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Second Report on the activities of the European Conference of Ministers of Transport

Report[1]

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A.

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1. General review on the functioning of the Conference

1. In the course of 1955 the Grand Duchy of Luxembourg and Greece deposited their instruments of ratification of the Protocol concerning the E. C. M. T. signed at Brussels on 17th October, 1953. The ratifications, as a whole, have thus been effected, insofar as they were necessary. In addition, the Yugoslav Government presented a request for membership of the Conference. As this request was unanimously agreed by the Council of Ministers of Transport, the instrument of accession of the Yugoslav Government was deposited on 2nd September, 1955. The accession of Yugoslavia brings the number of countries represented on the E. C. M. T. up to 17 [2]. The participation of Yugoslavia in the work of the E. C. M. T. is important, for it not only allows the field of action of the Conference to be extended but also ensures that Greece and Turkey will in fact participate in the measures taken.

2. The Council of Ministers of Transport met at Berne on 19th and 20th October, 1955. Since the previous session of the Council which was held in Paris on 21st and 22nd October, 1954, the Committee of Deputies has held five sessions to implement the decisions taken by the Council of Ministers in October, 1954, and to prepare the Resolutions adopted at the Ministerial Session of October, 1955. The Committee was assisted in this task by a number of subsidiary bodies :

Committee for the Study of the Co-ordination of Inland Waterways Freight Charges (which held 9 sessions) ;

Group of Experts for the preparation of Directives for the study of development projects for Inland Waterways of interest to Europe as a whole;

Committee and Sub-committees for the Study of Co-ordination of Capital Investment.

The continuity of action of the Committee of Deputies between its sessions has been ensured by its Bureau.

3. Experience has also confirmed the advantages of the formation of the" Restricted Groups " mentioned in the First Report (paragraph 16). The use of this method made it possible, in spite of the difficulties encountered, to bring to a rapid and successful conclusion the constitution of the Eurofima Company; details are given later in this report. With the assistance of legal and financial experts and representatives of the U. I.

2. These countries are : Austria, Belgium, Denmark, France, Germany, Greece, Italy, Luxembourg, the Net h e r l a n d s , Norway, Portugal, Spain, Sweden, Switzerand, Turkey, the United Kingdom and Yugoslavia.

C, the Deputies of the Ministers of Transport of the nine countries constituting this Restricted Group held six sessions from December, 1954 to October, 1955, and the Ministers of those countries met twice during the same period. As laid down in the Protocol, the Conference was kept continuously informed of the general progress of the work of the Restricted Group, and, in consequence, five countries which were not among the original members were able finally to accede to the " Constituent Acts " of the Company.

4. During the past year, the E. C. M. T. has continued to maintain regular relations with the governmental and private international organisations concerned with transport, whose activities it aims to co-ordinate under the terms of Article 3 (b) of the Brussels Protocol. The Conference was also careful not to proceed with studies which might overlap with those undertaken in other quarters. It continued to invite the international organisations concerned with transport to state their views before the Council of Ministers and in the Committee of Deputies, and several of them took an active part in the work of certain Committees and Restricted Groups. The Conference also decided to associate the international organisations in question still more closely with its work, as is shown later in this Report (paragraph 37). The 0. E. E. C. kindly continued to provide the Conference, as in the past and to its complete satisfaction, with all the material facilities necessary for its operation. The Council of Ministers, fully appreciating the efficacions aid thus supplied, wishes to take this opportunity once again of expressing its gratitude to the 0. E. E. C.

5. By following the main lines of the policy laid down in the First Report (paragraphs 15-18), the Conference has thus endeavoured to preserve its essential features : namely, the determination by the responsible Ministers, either in a European context on the widest possible scale or within the framework of Restricted Groups, according to circumstances, of a common policy, and the implementation of that policy, at national level, by Ministerial action in each country.

2. Reception given to the first Report of the Conference by the International Organisations

6. The First Report of the Conference, which was published at the beginning of 1955, was circulated on a fairly wide scale and, in particular, was officially transmitted to the International Organisations concerned with transport. In return, most of the latter for-Avarded their comments to the E. C. M. T. and these are analysed below.

a. The O. E. E. C. expressed its interest in certain technical and economic problems examined by the Conference since they are related to its own work. In particular it noted the action taken by the E. C. M. T. with a view to the gradual relaxation of regulations governing international transport by inland waterways. " As the gradual liberalisation of current invisible transactions and transfers is one of the aims of the 0. E. E. C. ", the latter hoped that the Conference would continue its efforts in this sphere. The 0. E. E. C. also " congratulated the Conference on the results obtained in its first year of work and hoped that close co-operation between the two Organisations would be developed in the spirit of the Brussels Protocol ". To this end, practical steps have recently been taken by common agreement between the two Organisations.

b. At its meeting of 9th July, 1955, the Consultative Assembly of the Council of Europe considered the First Report of the E. C. M. T., presented by the Chairman of the Council of Ministers of Transport, and, at the conclusion of its debates, adopted a Resolution (No. 73) consisting of two parts, one devoted to technical problems and the other to matters of organisation. When considering this resolution, the Committee of Ministers of the Council of Europe later expressed the wish that the E. C. M. T. should state what action it considered should be taken on the proposals contained in the Resolution. The recommendations on technical problems (railways deficit, transport in manufacturers' own vehicles, European road investment fund, international railway rates, air transport) have engaged the attention of the E. C. M. T., which adopted in this respect certain conclusions that hod been brought to the notice of the Council of Europe. The matters of organisation, which will be discussed later in this Report, are being considered by the E. C. M. T.

c. The Secretary-General of the World Touring and Automobile Organisation, in a letter of 21st March, 1955, referring to the background of the Conference (paragraph 9 of the First Report), pointed out that that Organisation was not mentioned among those which had worked in the field of road transport; the letter went on to summarize the part played by that Organisation in recent years. In rectifying this quite unintentional omission, the Conference takes this opportunity of expressing its appreciation of the activities W. T. A. 0., which has, in fact, several times been associated with its work.

d. On 16th June, 1955, the Chairman of the International Union of Inland Waterways communicated certain comments on passages in the Report concerning the transport position (paragraph 20), the railways deficit (paragraph 21) and the urgent necessity for defining a European transport policy. On the

first two of these points, the E. C. M. T. forwarded certain comments to the I. U. I. W. which were calculated to allay its concern. The Conference also took the last point into account by including in its programme of work the definition of the essential features of a transport policy.

e. In a letter of 15th July, 1955, the Secretary-General of the International Transport Workers' Federation (I. T. W. F.) communicated certain comments arising out of the Federation's study of the first Report of the E. C. M. T. The memorandum of the Federation, which adopts the same point of view on this question as the International Union of Inland Waterways, first emphasizes that " the essential condition for the future success of the work of the E. C. M. T. is the adoption of a general policy " defining the part played by transport in the European economy and including a European transport equipment plan. After expressing itself in favour of the integration of transport at European level, the I. T. W. F. " thought it desirable to call the attention of the E. C. M. T. to the primary importance of preparing a general plan for the organisation of all European transport. " Finally, a second problem " concerns the I. T. W. F. to the highest possible degree : the wide differences between the employment conditions of transport workers in different parts of Europe ", and the memorandum concludes by drawing the attention of the E. C. M. T. " to the close link between its social and economic aspects. " When preparing its programme of work, the E. C. M. T. took into account some of the points raised by the I. T. W. F. With regard to the conditions of employment of workers, it is recalled that the specifications attached to the General Agreement of 17th March, 1954, concerning the economic regulation of international road transport, will provide the means of substantially improving the existing situation indicated by the I. T. W. F. when this agreement has been ratified by the signatory countries.

f. The Secretary-General of the International Chamber of Commerce (I. C. C), in a letter of 7th September, 1955, transmitted to the E. C. M. T. a note summing up the views of transport users on certain general principles which might be taken into consideration in planning European governmental transport policy and on some of the resolutions adopted by the European Conference of Ministers of Transport. The principles mentioned in the I. C. C.'s note concern the place of transport users and of transport in the economy, costs and charges, the users' freedom of choice, freedom of transport on own account, co-ordination of transport, and user-carrier consultation. After recommending that the test, in the co-ordination of capital investment, should be " the comparative profitability of projects in conjunction with the criteria of costs and quality of service ", the note impresses upon the Conference " the economic necessity of creating an international network to provide, inter alia, more adequate means of access to industrial and tourist areas and to ports, railway stations and international airports ". With regard to inland waterways navigation, the I. C. C. urged that "international inland navigation should be allowed the greatest freedom ".

g. At its second World Congress, held in Rome from 2nd to 6th October, 1955, the International Road Federation adopted a Resolution in which it " congratulated the E. C. M. T. on the studies it had undertaken for the financing of the European road system. It recommended all Governments to give priority in their budgets to road-building expenditure intended for the completion of that system ".

3. General review of the transport position

7. The favourable economic situation in 1954—mentioned in the First Report—was not only maintained but still further developed in 1955. Between 1951 and 1955, the overall industrial production of the OEEC countries increased by about 28 per cent, and 10 per cent of this increase took place between 1954 and 1955. This favourable situation had an influence on the volume of transport which, in 1955, also showed a considerable increase as compared with the previous year. All means of transport benefited in varying degrees from this expansion, and it is interesting to note that, on the whole, they were able to carry out all the necessary transport operations without notable difficulty, thus justifying the estimates made in April, 1953, before the creation of the E. C. M. T. by a group of transport experts meeting on the initiative of the O. E. E. C. According to these estimates, both from the point of view of vehicles and infrastructure, with a few special exceptions, the capacity of the European transport system had, at that time, a considerable unused margin. It should, however, be noted that for rail traffic a substantial recovery only took place in 1955. At present, it seems that the unused margin has more or less been reduced, particularly for Rhine navigation. Moreover, the rapid development of road traffic, especially in the tourist seasons, raises grave problems of infrastructure which will certainly become more serious if no measures are taken to improve the road system. In addition, the transport capacity of the railways could be improved through the modernisation of methods of modernisation and equipment. This fundamental problem of adapting the capacity of the transport system to present and foreseeable economic needs is engaging the attention of the Conference, as will be seen below (paragraph 43).

8. The increase in traffic affected transport receipts in different ways, owing to its uneven distribution among the various means of transport. It seems, however, that as a general rule inland waterways and road transport benefited more than railways. Its effect on the financial position of road transport is difTicult to ascertain owing to the absence of published rates. On the other hand, the effect on inland waterways is obvious, for the extra traffic caused certain freight rates to rise. The increase in the tonnage carried by the railways was proportionately lower and occurred later. Most Governments maintained rates at their former level and this prevented the railways from making more out of the present state of prosperity than a limited improvement in their financial position. It should be noted that the rise in receipts was often offset by an increase in liabilities such as social charges and, in some countries, taxes as well. In this respect, the financial situation of the railways is causing particular concern in some countries and the Conference has given priority to consideration of this problem.

9. The problem of the co-ordination of transport, the essence of which is to determine the function of each means of transport according to minimum economic and social cost, continues to engage the attention of the Governments and of the Conference. Among the essential factors affecting this problem may be mentioned.

the fact that the railways, which are to a very large extent State property, are operated in most countries under direct State control, whereas road and inland waterways transport are usually operated by private enterprise;

th e difference in the nature and degree of regulation, of charges and conditions of transport for the three means of transport;

th e difference in the nature and control of investments.

As was explained in the First Report (paragraph 22), the relative importance of these factors varies considerably from country to country and, within any one country, from one means of transport to another. The E. C. M. T. will therefore not be in a position to consider the problem as a whole until it has dealt with a number of specific aspects, such as the co-ordination of investment, the co-ordination of rate policies, the extent of and part played by transport on own account, etc. If this is done, it may reasonably be hoped thai a gradual co-ordination of national transport, policies will be brought about—and the E. C. M. T. will then be able to consider the overall problem of co-ordination.

4. Problems considered by the Conference

4.1. Improvement and development of main lines of communication — Co-ordination of capital investment

10. After stressing the importance of the co-ordination of investment as part of the general transport policy, the previous Report (paragraph 23) said that, as a first stage, " the Members of the Conference have been asked to communicate the general programmes they intend to carry out during the next five years, which link up with projects of European importance for railways, roads and inland waterways " (1954-1959).

11. The programmes communicated to the E. C. M. T. in accordance with this decision were the subject of a preliminary examination by three Sub-committees (Railways, Roads, Inland Waterways) set up for this purpose, and their work was co-ordinated by a special Committee. Their conclusions, which were approved by the Council of Ministers, show that, from the point of view of the co-ordination of investment between the various means of transport, it seems premature to express a considered opinion on projects for re-equipment. On the other hand, development programmes for electrified railways, main highways and inland waterways of interest to Europe as a whole were the subject of a general examination which led to certain recommendations.

12. A list of the main European electrified railway arteries and those to be electrified was prepared, differentiating between work already carried out and that which will probably be undertaken during the next five years. This list is supplemented by a map showing, in particular, the various types of current used. It will be seen from this that the previous recommendations of the Ministers of Transport (paragraph 32 of the First Report) have already been partially put into effect. Thus, the limit of the electrification planned in the Thionville-Luxembourg-Trier area will be independent of geographical frontiers. Similarly, dual-voltage or dual-frequency locomotives, capable of running on a neighbouring system using a different type of current, are under construction in various countries.

13. Of the 28,000 kilometres of main European arteries included in the list, 47 per cent were already electrified in 1955 and this percentage will exceed 63 per cent by the end of 1959. At that date the distribution of the various types of current will be approximately one-quarter 1500 volts DC, one-quarter 3000 volts DC, 40 per cent single-phase 16 2/3 cycles and 10 per cent single-phase 50 cycles.

14. After the completion of the work planned up to 1959, there will still be certain gaps, between the electrified sections of the main routes. The attention of the interested countries has been drawn to this.

15. Similarly, the main highways of importance to international traffic were reviewed. The Conference took stock of the present situation and made a list of development projects, distinguishing, as far as possible, work which will probably be executed during the next five years from work whose execution is not contemplated until after that period. Two maps were prepared, one showing the situation at the end of 1954 and the other a forecast for the end of 1959. The general impression derived from the comparison of these projects is on the whole favourable. Great efforts have been made by some countries to improve and develop these main highways. International co-ordination of the projects is, however, essential both as regards their geographical distribution and timing of the period of execution. The necessary contacts among the countries concerned have been or will be established in the form of Restricted Groups within the E. C. M. T. Two restricted groups of this kind, set up for the improvement of road links between the ports of Antwerp and Rotterdam and the Ruhr area, have already begun work. A third restricted group is being set up between Germany and Switzerland, with a view to various improvements to the highways linking these two countries.The continuing growth in the number of motor vehicles and of road traffic also raises the problem of the speed of execution of these projects and of the adaptation of national infrastructures to requirements. These problems, the importance of which need not be stressed, will be taken into consideration in the general study which the E. C. M. T. is to undertake on the adaptation of the transport system to the foreseeable needs of the European economy.

16. Studies concerning inland waterways of interest to Europe as a whole, which raise difficult problems, are in a less advanced state than those concerning other means of transport. In order to encourage the development of a homogeneous network, common directives were adopted by the Council of Ministers for the preparation of specifications on a comparable basis. This will be the task of study groups which have already been constituted for certain of the projects included in the list drawn up by the Council of Ministers in 1953 (paragraph 43 of the First Report).

17. The co-ordination of investment is a permanent task owing to commercial development and its increasing requirements. The work to be done on this subject must be based on national programmes prepared on a sufficiently long-term basis to allow for comparable estimates, and must be kept constantly up-to-date. The member countries of the E. C. M. T. were therefore requested to communicate annually their programmes, together with a progress report including such modifications as may have been made. These communications will form the basis of a report to be prepared each year for the Council of Ministers.

4.2. International financing of investment

18. The previous Report (paragraphs 27 and 28) described the main features of a project for the formation of a " European Company for the financing and purchasing of railway rolling stock (EUROFIMA) " and mentioned that nine member countries of the Conference had set up a restricted group in order to complete this project.

19. As previously stated (paragraph 3), 14 member countries of the E. C. M. T.[3] acceded to the Constituent Acts of the Company which were signed at Berne on 20th October, 1955 by representatives of the Governments. This followed the adoption, by the railway administrations concerned, of the Statutes of the Company and of a Basic Agreement to be concluded between the Company and the shareholding railway administrations. The Constituent Acts of EUROFIMA are analysed below in Chapter V.

20. The previous Report stated (paragraph 29) that the formation of a European road investment fund had been the subject of preliminary consideration by the E. C. M. T., as a result of which, without precluding a more general solution in the future, the Council of Ministers of Transport had agreed, as a first stage, to encourage the development of concrete projects by restricted groups composed of the countries concerned. Resolution 73 (1955), adopted by the Consultative Assembly of the Council of Europe in response to the First Report of the E. C. M. T,, mentioned that " it would appear to be essential to finance roads of international importance on an international basis ", and added that " it would be desirable to this end to establish a

3. These countries are : Austria, Belgium, Denmark, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and Yugoslavia.

European Road Investment Fund which would in part be financed by a European tax imposed upon road users ". The E. C. M .T., in order to take this expression of opinion into account and, conscious for its own part, of the imperative need for contributing by every possible means to setting up an infrastructure adapted to the rapid increase of road traffic, considered it advisable, in application of Article 11 (c) of the Brussels Protocol, to consult the O. E. E. C. on the possibility of forming a European Road Investment Fund. These consultations are now in progress.

4.3. Co-ordination of inland waterways freight rates [4]

21. As stated in the First Report (paragraphs 45 to 48) the question of the co-ordination of national and international freight rates for inland navigation had been considered by the Council of Ministers of Transport as early as 1953. Both the traders and the inland navigation industry became increasingly convinced that the parallel existence of freight rates calculated on the basis of different methods according to whether they did or did not involve a frontier crossing was an element of discord. In addition, the High Authority advocated the elimination of disparities in freight rates which were calculated to disturb the market in products covered by the ECSC Treaty. On the proposal of a special committee attended by representatives of the countries concerned in Rhine navigation, the Council of Ministers of Transport adopted, in October, 1954, a number of conclusions mentioned in the First Report. The implementation of these conclusions was continued during 1955 by that Committee working in close co-operation with the Transport Division of the High Authority of the E. C. S. C, with the Secretariat of the Central Commission for Navigation of the Rhine and with the inland waterways industry as represented by the International Union of Inland Waterways.

22. With regard to Rhine navigation, negotiations between the shipping owners concerned were continued during 1955 with a view to eliminating crucial factors, in accordance with the recommendations of the Economic Conference on Rhine Navigation of 1952. The main purpose of these recommendations was to organise navigation on the Rhine with the partici-of pation individual the owners of shipping so as to counteract the unfavourable effects of cyclical changes by means of long-term private agreements for the determination of freights and the distribution of traffic, while at the same time controlling existing tonnage of shipping. In addition to the Conventions previously concluded concerning traffic in retail goods between seaports and the German Rhine ports (Duisburg Convention) and concerning Swiss traffic at Basle (Rheinfelden Convention of November, 1954) the following agreements between the shipping owners concerned were concluded in 1955.

Rhin e Convention on French traffic, which came into force on 1st April, 1955, covering certain traffic at Strasbourg;

Conventio n on international traffic in coal being consigned to the Federal Republic of Germany (Kettwig Pool), concluded on 27th September, 1955, and clue to come into force on 1st April, 1956;

Conventio n on international traffic in cereals concluded at Cologne on 28th September, 1955, and due to come into force on 1st April, 1956.

In accordance with the recommendations of the Economic Conference of 1952, I negotiations are proceeding in connection with ! the participation of individual shipping owners in ; those Conventions and it may be expected that an agreement determining their shares will be reached by 1st April, 1956, so that these Conventions may be fully applied from that date. Thus, according to information received from the industry, the recommendations of the 1952 Economic Conference have been largely carried out. However, the Governments concerned reserve the right to consider jointly, whether the agreements concluded conform exactly with the co-ordination planned.

23. Furthermore, at its session of October, 1955, the Council of Ministers of Transport was informed that, in view of the progress made in the application of the Recommendations of the Economic Conference of 1952, the Government of the Federal Republic of Germany had decided on the basis of general permits which include certain conditions to be fulfilled also by German bottoms, to allow, as from 1st October, 1955, the navigation of non-German bottoms between German Rhine ports.

24. As regards inland waterways navigation to the West of the Rhine, detailed studies on this question were undertaken in 1955, in close co-operation between the Inland Waterways Committee of the E. C. M. T. and the International Union of Inland Waterways. Pending the co-ordination of national and international freight rates on these waterways, the French Government agreed to relax, as from 1st December, 1955, the

4. Paragraphs 21-27 do not apply to navigation on the Danube.

regulations in force for the navigation of foreign boats on the French inland waterways. This action was taken in the hope that adequate procedure for the application of Resolution No. 4 (Inland Waterways) of the Council of Ministers would shortly be found.

25. Finally, at its session of October, 1955, the Council of Ministers of Transport recorded a German Government statement to the effect that navigation on the canals linking the Rhine with the Dortmund-Hamm area would, like Rhine traffic, be fully liberalised as soon as observance of the clauses relating to the participation of the private shipping owners in the Conventions concluded had been ensured, in accordance with the conclusions of the 1952 Economic Conference. The German Delegation hopes that this will be done by 1st April, 1956. Questions concerning other inland waterways to the east of the Rhine remain open.

26. It should be pointed out that, for most traffic, the trend of the general economic situation caused an appreciable rise in international freight rates and pushed them up, at least, to the level of national rates.

27. Steps will be taken to ensure full implementation of the conclusions adopted by the council of Ministers of Transport in October, 1954, and the mandate of the Inland Waterways Committee has been extended for this purpose.

4.4. Co-operation between surface transport and air transport

28. The previous Report (paragraph 49) mentioned the desire of the Council of Ministers of Transport to promote satisfactory co-operation between surface and air transport and referred to the authority given to the Committee of Deputies to follow the action taken on Recommendation No. 28 of the Conference for the Co-ordination of Air Transport, held at Strasbourg in April-May, 1954, relating to the creation of a European Civil Aviation Conference.

29. A further European Conference on Civil Aviation, convened by the I. C. A. 0., was held in Strasbourg from 28th November to 16th December 1955, and the E. C. M. T. was invited to be represented by an observer. It was agreed that this Recommendation No. 28 provided a satisfactory basis for the constitution of the permanent Conference. A further meeting is to be held before June 1956, to settle the question of financing the Commission's activities.

5. Organisation of transport in Europe

30. During the past year, the attention of various International Organisations has been directed towards the organisation of transport in Europe.

31. In the name of the Transport Commission of the Common Assembly of the E. C. S. C, M. Kapteijn submitted a report in which, speaking of the E. C. M. T., the stated that " the Conference could hardly carry out this task ", for it " can hardly be expected to approach the problems from a European standpoint " and it is not in a position " to give the problems the sustained attention their urgency requires ". The Transport Commission therefore made a proposal, adopted by the Common Assembly in a Resolution of 13th May, 1955, to set up a Commission consisting of a small number of experts of the six Member States of E. C. S. C, whose task would be " to evolve proposals with a view to the integration and co-ordination of the whole of the European transport systems ".

32. At its meeting of 9th July, 1955, on the proposal of M. Lemaire, the Consultative Assembly of the Council of Europe adopted, at the conclusion of its debates on the first Report of the E. C. M. T., a Resolution (No. 73) which in its second part contains certain recommendations as to organisation. After remarking that " the action of the E. C. M. T. appears to represent an endorsement of the activity of the principal specialised bodies much more than to have inspired or co-ordinated it, in order to ensure the co-ordination (of the various means of transport) and afford the continuity which is essential to the work of the E. C. M. T. ", the Assembly " considers it necessary that there should be established a structure, the form of which would be based on the experience of the High Authority of the E. C. S. C.—that is to say, a standing European Transport Committee ". This Committee, which would be composed of a small number of eminent persons who " should attune themselves to a European outlook ", would establish its own programme of work. The reports of the Committee would be referred to the Consultative Assembly for its opinion, and the reports and opinions would then be transmitted to the Ministers of Transport. Subsequently, the Committee of Ministers of the Council of Europe expressed the wish that the E. C. M. T. should inform it of the action which it thought should be taken on this Resolution. Although in any case the Resolution would be binding only on Members of the Council of Europe, the Council of Ministers of Transport, at its session of October, 1955, instructed the Committee of Deputies to undertake the study requested—which is now being carried out.

33. Furthermore, the Ministers for Foreign Affairs of the six Member States of E. C. S. C, meeting at Messina on 1st and 2nd June, 1955, adopted a Resolution concerning a further stage in the advance towards European reconstruction. Some of the aims on which they agreed are directly or indirectly concerned with transport : joint development of main lines of communication, constitution by stages of a common market to ensure fair competition, i. e. excluding all national discrimination; creation of a European investment fund.

34. The task of implementing the Messina Resolution was entrusted to a Committee of Governmental Delegates, which began its work in Brussels in July, 1955, and set up several Commissions, including a Commission for Transport and Public Works. In accordance with this Resolution, which provides that the Committee of Governmental Delegates should seek the necessary co-operation from certain International Organisations, among which was the E. C. M. T., the latter was represented at meetings of the Commission for Transport and Public Works and received the Report prepared by it.

35. During the meetings of that Commission and of the Committee of Governmental Delegates, the E. C. M. T. put forward the following points, which it thought should be taken into consideration :

Certain aspects of the transport problems mentioned in the Messina Resolution have been discussed in the E. C. M. T. and provisional or final solutions on a wider geographical basis have already been found;

The E. C. M. T. maintains constant relations with the governmental and non-governmental international organisations concerned with transport, whose activities it aims to co-ordinate under the terms of Article 3 (b) of the Brussels Protocol. Most of these organisations have recently made a point of reaffirming their confidence in the E. C. M. T. and expressed the wish that their means of co-operation with it should be strengthened ;

The senior body of the E. C. M. T. is composed of the Ministerial authorities who are qualified and empowered to deal with transport questions, at governmental level;

The Statute of the E. C. M. T. provides for the formation of restricted groups for the study of questions which are of particular interest to certain Members and fall within the scope of its aims. Under the control of the responsible Ministers of the E. C. M. T., such groups may be used to serve the purposes of other Conferences which, although competent in fields other than transport, might have corresponding aims in that sphere.

Moreover, countries not directly concerned in a particular problem may take part, within the E. C. M. T., in the work of the restricted groups concerned with that problem. This procedure enables any Member State to join these groups at any time. This possibility, and the fact that all members are kept informed of the work done within these groups, creates that atmosphere of confident co-operation which is the basic characteristic of the E. C. M. T. and which it is desired to preserve.

36. From information received, it may be concluded that developments of the action undertaken by the Brussels Committee of Governmental Delegates might have considerable influence on the future work of the E. C. M. T. ft should also be noted with satisfaction that the Committee of Governmental Delegates has recognised the importance and value of the work of the E. C. M. T., since the Conference of Messina defined a European economic policy for the countries which took part in it, a policy whose aims in regard to transport correspond fairly closely with those of the E. C. M. T.

37. On this same subject at its session of October, 1955, the Council of Ministers of Transport thought it advisable to request those of its members whose countries are represented on the Committee of Governmental Delegates sitting at Brussels to draw the attention of their Governments, in whatever form seems most appropriate to them, to the need for maintaining the unity of action of the Conference which is necessitated by geographical considerations and the interdependence of transport problems. At the same session, in its desire not to neglect any criticism, levelled at its operations, the Council of Minister of Transport requested the Committee of Deputies to study any improvements which might be made in the working of the Conference, including practical means of associating to non-governmental international organisations more cl osely with its work.

6. Activities of the Restricted Groups of the Conference — Constitution of the EVROFIMA Company

38. As has already been mentioned (paragraph 3), it was through the formation of a Restricted Group that the preparation of the Constituent Acts of the EUROFIMA Company (European Company for the Financing of Railway Rolling Stock) was brought to a satisfactory conclusion.

39. These Constituent Acts, which have been issued separately, are three in number :

39.1. The Convention for the Establishment of ÈUROFIMA, to which are appended the Statutes of the Company determining, inter alia, the distribution of capital between the shareholding railway administrations. This Convention lays down the principle (Article 1) that the Company shall be governed by its Statutes " and also by the law of the State in which the Head Office is situate, insofar as this Convention does not provide otherwise ". The Statutes (Article 2) " shall have legal validity, and effect notwithstanding any provision to the contrary that the law of the State in which the Head Office is situate might contain ". The undertakings of a shareholding railway administration towards the Company are guaranteed by its Government (Article 5). The operations of the Company arc to be carried out without any resulting fiscal changes in regard to the direct purchase of stock by the railway administrations (Article la). A similar provision (Article lb) covers imports and exports of rolling stock. The measures necessary to ensure the transfer of funds arising from the formation and operation of the Company are to be taken (Article 9). As the Convention, which was signed subjectto ratification, cannot come into force for some time, arrangements were made (Article 16) to apply it provisionally so far as is compatible with the constitutional position of the signatory States.

39.2. A Protocol stating the special tax privileges granted by Switzerland, which was chosen as the State where the Head Office of the Company is to be situated.

39.3. A Protocol of Signature defining in particular the conditions under which the Convention shall come into force provisionally in each country.

40. As the Convention and the Protocol will probably be ratified by Switzerland at the end of March 1956, the Convention will come into force provisionally, as stated above, on that date and the Company can then be constituted and begin operations.

41. The preparation of the Constituent Acts of EUROFIMA, which raised problems out side the competence of the Ministers of Transport, caused the latter to request and obtain the participation of other ministerial departments, in particular those of Finance and Economic Affairs, in the work of the Restricted Group. That this work was brought to a successful conclusion in a comparatively short period of time is largely due to the spirit of understanding and to the constructive action of the representatives of these Ministerial departments, to which the Ministers of Transport have pleasure in expressing their appreciation and thanks. This example clearly shows that the E. C. M. T., by broadening its field of consultation, can find solutions to problems which are not only problems of transport.

42. Apart from the Restricted Group for the preparation of the Constituent Acts of the EUROFIMA Company, it should be noted that three other Restricted Groups will operate within the E. C. M. T. for the settlement, on a bilateral or multilateral basis, of the technical and financial problems raised by the improvement of road links : the first two will deal with those between the industrial area of the Ruhr, on the one hand, and the Belgian and Netherlands ports, on the other, and the third will deal with the road links between Germany and ' Switzerlan d (paragraph 15).

7. Programme of work of the E. C. M. T.

43. At its session of October, 1955, the Council of Ministers of Transport expressed its firm resolve to expand the work of the Conference and instructed the Committee of Deputies to prepare and submit to it for approval a supplementary programme of work, taking into account certain suggestions made by a number of Ministers. The attention of the Conference was also drawn to the effects of economic expansion in Europe on the volume of transport, which has been growing in recent years. The Conference considered it would be useful to carry out an enquiry similar to that undertaken in April, 1953, by a group of transport experts, at the request of the O. E. E. C. The object of this enquiry is to compare the capacity of the various means of transport with traffic forecasts that can reasonably be made for 1956 and the following years, and, if necessary, to make suggestions, particularly in regard to future investment.

B.