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Creation of a European Transport Organisation

Motion for a resolution

tabled by Mr Edouard BONNEFOUS and other members of the Assembly

Explanatory Memorandum

The co-ordination of transport systems is probably one of the fields in which, in the opinion of all those who have studied the rationalisation of European economy, it is easiest to advance rapidly and obtain tangible results.

On the other hand, the existing disorder in European transport systems causes excessive costs and expenses, which were already weighing heavily on the budgets of Europe, but which, in the costly phase of accelerated rearmament which we are entering, will no longer be bearable, if substantial economies are not introduced in the near future.

Only the co-ordination of European transport systems would effect economies estimated at a thousand milliards of francs.

Furthermore, the urgent necessity of ensuring the defence of Europe, with which the Assembly has justly shown its concern, compels us to reconsider the whole problem of transport systems and probably also to change their structure. This is the essential condition for a real European defence.

At the national level, the efforts made by parliaments and governments have failed because there is no solution except partial solutions on the national scale.

The causes of the present situation are well known : immense destruction following two world wars, immoderate and ruinous competition among internal and international means of transport. Over-equipment based on this new and double illusion:

That every means of transport increases the general prosperity;

That new means of transport are never developed to the detriment of the old.

The truth, proved by numerous experiments, is exactly the opposite. So much so that we are obliged to meet the deficits of, or pay subsidies to, all the transport systems. Furthermore we are unjustly overwhelming future generations by new loans aimed at covering working deficits.

It is our duty as Europeans, to recognise and classify the real needs, to study the necessary measures and then to take decisions appropriate to the collective interests of Europe and also to the exigencies of a European defence which can no longer be delayed.

EUROPEAN RAILWAYS DEFICITS

While the initial capital has been almost completely used up as a result of age and devaluations, all the railway systems, far from being profit-making, show a deficit :

in Great Britain: 7 million pounds sterling in 1948.

in Great Britain: 25 million pounds sterling in 1949.



in Great Britain: 35 million pounds sterling in 1950.

in Belgium : nearly three thousand million francs in 1949, or 29 % of the working expenses.

in Switzerland: 35 million Swiss francs in 1940.

in Italy : fifty thousand million lire for the financial year 1947-1948 (latest published figures),

in France : a hundred thousand million francs for the last financial year.

As the railway rates are not capable of readjustment to the general index of prices, the disequilibrium continues to be accentuated.

There are no remedies within the national framework. The railway companies are not manufacturing enterprises which can adapt their expenses to the current volume of production, but " distributive enterprises ", characterised by the fixed charges which result from the very structure of the company and the notion of public service.

EXAMPLES OF INCOHERENCE AND CHAOS

490 million dollars' worth of railway material imported from the United States, while the capacity of the European workshops is not fully utilised.

Irrational transport of fuel across Europe absorbs 20 % of the fuel transported in the engines : which carry it.

Construction and equipment of ports undertaken unmethodically and without previous study of their special nature. Unhealthy rivalries bringing into competition ports like Antwerp and Rotterdam which, in the past, tried to deflect the traffic from Western Germany from Belgian and Dutch ports towards Emden, Bremen and Hamburg.

Resumption of the tonnage race by European countries under conditions of particularly fierce international competition. (The share of the United States which was 4.7 % of the world fleet in 1914 is 51 % to-day.)

Ill-regulated development of European airlines, struggling keenly for traffic, and showing substantial deficits from this very competition.

Measures to be taken

1. The European network of railways should be placed under European control. They would have to change railways from their present status as a national public service to a European Public Service.

2. A common effort of rationalisation, similar in all countries, by means of the suppression of lines which are useless, or which can no longer be used or are no longer required.

3. Study of the consequences of an intensive electrification of systems, and the use of rolling stock, which is surplus in one country, in other European countries where equipment is outworn or insufficient.

4. Combating the deficit by rationalisation and by harmonisation undertaken after careful study, rather than by over-equipment which merely increases the deficit that has to be wiped out.

5. The abandonment of preferential tariffs which divert the normal currents of trade, with a consequent increase of cost to the community.

consequent increase of cost to the community. 6. Respect for the freedom of European transit, and study of means for ending the gradual diminution of trade between Eastern and Western Europe.

7. Measures for promoting a more active transport policy between Europe and Africa, and in the interior of Africa.

8. The determination of a common policy towards transport groups, so that they may supplement one another and help one another and may cease from hindering one another, and from competing without any advantage for the community.

9. Large-scale works of collective interest. (Channel Tunnel, Gibraltar Tunnel, etc.)

10. Encouragement and development of European investments thus making it possible to find capital in search for investment; at present such capital is scared by persistent deficits and is unable to find satisfactory guarantees in the existing national framework.

TRANSPORT AND WAR

The decisive rôle of all means of transport in present day wars.

During the last war the rôle of transport was considerable and decisive. In the United States the working life of a goods-wagon and the average load of a train have more than doubled.

Rail transport enabled unoccupied countries to escape starvation. The Liberation was remarkably aided by the attacks made by the Resistance on railway lines, and also by aerial bombardments of stations, which created complete disorganisation.

In the U. S. S. R. the remarkable organisation of rail traffic has obtained important results.

In 1937 the U. S. S. R. was transporting per kilometre of rail four million metric tons, whereas in 1923, when the traffic of goods on European tracks was highest, Great Britain transported no more than 884,000 metric tons, France 990,000, and Germany 1,000,000.

EXAMPLE OF CO-ORDINATION OF METHODS OF TRANSPORT

In the United States, whose legislation was in the beginning favourable to competition between various enterprises, and different forms of transport, we note a certain evolution, slow at first, but later hastening at increased speed towards regimentation and co-ordination; and yet that is a country where railway companies are not nationalised but have remained under private ownership.

The " Transportation Acts " of 1920 gives the Inter-State Trade Commission positive powers as regards fixing railway rates and the right of invigilation on the issue of stock for-the construction of new lines. Furthermore, in case of a crisis, the commission was granted considerable powers, including that of ensuring the effective direction of transport undertakings.

After the 1929 crisis, however, the financial situation of transport companies, especially of railway companies, grew worse and worse, and the old legislation was seen to be quite inadequate.

The Transportation Act of 1940 sets out to provide the public with safe, adequate, economic and efficient means of transport, to abolish the abuses of competition, and to provide healthy working conditions to transport workers.

In the field of air transport, we also note the Civil Aeronautics Act of 1938 which set up a Bureau of Civil Aeronautics, modelled on the Commission of Inter-State Trade, whose aim was to prevent unorganised development, such as took place in the early days of railways. " As no lesson was learnt from the railways," says the Bureau, " we must take steps to avoid such a situation by ensuring an ordered methodical development to American air transport." This is a lesson that Europeans should ponder.

Motion

The Consultative Assembly recommends the creation of a European Organisation of Transport designed not for the purpose of administering or managing existing transport, but of governing them from the triple point of view of efficiency; maximum output; financial stability.

A High Authority would be created, and would be recognised and accepted as a supra-national arbitrator by all States.

The European Organisation would exercise no political function, and would be concerned only with economic aims.

It should safeguard the combined interests of associated countries of the consumers, producers and the workers.

It should also facilitate by all means in its power the necessary measures for the defence of Europe.

If a European Minister of Defence were appointed, he would automatically be a member of the High Authority.

This body should function under European democratic control, and it will appertain to the European Consultative Assembly to define and fix this control.

Signed (see overleaf)

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Signed:

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