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THE BOYCOTT OF PANAMANIAN AND HONDURAN SHIPS

By **J. H. OLDENBROEK**
General Secretary of the I.T.F.

THE placing of vessels under the flag of Panama is anything but a new phenomenon. We use the word "placing" advisedly because we are not referring to the sale of ships but only to flag transfers. The original owner remains either wholly or partly the real owner even if he has to set up a small company somewhere in Panama. We also have something to say about the sale of ships to foreign owners, who then register them in Panama. We shall come back to this later.

During the period between the two world wars a not inconsiderable number of German ships were placed under the Panamanian flag. It is opportune to remember that most of these ships were built after 1918, heavily subsidized by the German State, notwithstanding that they were subsequently to be withdrawn, without much ado, from the German economy, with the consequence that their owners were freed from all social charges, because social insurance and other welfare measures were unknown in the Republic of Panama. There was further no need to pay taxation and no need to be much concerned about the many maritime regulations which have been built up in the course of time to ensure the safety of shipping and the comfort of those on board, whether passengers or crew. After these German shipowners had thus secured an advantageous competitive position it was not long before shipowners of other countries followed suit, and Panamanian tonnage grew considerably. In some countries steps were taken to prevent these transfers and it was laid down that no ships could be sold abroad or placed under a foreign flag without a special licence.

It should be borne in mind that all this happened in times of serious depression, when freights, partly in consequence of a superabundance of shipping space, reached rock bottom, while owing to the frequent devaluations of currencies the position in the freight markets of the world was completely unpredictable. Efforts were made through maritime conferences to prevent further reductions but the situation was so chaotic that for a number of years the agreements reached were of little use.

The only solution would have been an international shipping policy of equilibrating supply and demand, of scrapping obsolete tonnage and restricting its replacement by international agreement.

To revert to the question of the sale of ships, there always appeared to be buyers for obsolete ships which had become uneconomical for the countries for which they were originally built. They were sold for next to nothing to countries like Greece and Yugoslavia, or to others to be subsequently registered in Panama. Were these countries in a position to run these ships at a profit?

Presumably they were, because the burdens they had to bear were so much lighter than under their original flags. Wages were much lower; they were badly manned both with regard to numbers and efficiency; and the seamen were organized badly or not at all, and thus unable to command respect for such small rights as they had. Social charges were few, if any: accommodation was poor and food both bad and insufficient. Maintenance of the ships left everything to be desired and the application of safety regulations was all too often evaded. If these ships had remained under the original flag all this would not have been possible, and they would have been scrapped, but as it was they continued to sail as competitors because the original owner found he was able to make a little more money this way than if he had sold his vessels for breaking-up.

In Great Britain and some other countries the dangers inseparable from this practice were finally recognized, and since the shipping industry was incapable of tackling the problem on its own, Governments had to step in and action was taken to have obsolete ships scrapped and new ships built for replacement, in a proportion which ensured a reduction of tonnage. In this connection it should be mentioned that ships under the Greek flag had succeeded in conquering a large part of the La Plata grain trade, and as a result the tramp trade of other maritime nations was completely dislocated.

As the practice of selling obsolete and uneconomic tonnage has not yet ceased, it was discussed at the Joint Dockers' and Seafarers' Conference held in London from 15 to 17 February, and a resolution was adopted opposing it.*

That the seafarers were the victims of these inter-war developments goes without saying. Unemployment was rampant and wages fell to such a low level that they no longer offered a tolerable standard of life, if indeed the seamen had ever enjoyed one. In the circumstances the seafarers' trade unions could do little else but protest against what they considered to be an abominable practice, but no effective action was ever taken. With a new war in sight shipping began to revive. World tonnage had decreased in the absence of building and owing to losses, but even up to the outbreak of war in 1939 it had not been possible to raise wages and other conditions to anything like a decent level.

*This International Dockers' and Seafarers' Conference, held in London from 15 to 17 February 1949 under the auspices of the International Transport Workers' Federation,

Having heard reports from Britain, Holland, Norway and Sweden about the sale to Panamanian registry of ships which are obsolete or uneconomic or which could not continue operation under their original flags because they no longer satisfy the survey, safety and other requirements of those countries, and;

Considering that tonnage so found unfit for use under the flag of one maritime country should not be allowed to sail under another, and that measures should be taken in the countries concerned with a view to scrapping obsolete or uneconomic tonnage;

Condemns the practice as menacing the established standards of the shipping industry and calculated to place the traditional maritime countries at a serious disadvantage;

Calls on affiliated seafarers' unions to draw the attention of the national authorities to this undesirable practice and urges them to take steps to put a stop to it, and further;

Decides to bring the matter to the notice of the Preparatory Committee of the Inter-Governmental Consultative Maritime Organization and the Economic and Social Council of the United Nations, in order that they may consider what remedial action can be taken.

It has always been difficult, and to-day it is more so than ever, to discover the size of the Panamanian merchant fleet, and it has been still more difficult to find out who own the ships. Certainly nobody would pretend that there is any Panamanian capital connected with Panamanian shipping, but there are a number of companies whose capital is international in character. According to Lloyd's Register there were under the flag of Panama, in 1924, fifteen vessels of an aggregate gross register tonnage of 85,593. By 1939 this figure had increased to 159 ships and 717,525 tons.

During the war the Panamanian fleet grew quickly, but there are no figures available for the war years. It is, however, a well-known fact that many American ships were placed under the Panamanian flag because American ships were prohibited from sailing in war areas.

On 1 July, 1947, there were, according to Lloyd's Register, 369 ships of 1,702,260 G.R.T. under the Panamanian flag, but the accuracy of these figures is extremely doubtful and the British Chamber of Shipping has stated that in December, 1947, the actual number was no less than 446 ships of 2,458,000 G.R.T., i.e. 291 cargo vessels of 1,274,000 G.R.T. and 155 tankers of 1,184,000.*

How can this rapid growth be explained? After the war some countries sold ships which were placed under the Panamanian flag by the new owners. Greek owners in particular have invested the insurance money which they received for ships lost during the war and the profits they made during the war, in other ships which did not join the Greek fleet, but were registered in Panama. Although Greece owned, in 1939, 607 ships of 1,780,666 G.R.T. her tonnage on 1 July, 1947, was only 297 ships of 1,027,101 tons, a very considerable decline.

We have already pointed out that before 1939 the seafarers' trade unions were not in a position to undertake any action against the evil of flag transfers. They had to confine themselves to making protests, and they were insufficiently supported by their Governments. They did not care to appeal to the dockers to support them in a movement which they could not carry out themselves. Now, however, the situation has entirely changed. The seafarers' unions are agreed that they must forbid their members to sail under the Panamanian flag, and so it was possible for the Oslo congress of the I.T.F. to reach a unanimous decision to boycott ships which have been transferred to the Panamanian, Honduran and similar flags with the obvious intention of evading various obligations.

Since the Oslo congress two conferences have been held; one of the seafarers in Geneva in November, 1948, and the joint dockers' and seafarers' meeting in London to which we have already referred. The latter meeting decided to appoint a Boycott Committee which will be entrusted with the practical execution of the

*Later figures on the world tanker fleet concerning the position by flag on 1 January, 1949, state the number of tankers of 2,000 tons gross and over under Panamanian flag to be 316, of which 141 belonged to U.S. citizens with a total gross tonnage of 2,684,608 out of a world total of 1,872 tankers of 15,459,372 tons gross. Since the end of the war the registration of tankers under the U.S. flag shows a reduction of just over 30 per cent whilst Panama during the same period shows an increase of 229 per cent.

boycott. It is necessary to emphasize that the action is not directed against the Republics of Panama and Honduras as such. One can hardly reproach these small States for getting some income out of shipping, even though they have in fact very little to do with it. There is no intention of trying to hinder the shipping of these countries which they can properly call their own, but in view of the unfortunate experiences of the past, the non-compliance with existing regulations and the imminent dangers it involves, the seafarers, supported by the dockers, cannot allow a situation to be perpetuated in which these two small countries are used as a shelter for dodgers. Since nobody else is able or willing to do anything about the matter, the workers concerned must do so before it is too late. But let us repeat that the boycott will not be directed against the Panamanian and Honduran flags as such, but against ships under those flags against which the Boycott Committee, acting on behalf of the dockers' and seafarers' organizations affiliated with the I.T.F., considers that action is called for. It may be taken for granted that the I.T.F. will be able to count not only on the co-operation of affiliated and unaffiliated organizations, but also on the support of public opinion.

Articles which have appeared in the general press show that there is a great deal of sympathy for the seafarers' case. On the other hand, the Panamanian Government is anything but happy about the boycott and is trying to create the impression that conditions on board "its" ships compare very favourably with those of other countries. This is a bold assumption, and it may be questioned whether the Government of Panama really knows very much about the matter, considering that only very few of these ships have ever been to Panama, or have any intention of going there. We prefer to believe what the workers' representative from Panama stated at the International Labour Conference held at Geneva in June 1947:

"I should like now to describe how the trade union federation is carrying on a fierce fight against the big American shipping companies which have registered their ships in Panama. Not only America countries but also other countries have registered their ships under the Panamanian flag. These companies have been flouting the national laws of Panama, and also of their own countries, in their application of working conditions. When a Panamanian sailor comes and asks for work they tell

him, 'Oh no, this ship is American and not Panamanian. We must protect our own citizens', but when the American and other sailors on board protest against their low pay they are told, 'You see, this is a Panamanian boat and no longer an American boat, and we must put you on the same level as the Panamanian workers'."

In dealing with Panamanian ships, and, indeed, with all ships, it is not merely a question of wages. As long as enough dollars can be earned (and that is the only thing the owners concerned are interested in) the Panamanian owners would easily be in a position to pay higher wages than, for instance, Britain or Scandinavia, but even if such higher wages were embodied in a contract it would not mean that they would actually be paid. What about a seaman who falls ill or meets with an accident? What happens to a seaman if he disagrees with the master about the payment of overtime? And above all, what is going to happen when the flow of dollars ceases? This can be easily predicted; it will be the same as happened before the war, when ships under the Panamanian flag were used to force conditions down, and to keep them down. There are many other considerations. Undermanned ships and badly manned ships are a continual danger to shipping as a whole. The evil of flag transfers makes it impossible to lay down and enforce an international shipping policy. For all these reasons the I.T.F. has decided to take the drastic action which a boycott undoubtedly constitutes.

Another question which was discussed at the Joint Dockers' and Seafarers' Conference referred to earlier was the use of Honduran and Panamanian ships to carry E.R.P. cargoes. The conference was of the opinion that this should no longer be tolerated. That fifty per cent of these goods should be carried in American bottoms is a requirement with which the seafarers affiliated with the I.T.F. have expressed their agreement right from the beginning; but while the American flag ships are thus protected it is not right that ships which do not make any worth-while contribution to any national economy should carry goods under the E.R.P. which exists to serve a particular purpose, namely, to aid in the reconstruction of participating and associated countries. It is in the interests of this reconstruction that the dodgers should be excluded from this trade.

NEW INTERNATIONAL CONVENTION ON ROAD TRANSPORT

By P. TOFAHRN

Assistant General Secretary of the I.T.F.

The rules governing international traffic by road are laid down in a series of international conventions that are all more or less out of date. Two of these conventions were adopted in 1926—one on road traffic generally and the other on motor transport—and a third in 1931, on the unification of road signals.

Even before the recent war it was felt that problems

had arisen in connection with motor transport that had not been foreseen in 1926, and in 1939 the League of Nations asked a team of experts to go into the whole question. The war interrupted this work, but in the meantime the Americas, unable to wait any longer, adopted a convention of their own on the regulation of motor transport.

The matter has now once more become topical. The Economic and Social Council is organizing a world conference, to be held in August 1949, for the purpose of considering a new draft convention which it asked the Economic Commission for Europe to prepare. The E.C.E. has just finished the job, which was done in two stages. In November, 1948, a committee of experts considered documentary material prepared by the former European Central Inland Transport Organization, on the basis of which it drew up a preliminary draft, and in January, 1949, the Sub-Committee on Road Transport put the finishing touch to it. This time there are not to be three conventions, to replace those of 1926 and 1931, but only a single one.

Let us consider briefly the contents of the draft convention. First of all there is a series of rules to be observed by all road users. Article 6 solemnly lays it down that "every vehicle or combination of vehicles proceeding as a unit must have a driver", but convoys of vehicles must have "the number of drivers prescribed by national regulations". Convoys must, "if necessary, be divided into sections of moderate length". The rule of the road must "be uniform on all roads in any given country", provided that "domestic regulations concerning one-way traffic shall not be affected". As far as speed is concerned, the draft enjoins the driver to "drive in a reasonable and prudent manner" at all times, and to "slow down or stop whenever circumstances so require".

The rules relating to meeting and overtaking are those of current practice. At forks, cross-roads, road junctions and level crossings the driver must "take special precautions to avoid accidents", even though he may be entitled to priority of passage "at intersections, on certain roads or sections of roads"; which priority must be indicated by signs. Drivers approaching such priority roads must "yield the right of way to other drivers travelling along" them. At other crossings, etc., he must yield the right of way to any vehicle approaching from the right or left, according as traffic in the country concerned keeps to the right or left respectively. No vehicle may be left waiting where it is "likely to cause danger or obstruction".

There are the usual stipulations with regard to white lights on the front of the vehicle, and a red light at the rear, while the use of a red light in front or a white at the rear is forbidden.

The draft convention contains a short chapter on road signs and traffic signals. The number of approved signs "must be limited to such as may be strictly necessary", and they must be "placed only at points where they are essential". An extensive annex to the convention, which States are free to ratify or not, as they may wish, aims at uniformity of road signs, and describes in detail those which are recommended for exclusive use.

Another chapter lays down the conditions which vehicles must satisfy. One group relates to the registration certificate and the registration number, and another, supplemented by an annex, to technical conditions and equipment, such as brakes, steering, lighting, etc. This chapter embodies the following provisions which have

been included at the instigation of the I.T.F. :

"The braking device of trailers with a permissible maximum weight exceeding 3,500 kg. shall be capable of being operated by applying the service brake from the driver's seat.

"Every motor vehicle shall be equipped with at least one driving mirror of adequate dimensions so placed as to enable the driver to view from his seat the road to the rear of the vehicle.

"In so far as possible the machinery or accessory equipment of any motor vehicle shall not entail a risk of fire or explosion, nor cause the emission of noxious gases or offensive odours or produce disturbing noises, nor be a source of danger in case of collision.

"Every motor vehicle shall be so constructed that the driver shall be able to see clearly enough ahead to the right and the left to enable him to drive safely.

Another provision aiming at the safety of the driver lays it down that "windcreens must be made of a stable substance, completely transparent and not likely to produce sharp splinters if broken". Motor vehicles fitted with a windscreen must have at least one automatic windscreen wiper.

As regards maximum dimensions and weights of vehicles it looks as though agreement is likely to be difficult. The draft article relating to the matter says that "the maximum dimensions and weights of vehicles permitted to travel on the roads of each Contracting State or sub-divisions thereof is a matter of domestic legislation. However, on certain designated highways, the maximum permitted dimensions and weights shall be not less than those laid down in Annex 9". Annex 9 is submitted for consideration in skeleton form, without any figures at all, as the authors of the draft were unable to reach agreement. There were two different proposals, A and B, as follows :

Maximum dimensions	A			B		
	Metres	ft.	in.	Metres	ft.	in.
Width	2.5	8	2.44	2.5	8	2.44
Height	3.5	11	5.4	4	13	1.5
Length						
Vehicles with 2 axles	10	32	9.7	11	36	1.6
Vehicles with 3 or more axles	11	36	1.11	12	39	4.45
Articulated vehicles ..	14	45	11.18	14	45	11.18
Combinations of vehicles						
1 trailer	18	59	0.67	20	65	7.5
2 trailers or more ..	22	72	2.13	24	78	8.9

Maximum permissible weight	Tons		Tons	
	Metric (1,000 kg.)	Short (2,000 lb.)	Metric (1,000 kg.)	Short (2,000 lb.)
Per most heavily loaded axle ..	10	11.024	13	14.331
Vehicles with 2 axles	15	16.537	19	20.947
Vehicles with 3 axles	20	22.049	26	28.662
Vehicles with 4 axles or more ..	22	24.254	26	28.662
Articulated vehicles	20	22.049	26	28.662
Combinations of vehicles ..	32	35.274	40	44.100

In each case the proposal was that vehicles of the maximum dimensions should only travel on "certain designated highways". Vehicles required to take other roads for part or the whole of their journey will still be subject to very diverse maxima fixed by a multiplicity of national laws and local by-laws. Here, at least, there is little advance towards unification.

A final chapter deals with the motor drivers themselves. The international driving licence is to be abolished, except for drivers coming from countries that have no national driving licence. The ordinary national driving licence is to have general currency, provided that it stipulates the classes of vehicles for which it is valid. Of these, five are recognized: (A) Motor cycles and three-wheeled motor vehicles of an unladen weight not exceeding 400 kg.; (B) Passenger motor vehicles with not more than eight seats (in addition to the driver's), or those used for goods transport of a maximum permissible weight (including weight of load and driver) of 3,500 kg.; (C) Motor vehicles used for the transport of goods of which the permissible maximum weight exceeds 3,500 kg.; (D) Passenger motor vehicles with more than eight seats (in addition to the driver's). Vehicles of Classes B, C and D may be coupled with a light trailer of a maximum permissible weight (with load) of 750 kg. Vehicles with a heavier trailer constitute Class E.

The draft convention provides that national authorities shall issue the national or international driving licence after the driver "has given proof of his competence", and further that "the right to use the domestic as well as the international driving permit (licence) may be refused if it is evident that the conditions of issue are no longer fulfilled". All this does not amount to very much, however, since the only condition the authors of the draft have been able to agree on stipulating is a minimum age of 18 years. Nothing is said about proving professional and physical capacity by passing a theoretical and practical test and undergoing a medical examination.

Although safety is a natural purpose of the convention, it has been found necessary to omit any reference to certain important contributory factors: the length of the working day and week, the maximum period of uninterrupted driving and the amount of rest the driver gets. These are matters that can only be provided for in an international labour convention. But we believe there is every reason why the convention relating to road transport should at any rate mention the matter and stipulate that international conventions regulating the working hours and rest of professional motor drivers—the only motor drivers for whom it is possible to legislate effectively—shall be concurrently applicable with that relating to road transport. This has only been done indirectly by stipulating that the convention on road transport may not be invoked against national legislation or international conventions regulating working conditions.

We have not been able to secure that with regard to technical supervision the draft convention should make a distinction between the heavy vehicles—relatively small in number—and the private touring cars, and light commercial vans used in local frontier traffic, which make up the great mass of the vehicles engaged in international traffic. Though there is no common measure between them, the same rules apply to all.

The number of light vehicles has grown to such an extent that it has been found impracticable to continue the use of the international certificate for motor vehicles

provided for in the 1926 and the inter-American conventions. The work of inspecting the vehicles and issuing and renewing the certificates could only be properly done by employing an army of officials, which most countries want to avoid. It is very doubtful, however, whether the abolition of the certificate, at any rate in the case of the heavy vehicles, can be regarded as "progress". If there is no inspection in the country of origin or if it is only a superficial one, the driver is the man who is finally responsible for deciding whether the vehicle is in fit state to undertake a journey abroad, and to face a possible inspection by the traffic police. Is it wise to place this responsibility on the shoulders of a man who may be faced with the dilemma of choosing between maximum safety and a bigger wage?

If the Sub-Committee on Road Transport which sponsored the draft for submission—with some modification—to the world conference had been able to deal with the matter solely on a European plane, the question could have been gone into more deeply with a view to determining whether it might not be desirable to include special provisions for heavy vehicles, particularly by placing on the national authorities the responsibility of guaranteeing, by means of an official certificate, that they are in good condition. But when legislating for the whole world it is at least uncertain whether particulars relating to a single continent are a sufficient guide.

Nor have we been successful in securing that a higher minimum age, and certain guarantees of professional capacity and physical fitness, should be stipulated for the drivers of heavy vehicles; particularly motor coaches. This can lead to striking inequalities. To take only one example, the Swiss authorities impose stringent requirements, and a minimum age of 22 years, on applicants for licences to drive heavy passenger vehicles, but under the proposed international convention they will be called upon to open their roads to foreign drivers of such vehicles who are less than 22 years of age and have secured their driving licences under regulations which may offer very much less satisfactory guarantees of professional, physical and moral fitness than their own.

Modern road traffic needs regulating, but the number of differing national and local regulations is very large. An international convention must aim to guide the authors of such regulations and induce them to follow a series of common principles. The draft prepared at Geneva meets this requirement.

But there are a number of other problems that are awaiting solution, particularly that of freedom for the transport undertakings of one country to use the roads of all other countries in the same continent. E.C.I.T.O. and the E.C.E. have succeeded in inducing the European countries to grant this freedom provisionally for periods varying from six months to a year. But what transport entrepreneur will take the risk of investing capital in an undertaking if he may be faced six months later with restrictions on the exercise of his trade, or substantial changes in the conditions under which he is allowed to use foreign roads?

CO-ORDINATION OF TRANSPORT IN BELGIUM

By **GEORGE HENDRICKX**

National Secretary, Road Transport Group of the Belgian Transport Workers' Union

Though the appointment of a Commission to study the co-ordination of inland transport in Belgium only dates from 1948, the question itself is quite an old one. In the course of his inaugural speech, the present Minister of Communications said: "I have sat in the Chamber of Deputies for more than 20 years, and co-ordination was already a subject of discussion when I entered it".

Much time indeed has passed and the situation has steadily worsened, but finally the present result has nevertheless been achieved, that is, the appointment of a commission which is to study the question of co-ordination.

From the point of view of co-ordination there are four forms of transport to be taken into account in Belgium, viz. the main-line railways, the secondary railways, road transport and inland navigation.

Of these the first two may be considered complementary and not to engage in competition with one another. This cannot be said of the other two, and consequently the problem is reduced to three forms of transport, each competing fiercely against and considering itself unduly harassed by the others.

To understand the present position it is necessary to recall the origins of the different means of transport. Before the appearance of the railways, the eldest of the three rival brothers, all heavy transport by land was horse-drawn, but the railways soon established a virtual monopoly for this kind of transport, in return for which they more or less accepted the obligation to carry the

(Continued from page 5.)

In some way or other all European countries make foreign vehicles pay for the use of their roads, though the taxes and methods vary a great deal from one country to another. In December, 1947, the governments of these countries were asked not to increase the taxes on road transport during the following six months. But since the governments are free to accede to such requests or not, it is not possible to abolish the uncertainty even for such short periods as six months, while transport undertakings need to have the certainty for ten years at least. This can only be secured by a European convention relating to commercial motor transport.

An international convention on road transport clears away technical obstacles. Conventions relating to custom house formalities, adopted to facilitate the crossing of frontiers, eliminate administrative obstacles. Let us have such conventions—which already exist in draft—without any further delay, even though they may be imperfect. Once this has been done the machinery of the E.C.E. can be used to do away with the economic obstacles that hinder, and threaten to hinder still more, co-operation between the European peoples, while at the same time endangering the means of livelihood of the motor drivers engaged in international road transport.

transport which was offered to them. With the main-line railway systems there grew up a system of secondary lines which carried short-distance transport and supplemented the services of the main lines. Inland navigation was a more ancient mode of transport which specialized in the carriage of specific heavy goods and did not encroach on the territory of the railways.

It was the invention of the internal combustion motor which revolutionized the transport situation. It first led to the development of the passenger-carrying motor car, but before long it was also used for transporting goods, and the motor lorry made its appearance. With its great potentialities as regards load, speed and flexibility the goods motor vehicle increasingly challenged the other forms of transport.

What is the present position of the different methods of transport in Belgium? The railways, both main and secondary systems, have been formed into two national corporations. Outwardly there is, therefore, a certain change in the situation, but fundamentally the problem remains the same. The National Railways Corporation owns the whole network of railways, complete with signalling and safety installations, and is responsible for the upkeep of the entire system. In addition to the rolling stock needed for normal traffic requirements, it must keep a reserve of facilities for handling transport of a less normal character, such as the seasonal transport of beetroot for sugar manufacture and traffic diverted from other forms of transport owing to ice, snowfall or other emergencies.

The freight rates in force on the railways are subject to government approval and must conform to certain maxima for goods whose value is low in comparison with their bulk (*ad valorem* transport). These rates must be published and are therefore common knowledge.

The position of the secondary railways is very similar, with the difference that the obligation to accept certain kinds of traffic is not so strict inasmuch as they are only required to accept traffic to the extent their services permit.

The fact that the two rail systems are classed as public undertakings gives them a natural right to expect subsidies from public funds. Actually the main-line railways do receive substantial sums from the public exchequer, but the secondary system complains that it is considered a public undertaking when services are required of it, but that it is treated like a private undertaking when it wants financial assistance.

As regards inland navigation, the State is the owner of the navigable waterways: rivers, canals, as well as the installations connected with them: locks, bridges, etc., so that the industry does not have to bear the costs of upkeep and repairs as the railways have those of building and maintaining the permanent way.

The same applies in the case of the roads, where again it is the State, and not the industry, which bears the costs of construction and maintenance. On the other hand, however, the State derives considerable revenue from the industry in the shape of various taxes: luxury tax on the purchase of vehicles and parts of vehicles, petrol tax and road tax. This revenue derived directly from the use made of roads is not used specifically for purposes connected with roads, but partly serves to meet items of the national budget not covered by fixed sources of income, such as the judicature, police force, and others.

Consequently, though the road transport industry does not pay for the costs of the building, upkeep and repair of roads, the position is not altogether free from anomaly. Though the private person who buys a motor vehicle for pleasure or even business purposes may pay the purchase tax and the road tax with a certain amount of resentment, he must admit that he should pay for the advantages accruing from the vehicle. But the road carrier who pays purchase tax on his vehicle, or road tax, can rightly object that these are taxes on the instruments necessary for carrying on his business.

Can one imagine a factory having to pay a tax of 10 per cent not only on the machinery it needs but even a tax comparable to the road tax? Such a preposterous idea would never occur to a Minister of Finance, yet it is commonly felt to be logical for road carriers to pay several thousand francs whenever they buy a vehicle and a further annual tribute of several thousands in the shape of road tax. Yet the charges made by road carriers must conform to maximum rates laid down by the Government.

The Study Commission which has recently set to work must try to introduce some order into this more than complicated state of affairs. In constituting it, the Minister of Communications has called upon persons representative of the different interests concerned, and the Commission comprises departmental officials from the Ministries of Communications, Finance, Public Works and Economic Affairs, university professors who have made a special study of co-ordination problems, representatives of the National Railways Corporation, the National Secondary Railways Corporation, of inland navigation, road transport, Chambers of Commerce, Federation of Industries, and the trade unions.

A point to be noted in this connection is that the Chambers of Commerce and the Federation of Industries sit on the Commission as representatives of the users of the means of transport. Actually, however, it would seem that these employers' representatives feel themselves less the representatives of the interests of the travelling public than of those of private transport enterprise. This complicates the already difficult task of the Commission in that the advocates of private transport enterprise may perhaps be agreeable to co-ordinating the publicly-owned means of transport but oppose the idea where privately-owned transport undertakings are concerned.

To facilitate its work the Commission has set up a number of sub-committees. The first of these is con-

cerned with the question of the costs of providing the permanent way in the case of rail transport, the highways in the case of road transport and the waterways in the case of inland navigation. These costs, it is suggested by some, should be shared among all the means of transport. In support of this it is urged that it is not equitable that the railways only should bear the costs of their permanent way, but that these should be spread over other transport industries as well, in the shape of a levy payable by all, in order that the different means of transport may start on an equal footing.

The second sub-committee is concerned with operating costs and fares and freights. It is here especially that the workers' representatives have to play a rôle. Then there is a third sub-committee which is to study the inventories of transport undertakings, and a fourth which will consider the possibilities of regional agreements.

Let us revert a little to the second sub-committee, which is concerned with the question of operating costs and fares and freights. As mentioned above, road transport is subject to a scale of maximum charges laid down by the Government. Road carriers require a licence to engage in transport for third parties, and compliance with the scale of maximum charges is one of the conditions imposed when issuing it.

In practice, however, the number of licences granted far exceeds that justified by economic requirements, due to the fact that many of the licences, though originally intended to be provisional, continue in force indefinitely. As a result there is such fierce competition between the numerous carriers that the maximum charges permitted are rarely applied. Even the soundest among them are obliged to charge less than the maximum rates, with the further, from their point of view quite logical, consequence that they endeavour to keep the wages of their employees as low as possible. Operating costs, therefore, are based on the minimum wages laid down by the Joint Transport Council. The anomaly of a position in which maximum charges are related to minimum wages is so obvious that it hardly needs further elaboration.

The point is emphasized whenever a claim for increasing the manifestly inadequate wages of motor drivers is under discussion and the employers argue that their margin of profit is so narrow that they cannot afford higher wages. But it is on these inadequate wages that the authorities base themselves when considering operating costs and determining the scale of maximum charges. Thus a veritable vicious circle is created, and increases in wages are made impossible even in cases where the argument of competition does not apply.

The railway undertakings, on the other hand, do pay something like a fair wage to their employees, and a motor driver in the service of a rail carrier earns substantially more than his colleague working for a road carrier, to say nothing of other advantages, such as sick pay, accident benefit and retirement pensions, which are unknown to those employed in the road transport and inland navigation industries.

During the discussions on the sub-committee, attention has been drawn to the need for placing the different means of transport on an equal footing, particularly as regards the costs of building and maintaining the permanent way. It is evident that this equality must also be extended to the conditions of employment of the staffs concerned.

Unless the deliberations of the Commission are carried to a rapid conclusion it is not likely that any decision will be reached for a long time to come. Here is the conclusion which is suggested from the workers' point of view and which will afford a fitting close to this article.

The main and secondary railway systems are public concerns. They give satisfaction to users and, what interests us especially, they pay their employees wages

according to established standards. These standards are usually higher than those obtaining in private enterprise. On the other hand it is true that any deficits on operation are met from public funds.

Transport by road and waterway is entirely in the hands of private enterprise. It is carried on first and foremost with a profit-making motive. The wages and conditions of those employed are nothing short of scandalous.

The solution would therefore seem to be to nationalize those sectors of transport which are still in private hands, and thereby put an end to harmful competition on the one hand, and on the other place all the workers on the same footing, that of the public servant.

REORGANIZATION OF THE CZECHOSLOVAK TRANSPORT SYSTEM

At a meeting on 29 and 30 October last, the Central Committee of the Czechoslovak Transport Workers' Union (autonomous section of the Czechoslovak Trade Union Federation) adopted a resolution in which the *responsible government departments* were asked to prepare a scheme for complete reorganization of the whole transport system. The main feature of this reorganization was to be a change-over from "state enterprises" to "national enterprises". Further, in conjunction with this scheme, there was to be introduced a completely new system of remuneration of labour in the new "national enterprises".

The Czechoslovak Government, at a meeting on 3 December last, decided to meet the request of the Transport Workers' Union and approved a Bill, which has meanwhile become law and which provides for the creation of six "national enterprises": railways, motor transport, airlines, Elbe navigation, Oder navigation, and Danube navigation. It is also intended to "nationalize" the postal services, but for this another Bill is to be introduced.

What does this change-over mean and what does it involve? It must be mentioned from the start that the railways were already almost wholly state-owned at the time when Czechoslovakia was still a part of the Austro-Hungarian monarchy; that the few railway lines then still in private hands were nationalized 27 years ago; that the airlines were nationalized shortly after the Liberation in 1945, as were also the bulk of the other transport services; and that the postal services were never in private hands. The term "nationalization", however, was understood in the sense of state ownership.

The new legislation, sponsored by the Transport Workers' Union, makes a sharp distinction between "state ownership" and "nationalization". Under "state ownership", according to this interpretation, the government is completely responsible for the administration of the enterprise, most of its employees having

the status of public servants and enjoying the privileges connected with that status. The railways and postal services can be considered as typical state enterprises, headed and administered by government departments (*Ministry of Transport and Ministry of Postal Services*) responsible only to Parliament. A "national enterprise" on the other hand is a self-contained unit run on strictly commercial principles, similar to those governing any private undertaking, and administered by a board with a general manager at its head.

The administrative boards of the new national enterprises will consist in principle of five different sections: planning, operation, commercial section, economic section, and a section for labour and social questions. More sections may be added if required by the special nature of the transport undertaking concerned. In the case of the administrative board of the railways a section for capital investment and mechanization, and a section for repair shops will be added. The members of the administrative boards will be experts in transport, economic, financial and technical matters, and one-third of their members will be representatives of the staff. The administrative boards will have full power of decision regarding technical and economic development as well as in staff matters.

There will be a very considerable measure of administrative decentralization, giving a good deal of power to the local supervisors. The Ministries of Transport and Postal Services will practically relinquish their power of decision, and their rôle will be limited to technical standardization, overall planning and transport co-ordination, and control in respect of safety, hygiene and economy. Their establishments will be cut down to the numbers required for performing these limited functions.

The reorganization of the transport system will be carried out in stages. First a new Ministry of Transport will be set up, then the central administrative bodies of

the various transport enterprises. Only after the completion of these measures will the actual reorganization of the transport undertaking take place. The purpose of this drastic reorganization, claim its sponsors, is "commercialization of the transport industry, cutting out every kind of red tape and increasing efficiency in line with the socialist reconstruction of the country's economy".

This is the broad outline of the intended reorganization, but more important than the administrative is the social aspect of the measure. The first consequence of the new legislation will be that the employees of state enterprises will lose their status as public servants and will be on the same footing as workers and employees in private trade and industry. They will lose the privilege of security of tenure and their separate superannuation scheme will disappear. But, according to the Czechoslovak press, in practice this means no loss at all to those concerned, inasmuch as "in socialist economy work is guaranteed for everybody by the constitution and the staffs of the national enterprises will be covered by the general insurance scheme".

Of more far-reaching consequence will be the introduction of the new system of remuneration of labour in the national enterprises. Briefly, the new system will be based on the principle of "payment according to merit", the principle so widely practised in the Soviet Union. First of all, the system of piece-rates and premiums to individuals or groups is to be applied wherever

possible. "These new methods of remuneration should have an economic effect, they should give to the workers and employees wages corresponding to the economic results of their efforts and should at the same time increase the productivity of labour" writes the official organ of the Transport Workers' Union. Each kind of employment in the national enterprises will be measured in terms of mental and physical effort, of moral and material responsibility, of knowledge and experience required, and the conditions in which work has to be performed.

A points system will be introduced by which all these factors can be appraised and the number of points will determine the salary group in which a certain employee will be placed. Length of service and previous education will not be taken into account at all. The same decentralization as in administrative matters will apply also to questions of wages and salaries. Generally speaking, the fixing of wages is to be taken from the higher levels of this administrative structure and to become a local responsibility, so that local supervisors would have a considerable say in the fixing of the wages of the individual worker.

An important element in this whole set-up will be the selection of the leading executives for the national enterprises. According to the journal of the Transport Workers' Union particular attention will be paid to this selection, and "to the political and professional schooling of the employees".

AGE STRUCTURE OF THE U.S.A. RAILWAY LABOUR FORCE

Comprehensive statistics on U.S. railway labour began to be compiled as late as 1936. In that year a pension scheme for all railway workers came into being. The scheme is administered by the "Railroad Retirement Board" which had to start practically from scratch in the matter of staff statistics.

For twelve years, the Board has been engaged in "X-raying" the railway labour force of the U.S.A. One of its most recent and interesting studies deals with the age of railway employees and relates to the year 1946.

In order to understand the statistics two important definitions have to be kept in mind :

1. The *median age*, i.e. the age above and below which half of the employees are distributed.
2. The *year of service* is the calendar year during which a person had railway earnings taxable under the pension scheme. It does not necessarily imply service in each of the twelve months ; it can be as little as one month.

While the U.S. railways are deemed to "employ" approximately 1,300,000 persons, about double that number of persons figured on the pay-roll of recent years for periods ranging from a few weeks to full twelve months.

The median age of the 2,701,000 employees who received taxable earnings in 1946 was 39 years. Approximately 31 per cent were less than 30 years of age, 42 per cent were between 30 and 49, and 27 per cent were 50 or older. (Table 1).

Service and Age. In any one year, the various groups of employees vary considerably in their age composition. About three-tenths of all employees in 1946 had been in railway employment in every one of the 10 years of the period 1937-46, one-fifth had entered the industry for the first time in 1946, and one-half had performed service in 2 to 9 years after 1936.

The oldest group of employees were those who had been in service in every year after 1936. The great majority of these, of course, had been in the industry for many years before 1937 as well. In the period 1937-46 they averaged 116 months of service out of a possible maximum of 120. Almost 60 per cent were 50 years of age or older, and less than 1 per cent were under 30. New entrants, that is, employees who had no railroad service before 1946, were most numerous in the lowest age-groups—about 65 per cent were under 30 and only 5 per cent were 50 or older. Their median age was 27 years. Employees with service in 2 to 9 years

of the period 1937-46 were concentrated in the middle age brackets. Almost one-half were between 30 and 49 years old, their median age being 34 years.

Of the hundreds of thousands of employees who each year enter railroad work in the U.S.A. for the first time, the great majority do not remain permanently in the industry. Of the 1,161,000 individuals in 1945 who did not continue in service in the following year, about three-fifths had entered the industry for the first time in 1945, and nine-tenths had performed railroad service in 3 years or less.

Because short-service employees tend to be quite young, rates of withdrawal are highest among young employees and fall off steadily in the higher age brackets. In 1945 they ranged from 73 per cent of employees under age 20, to 14 per cent of those aged 60 to 64.

For employees below retirement age who withdrew in 1945 after 5 years of service, withdrawal rates were highest among middle-aged workers; they ranged from 11 per cent of employees under age 25, to 17 per cent of those aged 45 to 47. For employees with service in 7 years, the rates were quite uniform—about 10 per cent in every age-group from 25 to 60.

TABLE 1.—All railroad employees in 1946 : Number and percentage distribution, by age and by period of service. (In thousands).

Age on birthday in 1946	All employees in 1946		Employees in service in each year, 1937-46		New entrants in 1946		All other employees in service in 1946	
	No.	%	No.	%	No.	%	No.	%
TOTAL	2,701	100.0	833	100.0	527	100.0	1,341	100.0
Under 20	131	4.9	—	—	63	12.1	68	5.1
20-24	365	13.5	*	†	164	31.2	201	15.0
25-29	344	12.8	5	0.6	111	21.2	228	17.1
30-34	301	11.2	29	3.5	62	11.9	210	15.7
35-39	273	10.1	56	6.8	45	8.5	172	12.9
40-44	285	10.6	104	12.4	32	6.2	149	11.2
45-49	282	10.5	143	17.2	20	3.9	119	8.9
50-54	260	9.7	160	19.3	13	2.5	86	6.5
55-59	212	7.9	149	17.9	7	1.4	56	4.2
60-64	156	5.8	121	14.5	4	0.7	32	2.4
65-69	63	2.4	51	6.1	1	0.2	12	0.9
70 and over	18	0.7	14	1.7	*	0.1	4	0.3
Unknown	10	—	1	—	4	—	4	—
Median age	38.7		52.5		26.6		34.1	

* Less than 500 employees.

† Less than 0.05 per cent.

Note : Totals and percentages are computed from unrounded figures. Data are based on a 20% sample.

For the European observer Table I presents a few striking facts : the number of new entrants is more than half a million ; the number of new entrants aged 40 and over exceeds 80,000 ; 194,000 workers (exclu-

sive of new entrants) aged 50 years and over had less than 10 years of service (as defined above).

The heavy turn-over of labour, particularly in the young age-groups and in short-service groups, is reflected in the following Table 2 :

TABLE 2.—Railroad employees in 1946 : Number, by number of years after 1936 in which service was performed.

Number of years after 1936 in which service was performed	%	Median age
TOTAL	100.0	38.7
1	19.5	26.6
2	13.0	29.2
3	9.8	31.3
4	8.9	35.1
5	7.1	36.9
6	3.9	35.4
7	2.2	36.5
8	2.2	38.9
9	2.5	43.5
10	30.9	52.5

It will be noted that employees with 6 years of service after 1936 had a lower median age than those with 5 years of service. This difference results from the fact that new entrants in the years before the war were on the average about 3 years younger than those who entered during the war.

Occupation and Age. The usual entrance occupations in railroad employment do not require long periods of prior experience. In 1946, 88 per cent of the new entrants on Class I railroads were labourers, helpers and apprentices, clerical employees, and firemen and brakemen. Withdrawal rates in the labourer occupations are quite high, and over a period of time many employees in these occupations who do remain in the industry are advanced into more highly skilled employment. Track labourers, who in 1946 made up 40 per cent of the new entrants on Class I railroads, comprised 22 per cent of the employees with 5 years of service, and only 7 per cent of those with service in 10 years. On the other hand, skilled shop employees made up less than 2 per cent of the new entrants, 6 per cent of those with service in 5 years and 17 per cent of those with service in 10 years.

The variations in the composition according to length of service of the various occupations are reflected in their difference in age. In Table 3, occupational groups of Class I railroad employees, who constituted 83 per cent of all employees in service in 1946, are ranked by median age and classified according to the same service groups used in Table 1. The oldest employees were in occupations which involved considerable skill and

experience, while the youngest were in the unskilled labour groups. At one extreme were the engineers and conductors, whose median age—56 years—was 16 years higher than the median for all Class I railroad employees. At the other, were the station and platform labourers, whose median age was 32 years.

It is evident from Table 3 that the differences in age among occupations primarily reflect differences in the seniority composition of the various groups. Almost 84 per cent of the engineers and conductors had been in railway service continuously since 1937, while the corresponding percentage for station and platform labourers was 9 per cent, and for extra-gang labourers only 3 per cent.

Among new entrants (not shown in the table) the oldest group was that of the skilled shop employees, whose median age was 34 years. The range of median ages among the other groups of new entrants was quite narrow, from 25 to 29 years.

Most employees whose service was not continuous in the ten-year period were considerably older than the new entrants, since the former had been in service in 2 to 9 years during the period 1937-46, and, in some cases, even before 1937. They varied rather widely in their median ages, from 28 years for clerical workers to 41 years for skilled shop workers. Employees in positions of greater responsibility tended to have had more service in this period, and consequently, the range in median age was wider than among new entrants.

Sex and Age. Although most railway employees are men, more women than usual had been employed during

TABLE 3.—Class I railroad employees in 1946 : Number, percentage distribution, and median age, by occupational group for all employees and for employees in service in each year, 1937-46. (In thousands).

Occupational group	All employees in 1946			Employees in service in each year, 1937-46		
	No.	%	Median age	No.	% of all employees	Median age
TOTAL	2,233	100	39.5	724	32.4	52.6
Engineers and conductors	108	4.8	55.6	90	83.6	57.2
Executives, supervisors, and professionals	94	4.2	50.2	73	77.8	52.8
Station agents and telegraphers	58	2.6	49.2	32	55.8	55.5
Gang foremen	53	2.4	49.0	42	79.3	51.5
Skilled shop employees	191	8.6	48.8	121	63.2	52.3
Skilled way and structures employees	47	2.1	42.6	20	43.6	50.9
Firemen, brakemen, switchmen, and hostlers	289	12.9	37.2	95	32.9	51.9
Clerks and other office employees	206	9.2	36.8	78	37.9	49.3
Way and structures labourers other than extra gang	302	13.5	35.7	48	16.0	50.6
Shop and stores labourers	160	7.1	35.2	24	14.9	52.8
Helpers and apprentices	180	8.1	35.0	40	22.2	51.7
Extra-gang labourers	197	8.8	32.9	6	3.0	49.9
Station and platform labourers	211	9.4	31.9	19	9.0	52.5
All other employees	135	6.0	39.5	34	25.2	53.3

Note : Totals include 4,000 employees whose occupations were not reported and who are excluded in computing percentage distributions. Totals and percentages are computed from unrounded figures. Data are based on a 20 per cent sample.

the war in many jobs, both in their customary occupations and in some for which men would normally have been preferred. After the end of the war, the number of women in railway employment began to decline rapidly. In 1946, only 179,000 were employed, compared with 265,000 in the previous year. The percentage dropped from 8.6 to 6.7.

In 1946, women were for the most part engaged in a small number of clerical and office occupations and in certain labouring jobs. Of the 136,000 employed by Class I railroads, more than one-half were clerks, stenographers and typists, telephone switchboard operators and office assistants, and mechanical-device operators. Many were also employed as coach cleaners, shop labourers, and kitchen employees.

Women who were employed in 1946 were substantially younger than men. More than 46 per cent were under 30, compared with only 30 per cent of the men, while only 12 per cent of the women as against 27 per cent of the men were 50 or over. Their median age was 32 years, 7 years lower than the median for men.

The lower average age of women is attributable mainly to their shorter average service in railway employment. Almost 72 per cent of the women had performed service in only 1 to 4 years, compared with 50 per cent of the men. On the other hand, only 14 per cent of the women as against 32 per cent of the men had performed service in all 10 years of the period 1937-46.

Changes in Age in 1937-46. The median age of employees has varied widely over much of the ten-year period 1937-46. From a high of 43 years in 1938, it fell continuously to a low of 38 in 1942, and fluctuated only slightly in later years. Variations in age over a period of time respond to changes in related elements, such as the occupational, sex, and service compositions of the staff. The effect on median age of changes in occupational composition may be illustrated by comparing the occupational distribution in various years. In 1946, employees in the six oldest occupational groups, those with median ages over 40, comprised only 25 per cent of all Class I railroad employees; in 1938, when the median age of employees was at its highest point, these older occupational groups included 32 per cent of all Class I employees. Similarly, the decreased representation of women in the employee population in 1946 and the smaller number of new entrants in comparison with the previous year explain in part the rise in median age to 39 years which occurred between 1945 and 1946.

Turn-over and Age. The growth of the number of employees in the years before the war was largely responsible for the continued decline in median age in that period. In addition to the fact that the influx of young new employees comprised increasing proportions of all employees in those years, the new entrants were, on the average, somewhat younger than employees withdrawing from service. The net effect was a progressive lowering in the average age of all workers.

TABLE 4.—Median age and employment status of the railroad labour force, 1937-46.
(In thousands).

YEAR	All employees in service during year		Withdrawals during year		Employees in active service at end of year		New entrants and re-entrants during year	
	No.	Median age	No.	Median age	No.	Median age	No.	Median age
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1937	1,979	41.4	580	32.2	1,399	43.3	—	—
1938	1,597	42.7	248	32.4	1,349	43.9	198	28.0
1939	1,642	42.4	234	31.2	1,409	43.7	294	28.4
1940	1,693	42.1	264	29.4	1,429	43.8	284	26.7
1941	2,045	39.5	434	27.9	1,611	42.4	616	26.6
1942	2,562	38.1	779	27.9	1,783	42.5	951	29.0
1943	2,825	38.7	941	28.7	1,884	43.0	1,042	29.4
1944	2,966	38.8	1,038	29.2	1,928	44.4	1,082	28.9
1945	3,085	38.1	1,161	29.4	1,924	43.2	1,156	28.5
1946	2,701	38.7	—	—	—	—	777	27.2

Note: Column (1) = column (3) + column (5); also column (1) = column (7) + column (5) for the preceding year. Occasional discrepancies are due to rounding. Data for 1937-43 are based on a 4 per cent sample, for 1944-46 on a 20 per cent sample.

After close study of these statistics one is left wondering after how many years work on the railway an American

worker decides to stick to the industry and become a "railroader" for the rest of his life.