to ensure its proper distribution.

Article 17. — The Governing Body shall be responsible to the Consultative Assembly of the Council of Europe which shall pass a vote each year on the administration of the Office.

Article 18. — The Chief Administrator of the Office shall be assisted in the exercise of his functions by a technical Secretariat. The Office shall for administrative purposes be attached to the Secretariat of the Council of Europe,