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THREE CONFERENCES INTERNATIONAL

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

a small corner of Europe three international conferences of special interest to the I.T.F. took place during the months of June and July: the annual session of the International Labour Conference at Geneva, the preparatory conference of a new and free Trade Union International, also at Geneva, and the conference at Marseilles which set up a Dockers' and Seamen's Department of the W.F.T.U.

This year's International Labour Conference was of special importance to the I.T.F. because the revision of several of the conventions adopted by the International Maritime Labour Conference at Seattle in June 1946 was on the agenda. It is not customary—though it has happened before—to deal with maritime affairs at general sessions of the International Labour Conference. The revision, however, concerned only minor points of the conventions and the Governing Body of the I.L.O. could hardly be expected to incur for such a limited purpose the cost in time and money of a special maritime conference. Consequently the choice was between a possibly long delay and adding the question of the revision of the maritime conventions to the agenda of this year's general conference. The shipowners, needless to say, were all in favour of the delay, but the seafarers wanted prompt action. The governments shared the seafarers' desire for a speedy procedure, and thus it was decided.

The seafarers had made it plain that they did not propose to go back on the principles laid down in the Seattle Conventions, but they were prepared to give consideration to some difficulties of a practical and technical character which had emerged when the Seattle texts came to be analysed. So it was only in order to accommodate objections of this kind on the part of certain governments and thus to remove obstacles to ratification of the conventions that they consented to the minor adjustments which were agreed to. The following are the conventions which were slightly amended as a result of the discussions in Geneva: Vacation Holidays with Pay for Seafarers; Crew Accommodation on board ship; and Wages, Hours of Work on board ship and Manning.

There was one point on which the seafarers did find it advisable to make what may be termed a concession. This was when the voting on the committee which had to pronounce on the revised texts resulted in a draw. The point at issue concerned the payment of subsistence allowances during holidays, which some governments—and of course all the shipowners—desired to delete from the convention in question. In view of the drawn vote, and with an eye to ratification of the convention, the majority of the seafarers' group decided to propose that the relevant clause should be made optional instead of compulsory as in the text as it stood.

As already indicated, the object of the whole revision was to facilitate ratification. But it is clear that even with the revision of the conventions ratification will not follow unless the unions concerned use all the power at their disposal to press the matter in their own countries, either by using their influence with governments or else by bringing collective agreements into line with convention standards in respect of matters on which governments do not propose to introduce legislation.

Non-ratification, after all, is something for which the International Labour Office cannot be rightly blamed, but which is primarily the business of the seafarers themselves. The I.L.O. provides the instruments, it is for the seafarers' trade unions to see that they are put to use. As far as the shipowners are concerned, only resistance, fierce resistance such as they displayed at Seattle, is to be expected. At Geneva also they opposed the adoption of the revised conventions tooth and nail; though the decisions were secured by comfortable majorities, the employers were as adamant as ever and voted no, no, no, every time.

The opponents of free trade unionism have tried hard to minimize the importance of the preparatory conference for the establishment of a new, free Trade Union International which was held at Geneva on 25 and 26 June. Allowing the wish to be father to the thought, they observed wide differences of approach and serious disagreement on matters of policy. The participants in the conference, however, seemed quite unconscious of such divergencies, and after democratic discussions reached unanimous conclusions. It was satisfactory to note that the big organizations had no intention or desire to play at power politics. They showed a spirit which augurs well for the creation of a free, democratic and homogeneous Trade Union International, in which every country and organization, great and small, can play its part. This is what is needed: an Independent Trade Union International which can make its own contribution to the solution of the economic and social

problems of the world, without consideration of anything which any government may think of it.

The International Trade Secretariats have every reason to expect that they will be given a square deal by the new organization. It is clear that there should be close co-operation and consultation between the different sections of the free international trade union movement, and that the very nature of a free movement guarantees that there will be no attempt at domination of one section by another. All the I.T.S. are to be invited to attend the forthcoming inaugural congress of the new International, and this participation will symbolize the opening of a new period of constructive and fruitful work.

And now we come to the third international conference, that which set up a Trade Department for Dockers and Seamen within the W.F.T.U. Originally it had been the intention to limit the department to these two groups, but it was probably felt that thus limited it would be too insignificant, and so the inland waterways, shipbuilding and ship repairing industries have been incorporated too.

It goes without saying that the W.F.T.U. Department will endeavour to encroach on the territory of the I.T.F. and that, as an organ for carrying out decisions of the W.F.T.U., it will primarily be an instrument for the furtherance of the foreign policy of Soviet Russia. This will compel the Trade Department to play the negative role of working to undermine the economies and hamper the recovery of all but Communist-controlled countries, with the possible exception of Jugoslavia. Time will tell to what extent it succeeds in this design.

It is not the first time in the history of the international trade union movement that an organization of this kind is established, and the I.T.F. is well prepared to meet the challenge, just as it did that of the International of Seamen and Harbour Workers, which was the trade department of the Red International of Labour Unions (Profintern).

We shall doubtless have occasion to say something from time to time about the trials and troubles of the new W.F.T.U. Trade Department.

THE DANISH LOCOMOTIVEMEN'S WAGE AND WORKING CONDITIONS

By E. GREVE PETERSEN,

General Secretary of the Danish Locomotivemen's Union

On 1 January 1949 the Danish Locomotivemen's Union was able to celebrate its fiftieth anniversary. At a time when the Danish trade union movement was rapidly developing, the Union was formed on a firm basis, and was one of the first unions catering for State employees. The fact that the idea of organizing themselves developed rather later amongst the locomotivemen than among the general workers is ascribable to the fact that the feeling of security—not least security against

unemployment—which at this time furthered the idea of belonging to a trade union, had not the same importance for the established employee. In addition to this the employee of those days did not fully appreciate how far he could claim his rights, a fact which hampered the organization in trade unions of the employees in Stateand publicly-owned undertakings.

Naturally these feelings and conditions have to a very large extent changed during the course of the years, and

to-day our union is amongst those recognized as playing an important part in the trade union movement, which is of value to the whole Danish community.

It is, of course, impossible within the scope of a short article like this to describe the development and success, which our first fifty years as a union have involved.

To look back upon the past fifty years would certainly require far more space, but it would probably be of interest to our colleagues in other countries to be more closely acquainted with the important results achieved for the Danish locomotivemen concerning their working and wage conditions as well as their training.

The Danish Locomotivemen's Union has, ever since it came into existence, catered for all footplate staff on the Danish State Railways and for a short period also for the same staff on the privately owned railways. The total length of the Danish Railways is about 3,000 English miles (5,200 km.), half of it being run by private railway undertakings and the other half by the Danish State Railways, on which our members are employed.

Vocational Training. Denmark is one of the few countries where vocational training is required for the footplate staff. Before being engaged the applicant must have had five years' experience in a workshop, his training period beginning when he is between 14 and 16 years of age.

In Denmark we have conscription, and the applicant must also have performed his military service satisfactorily before being considered. A psychological test, which among other things, tests his reflexes, is another difficult bridge to be crossed, as is also the obtaining of certificates testifying that the candidate is physically sound, has perfect sight and is free from colour blindness. Not until then can the applicant hope to be engaged. If successful he is now called "firemanapprentice" and immediately begins on a new course of training, which is constantly extended in scope in order to keep pace with technical developments in the locomotive engineering industry.

For the first two years he is considered as a temporary employee only and has to undergo a seven months' vocational training course in a workshop. During this period he has to do two to three months' active training as fireman with two different locomotive drivers, specially appointed as driving instructors. A certain part of the course consists in training the apprentice in practical as well as theoretical work and testing his ability in different fields of a locomotiveman's activity. After a three months' period the driving instructor issues a certificate, and on the basis of this the apprentice is given further training.

If the results from the training in the workshop and on the locomotive are satisfactory, the apprentice undergoes a theoretical course of two months, ending with three days of examinations. The course covers subjects such as engine theory, safety regulations, signal regulations, wagon theory, elementary railway knowledge writing reports, etc.

After having passed the examination the apprentice, if he is 21 years of age and has been trained for two years, will be employed as a fireman and placed in the

promotion scale according to the time when he passed his training test, depending also on the testimonial and marks obtained. He is now appointed as a Danish civil servant with his life as a locomotiveman and his promotion ahead of him, although this latter naturally depends on ability to fulfil his duties. After having been a fireman for two years he has to return to training again, this time in order to undergo a three months' course in engine theory, including training in practical as well as theoretical study of the diesel engine, which is in common use on the Danish Railways.

The engine theory examination is a condition of further service and the examination result decides the candidate's place in the promotion scale. Immediately after having passed this examination, and after having been in service for three years (five years including the time as apprentice) he has again to undergo training. Fourteen days' training in practical locomotive driving has to be completed with at the end a two days' examination by a locomotive engineer with a specially appointed locomotive driver as referee, which includes practical as well as theoretical tests. With this examination compulsory training is finished but he has to follow the developments taking place in his profession by self-study.

With his training finished, the fireman now waits for promotion to locomotive driver. All the State Railways' haulage units are manned by drivers with the rank of locomotive drivers, except on the electrified suburban service in Copenhagen, covering about 50 miles.

These electric trains are driven by motor drivers, who as regards wages are placed one group below locomotive drivers. Promotion from fireman to locomotive driver nowadays usually takes place when the fireman is about 30 years old, but this is a direct result of the increase in the number of locomotive drivers and a comparatively large number of retirements. This latter is attributable partly to age and partly to poor health caused by the five years' occupation, during which the locomotiveman was subject to special strain because of the black-out, sabotage and shooting-up of German transports, which Danish railwaymen were forced to operate.

A locomotiveman can also become a locomotive master or locomotive instructor. The first mentioned is the supervisor for the engine dépôts and has opportunities for promotion within three groups and is the immediate superior of the locomotive staff. The locomotive instructor's work is to give instruction on those technical matters with which a locomotiveman is daily confronted.

The locomotiveman is entitled to work up to his 70th year but can resign at 65, and if, because of old age, he has to resign earlier he can get full pension at 63.

Salaries. The salaries of Danish locomotivemen are made up as follows: basic wage, seniority increments, supplementary wage, cost of living allowance and housing allowance.

The basic wage and seniority increments are altered according as the law concerning Government salaries is revised, this having happened five times in the history of the organization, the last being in June 1946. The supplementary wage or what is also called "pension

allowance" is paid in accordance with the basic wage and varies as far as our members are concerned between 960-1,200* crowns annually. The cost of living allowance varies with the basic wage, and the cost of living index. This allowance for the footplate staff amounts to 2,760-3,033 crowns.

The housing allowance varies, according to district, between 108 and 480 crowns a year. A re-grouping of such districts takes place every three years.

A fireman's salary for the first three years amounts to 2,400 crowns annually, of which, during his two years of training, he gets 90 per cent, subject to his being more than 20 years old. Up to 20 years of age he is paid only 80 per cent of the salary. The supplementary allowance amounts to 960 crowns and the cost of living allowance to 2,760 crowns, making his total salary per year 6,120 crowns. In addition there is a housing allowance and every third year there is an increase in the basic wage of 150 crowns, which continues up to his ninth year of service.

The locomotiveman starts with a basic salary of 3,180 crowns, plus supplementary wage of 1,080 and a cost of living allowance of 2,760 crowns, altogether 7,020 crowns annually. The basic wage is increased every third year by 420 crowns up to the sixth year of service. At the same time an increase in the supplementary wage as well as in the cost of living allowance is made, so that his final wage allowance amounts to 8,156 crowns.

The instruction driver starts off with 8,516 crowns and a final wage of 9,372 crowns. The locomotive master also starts off with 8,516 crowns, but can reach 11,940 as a maximum wage.

In addition to these wages and allowances compensation is given for night work, i.e. that between 9 p.m. and 6 a.m. This is paid at the rate of 0.74 crowns for locomotive drivers and 0.57 for firemen. A special allowance of 0.45 crowns per hour for locomotive drivers and 0.36 for firemen is paid for duty involving absence from home.

Overtime rates are paid at the rate of 3.89 and 3.32 crowns per hour for locomotive driver and fireman respectively.

Uniform. Danish locomotivemen are required to wear uniform during their duty periods and are therefore subject to the State uniform regulation, which means that they must wear: trousers, jacket, waistcoat, leather jacket, cap, overcoat and overall. In addition to this the engine driver receives a raincoat and the fireman a jersey. Considerable improvement has been achieved in this field and it has now been laid down how long the various articles of clothing shall last, namely: jacket 11 year, waistcoat 11 year, trousers 1 year, winter overcoat 4-5 years, leather jacket 3 years, cap 11 year, raincoat 5 years, jersey 2½ years, overalls 5-1 year. These periods were extended by 50 per cent during the war of 1939-45.

Pensions. Every locomotiveman is entitled to a pension for himself and in case of his death for his widow and orphans. The pensionable age is counted from the date when, after reaching 30 years of age, he has been in established service for five years. For this period he is

only entitled to pension when retiring owing to industrial injuries. His pension contribution, starting when he is a fireman, is 5 per cent of the basic wage, increments and supplementary wage. The amount of pension is calculated in accordance with a fixed scale in relation to the pension age. The highest amount of pension for an engine driver with full wage is at present 6,564 Danish crowns a year.

The widow's pension is also calculated relative to her husband's pension age, but depends also on how long she has been married. The highest pension obtainable by a widow is paid when the period of married life has lasted at least twenty-five years and amounts at present to 4,848 Danish crowns. To this is added 240 crowns for the first child under 18 years of age and then for each child a further 180 crowns a year.

Hours of work. The locomotiveman has an eight-hour day, which is calculated over one month, i.e. if the time of service exceeds eight hours per day, this is to be remunerated by equivalent time off when the month is over, or, if this is not possible, owing to lack of labour, by an allowance in cash. The daily duty may not exceed twelve hours and uninterrupted duty may not last more than ten hours. Between two main spells of duty the locomotiveman must be given at least nine hours free time in his own home and in cases where he is not performing duty at his home dépôt, six hours. The length of the rest period is thirty-six hours and two consecutive rest periods may be granted if they together amount to sixty hours. These service regulations are now under revision and we hope in the near future to be able to achieve an improvement in this field.

As will be seen from the foregoing, the wage and working conditions of the Danish locomotiveman are rather bad, and the betterment of them has been the aim of the organization over a period of years. His work, his responsibility and his enervating service entitles the engine driver to a better wage position, and it is our hope that our work in this direction will be successful.

On his holidays the locomotiveman requires rest and peace and not least on his annual summer holiday which he should be given an opportunity of spending in pleasant surroundings and at a price that corresponds to his income. To this end the Union bought, in 1922, an estate which is situated in one of the most beautiful parts of Denmark, on the Kalundborg Fjord. Here it established a holiday and recreation home where members and their families can spend their summer holidays. An engine driver is entitled to twenty-one days summer holiday and a fireman to fourteen days, although the engine driver, to be entitled to twenty-one days, must have been employed for a period of eighteen years.

Our holiday home has been considerably extended and modernized, and to-day is, with its eighty bedrooms, to be considered as being on the same level as the best seaside hotels of the country. The price for members is 6 crowns a day and their children can spend their holiday there for the reasonable price of 2 crowns a day. The home is, of course, fully booked up during the whole of the season, which extends from the 15 May to the 1 September. The grounds of the home, which includes

*£1=19.34 Danish Crowns.

a small farm, cover an area of twenty-eight acres. Once a year, in September, the home is used for a course of study for our shop-stewards, where they are more closely acquainted with organizational problems, working and wage conditions, as well as being given lectures by officials from both Union headquarters and the local unions.

On the Jubilee anniversary the membership of the Union was 1,874, of which 1,510 were locomotivemen, 280 firemen, four locomotive instructors and eighty motor drivers, comprising locomotive personnel stationed in forty-six Danish towns.

From the numerical point of view we are still very weak, but as far as unity is concerned, we have always been strong. Close co-operation with other organizations and aid to our fellow-men has always been a strong link of our organization, and during our fifty years of existence we have cultivated both national as well as international co-operation. Our chief aim for the future will be the improvement of the working and wage conditions of our members, but we will also try to be of assistance to our fellow-men. The building-up of Society is also within our province.

THE BRITISH MERCHANT NAVY ESTABLISHED SERVICE SCHEME

A survey of its results prepared by the I.L.O.

The Twenty-eighth (Maritime) Session of the International Labour Conference at Seattle in 1946 had as one of the items on its agenda the question of continuous employment for seafarers. It decided that, although systems promoting regularity and continuity of employment for seafarers were organized during the war and operated with notable success, the time was not yet ripe to introduce international regulations on this subject until more experience had been gained of the post-war schemes about to be introduced or only in their early stages of application. But it instructed the Office to follow developments in this field with a view to the adoption of a Convention on the subject at some future date. It may therefore be of interest to give some account of the results achieved by the Merchant Navy Established Service Scheme in the United Kingdom, which developed out of the war-time system.

Prior to the outbreak of the war there was probably no profession which was more notorious for its uncertainty in regard to stable employment than seafaring, and the underlying intention of the Established Service Scheme in the United Kingdom and of similar schemes for continuous employment in other countries was to provide that degree of security which formerly had been lacking in seafaring employment.

The aims of the Established Service Scheme are to give security of income to a degree never before attained, and attractive conditions of employment to those who genuinely want to make seafaring a career and give loyal and efficient service.

The basis of the scheme is that the shipowners undertake to offer to at least 70 per cent of seafarers normally engaged in the United Kingdom, who have had eighteen months' sea service, a contract for two years, renewable by mutual consent for a further period of two years. The shipowners further undertake to give those who accept the contract continuity of employment as far as possible, but if no employment is available, to pay benefit which is additional to ordinary unemployment benefit. There are two kinds of contract: under the "company service contract" the seafarer undertakes to serve with an individual company only, whereas under the "general service contract" he may be required to serve in any ship to which he is assigned.

When the war-time Essential Work Orders were ended and the Established Service Scheme was brought into operation, it was prophesied by some people that there would be a rush of men to leave the service; others, in favour of the scheme, felt that the seamen's old terror of casual employment would come to an end and that the new scheme would be greeted with general satisfaction. Neither of these prophesies, however, proved to be wholly correct. While it was true that a number of men took the first opportunity of returning to shore, many of these were older seamen who would have ceased their seafaring career if it had not been for the war, and others were men who had gone to sea during the war as their selected form of national service. The year 1947 showed a satisfactory increase in the number of men and boys who took to the sea as their profession, but the number of officers and ratings who took advantage of the Established Service Scheme in the beginning was far below the target.

There were several reasons for the hesitancy to join the scheme in the beginning. One was the great number of opportunities for employment in the maritime industry during the immediate post-war years, which caused many people to take the short view that there was no need for this scheme when trade was brisk. Another reason was that it was felt that the scheme imposed too many restrictions and obligations. Many seafarers were of the opinion that if they joined the scheme they would lose their free choice of ships and of trades, and there was a genuine fear in the minds of some seafarers that it was a contract to sell their liberty, even if it assured them continuous employment for two years. The scheme was a new idea and therefore regarded with some suspicion, although it can be said that most of the fears of regimentation proved unfounded, as the agreement provided for as large a choice of ships as possible, and members always had the right to consult their unions on any matter arising from the application of the scheme. The uncertainty of how the scheme would work out in practice might therefore also be taken as one of the

reasons why such a large percentage of the seafarers hesitated to join it in the beginning. This, however, was not necessarily a disadvantage, as the arrangements were very carefully made, and those who accepted it at the outset could be considered good men who were genuinely interested in seafaring as a career.

After about two years since its introduction, in April 1947, a sufficient amount of information has been gathered to judge the success of the scheme.

It was criticized on many points, but most of the complaints came from those seafarers still outside it who felt they did not get the same opportunities for employment as those in the scheme. Other complaints were that too much preference was given to company contracts: leave was granted on a different basis to different groups; the waiting period for young seafarers to join the scheme was too long; and the establishment benefits were not sufficient. It was even suggested at one time in some quarters that the whole scheme should be terminated. The complaints were in general of a minor character, and through joint consultations between the shipowners' and seafarers' representatives many difficulties were ironed out.

The leaders of the seafarers, both officers and ratings, have stood loyally by the scheme, and as far as can be judged it has worked satisfactorily. This is borne out by the annual report of the Officers' (Merchant Navy) Federation for the year ending 30 June, 1948, which noted that the confidence which the Council of the Federation had expressed in the provisions of the scheme had been borne out. "Teething troubles" so far encountered had

been relatively few, and no more than might normally be expected after the inauguration of such a strikingly new scheme.

Under the scheme it was contemplated that contracts would be offered to at least 70 per cent of the seafarers normally engaged in the United Kingdom who had eighteen months' sea service. While, as has been seen, there was some hesitancy in the beginning to join, the number of contracts has steadily increased, and on 31 December, 1948, about 53,000 seafarers were registered in the Established Service Scheme. Of the officers, there were 19,000 with company service contracts and 2,000 on general service; the figures for ratings were 11,000 and 21,000 respectively.

It is difficult to estimate correctly what proportions these figures bear to the total number of seafarers who might be established. There are a number of seafarers to whom the scheme does not apply, such as non-domiciled seafarers and some special categories of officers and ratings, and also a large number of boys not yet eligible for contracts. But it is thought that the number of established officers is now very close to the maximum contemplated, and the number of established ratings about two-thirds of the figure proposed. The number is still increasing. It may thus be said that the National Maritime Board showed wise foresight when it introduced the Established Service Scheme. It is a genuine effort by both sides of the industry, and at no little cost to the shipowners, to provide stable employment for seafarers and to lessen the hardships when ships are temporarily idle.

THE CO-ORDINATION OF ROAD AND RAIL TRANSPORT IN FRANCE

By R. BODEAU

Secretary of Force Ouvrière Railwaymen's Federation and Representative of the Force Ouvrière Confederation of Labour on the Higher Council of Transport

The co-ordination of transport in France, and especially the co-ordination of road and rail transport, has been, since 1934, the subject of a number of experiments which have all proved to be more or less ineffectual. In consequence of the war the last of these, in 1939, was not completed in so far as goods traffic is concerned.

During the period of hostilities and that which immediately followed the liberation of the country, transport had to cope with urgent needs, and the consequent full employment of rolling stock very much reduced by war-time destruction temporarily gave the impression that there was no longer any problem, but with the gradual rebuilding of rolling stock and fleets of road vehicles it has reappeared in an aggravated form. Road motor vehicles in particular are considerably more numerous than before the war, the number—public and private—available for the transport of goods on 1 July, 1948, having been 294,000, as against 245,000 before the war. On the same date the S.N.C.F. (Société Nationale des Chemins de fer Français—French National Railway

Corporation) had 90,000 wagons fewer than it had before the war.

Under pressure from road transport interests the Government has made the regrettable mistake of breaking the normal rules of co-ordination and issuing thousands of new permits for long-distance road transport, with chaotic results, and the situation has rapidly become precarious for the railways, committed as they are to all the obligations of a public service, while faced with competition which is entirely free. This has been further aggravated by over-optimistic expectations, the forecasts of the Monnet Plan not having been realized in consequence of the general economic situation. Since the beginning of 1949 railway traffic has fallen by 30 per cent instead of increasing by 15 per cent, as anticipated in the Plan—a difference of 45 per cent.

Once again the Government has been forced to go into the problem of co-ordination and a Higher Council of Transport has been appointed to draw up a Bill to replace the many previous regulations.

In so far as the road-rail problem is concerned, the Council is faced with the difficulty that the two forms of transport are subject to entirely different régimes. The railways are legally a public service in the fullest sense of the term, while road transport is run by undertakings of a private character, even when they engage in public transport; and in many cases competition has shared out the available traffic in terms of the inequality of the two régimes rather than the technological advantages of the road or rail, as the case may be.

An undertaking subject to a public service régime can only operate in the same field of activity as private undertakings by taking all the less profitable traffic. If private enterprise is allowed to encroach upon the field of operation of public enterprise it is desirable that it should not be done to the detriment of the latter, otherwise it will be State finances, and in the last resort the taxpayer, which will bear the losses.

There are two fundamental methods by which rail and road could be placed on a footing of equality: either the railway can be given its freedom or road transport can be made a public service by nationalizing it. The Council has turned down the former for economic reasons and the latter on opportunistic grounds, and it has tried to work out a form of co-ordination that would give each form of transport the share of the traffic to which it is entitled on a cost of service basis, while leaving road transport the greatest possible freedom. The underlying economic idea is that transport should be effected by the method which will occasion the lowest real cost to the community, due allowance being made for the value of the services rendered.

The Higher Council of Transport has therefore aimed at co-ordination by rates, a method which has the advantage of leaving the user freedom of choice as to the form of transport he shall use. This method of co-ordination tends toward the institution of rate systems of such a character that the choice of the user, though guided by the rates, is in fact determined by considerations of the operating costs of the service. The Council has thus deliberately avoided fixing by direct regulation the field of operation of each of the two means of transport.

But co-ordination by rates can only be effected rationally to the extent that the rate systems of the means of transport concerned have similar bases; and in this respect road transport is in a privileged position, chiefly for three reasons.

Firstly, in determining cost of operation, road transport has not the same charges to make allowance for as the railways. For social reasons the Government has obliged the railways to institute reduced fares for members of large families, war cripples, workers' season tickets, etc. In pursuance of its economic policy it has also required them to charge low rates for certain goods. All this means an annual loss of income of several thousands of millions of francs. Road transport has no such burden to bear since, being run by private enterprise, it is exempt from the obligations of public services.

In so far as the roadway is concerned there is also an

inequality of burden. Maintenance of the railroad track is borne entirely by the railways, and in 1947 the 25,000 miles of line cost for this purpose 25,000,000,000 francs. And in the same year that part of cost of maintenance, supervision and policing of the country's roads which might have been chargeable to motor transport cost the State 39,700,000,000 francs, of which the State only recovered, through the tax on motor fuels, 26,000,000,000 francs.

It would not be possible to increase the tax on motor fuel without causing injustice, for part of the burden would fall unfairly on consumers who use it for other purposes than transport. According to ideas which have found favour with the Higher Council of Transport the solution of the problem is to be found in the collection of tolls.

It may be mentioned in this connection that safety measures and labour regulations weigh much more heavily on the railways in France than they do on road transport.

Secondly, road transport escapes the carrier's obligation which makes it necessary for the railways to maintain very considerable reserves of rolling stock, etc., which means greatly enhanced cost of operation. The railways rank as a public service, and as such cannot evade their obligations towards the community. But transport is not something that can be accumulated and to satisfy the requirements of their clients the railways are compelled to hold and keep in good condition sufficient rolling stock to meet all demands. Road transport, on the other hand, can choose its routes and choose those that will offer the maximum amount of freight on each journey, including the return journey. Exempt from the carrier's obligation, it only keeps and maintains the number of vehicles for which it is assured of full employment.

Lastly, road transport, in so far as goods vehicles are concerned, is only subject to maximum rates, while the railways must charge specific rates fixed by the Ministry of Public Works, and which are compulsory in all cases.

Here we touch the sore point in the competition, which leads to the artificial transfer of much traffic to the roads, and means an annual loss of thousands of millions of francs to the S.N.C.F. The S.N.C.F. has uniform rates fixed on a national basis, involving two disadvantages from the competitive point of view. In the first place rates are the same for profitable and unprofitable lines, and as the operating costs upon which the rates are based are average costs there is frequently no proper relation, in the case of individual lines, between the actual operating costs and the rates charged. In the second place there is differentiation between the rates charged for different kinds of goods, some paying too high a rate so that lower rates may be charged for others.

It will be seen that the method of fixing railway rates is favourable to competition from road transport which, being entirely free, can concentrate on the most profitable traffic. Since it can adjust its rates to the particular route, it can choose those routes on which there is ample traffic, and which can therefore be operated at a low cost owing to the fact that loads can be secured

both ways. One can therefore see running on certain important routes, such as the Rhone Valley, motor lorries which have turned their backs on the less generously endowed districts, such as the mountain regions, upon which they formerly operated. In these circumstances they can quote low rates, and still make a profit, even when their actual operating costs are higher than those of the railways, which they are on these busier routes.

And it is the same with the classes of goods carried: road transport chooses those for which the railways charge the highest rates, and upon which they therefore rely for their profits. Things are gradually coming to such a pass that the railways only get the heavy goods—road transport skimming the cream off the traffic—with the paradoxical result that the means of transport whose operating costs are highest can quote the lowest rates.

We have tried to explain as clearly as possible some of the aspects of the road-rail problem which the Higher Council of Transport had to face. We will now consider how it proposes to solve the problem; and in this connection it should be noted that its proposals are only recommendations, since the final decision rests with the Government.

The co-ordination of passenger transport

The principles adopted hardly differ from those in vogue before the war. The plans drawn up, one for each of the territorial "departments" into which the country is divided, provide for the substitution of road for railway services where the traffic is small, and conversely the abolition of road transport services where they are unnecessarily parallel to railway services. In the comparatively small number of cases where it is proposed to maintain the two kinds of service rate-fixing rules can be adopted which will bring operating costs down to the minimum.

Road transport undertakings are to be licensed and will operate under regulations, subject to modification at any time, which will among other things contain provisions calculated to ensure a good service from the point of view of passengers.

Basic rates are to be fixed on a national scale in accordance with a variable economic index number, further adjustable in accordance with an "adaptive scale" to allow for special conditions of operation of different lines. Once the basic rate for the particular line has been fixed, the undertaking will be free to modify it at will within the limits of 10 per cent in an upward direction and 20 per cent downwards. In the case of routes common to two or more road transport undertakings they are to be required to come to an agreement on the rates to be charged.

The Council proposes to abolish the pre-war regulation which required the railways to bear the losses on road transport services established to replace railway lines closed to passenger traffic.

It is further proposed that where the authorities (General Councils) of the territorial departments subsidize road transport services upon which they have imposed obligations calculated to affect their financial

stability, the cost of the subsidy just be covered by a tax payable by all the road passenger transport undertakings operating within the borders of the department.

The Council's proposals also provide for co-operation between road and rail to facilitate connections for both passengers and baggage.

The co-ordination of goods transport

Private goods transport, that is to say transport operated by persons or corporations for purposes of their own business, etc., is to be entirely free, always provided that it does not carry goods for other persons, in which case it becomes public transport subject to the regulations proposed by the Council. Serious penalties are provided for breaches of this rule.

But it is in the sphere of public transport that the proposals of the Council are most far-reaching. As we have already mentioned, it has adopted the principle of co-ordination by rates based on actual costs. Railway rates will be either minimum and maximum or fixed, and they may also provide for differentials for particular lines, based on actual costs on such lines.

Road transport rates will also be minimum and maximum, and subject to Ministerial approval.

This co-ordination by rates implies very far-reaching changes in present railway rates, which can only be introduced gradually. There will have to be a transitional period during which the Council proposes that the following measures should be adopted to facilitate their eventual full application:

1. The contraction of rail transport by the closing of lines carrying *short-distance* traffic which can be carried more economically by road transport. This will apply in the main to lines already closed to passenger traffic.

2. The contraction of *long-distance* public road transport on certain important railway routes.

It will be seen that the Council, inspired by considerations of operating costs, aims to direct the railways towards long-distance, the road transport towards short-distance traffic; short-distance traffic being defined as traffic within a radius of 100 to 150 kilometres (about 63 to 95 miles).

It should be mentioned that when railway lines are closed to goods traffic the S.N.C.F. would still control the traffic they formerly carried, entrusting it to road transport undertakings responsible to itself. This would offer its clients the advantage of having only one body responsible for carriage from end to end, the S.N.C.F.

Proposals common to both passenger and goods traffic

We have already pointed out that road and rail transport do not at present bear like burdens. The Council's proposals include the equalizing of some of these burdens. One of these is the carrier's responsibility towards his clients and towards third persons. The principle of the obligation to carry has already been accepted; it only remains to regulate it, either in the executive decree or in the operating regulations.

In so far as the roadway is concerned, the Council proposes that special taxes should be imposed on motor transport to cover as nearly as possible that part of the expenses incurred by the public authorities for the maintenance, supervision and policing of the roads that can be charged to it.

As regards labour legislation, the trade unions have been successful in getting the Council to propose that: "The personnel of all road transport undertakings may, in the interests of public safety, be required to undergo medical examinations similar to those required of the personnel of the S.N.C.F. It should enjoy advantages, safety measures, wages, guarantees of employment, hours of work and rest, regularity of weekly or periodical rest, paid holidays and sickness and superannuation régimes that can be regarded as equivalent to those enjoyed by the railwaymen."

Finally the Bill provides for the keeping of statistics of goods transport by road, control over the enforcement of the co-ordination regulations, and penalties for breaches of the same.

These are the essential features of the proposals for road-rail co-ordination drawn up by the Higher Council of Transport as a result of a year's investigations. Will they prove effective? Time alone can tell—always provided that the Government carries them into effect! The Council, at any rate, can claim credit for another step towards a definite solution of the problem which will put an end to the senseless struggle between the two means of transport.

U.S. PORT AUTHORITY DEVELOPMENT

In the transport industry, private ownership is beset with many problems determined by general economic factors beyond its control, the solving of which has become increasingly difficult. National and regional economies set themselves aims to which transport as a whole has to live up. Consequently the community must step in to assist in solving problems thus raised. As a rule this necessitates a new set-up for transport, expressing itself primarily in new organizational and managerial forms and which at the same time outdates and supersedes private ownership. This development has manifested itself particularly in the case of seaports, which of necessity play such an essential rôle in the promotion of the foreign trade of a national or regional economy.

Moreover, seaports themselves are constantly in need of development, technically as well as organizationally. The latter necessity in particular results from progressive changes in the lay-out of transport systems covering the port's connections with its hinterland. Apart from this there are, of course, organizational necessities determined by the economic requirements of the country or region concerned when it is itself constantly developing.

All these factors have led to the emergence of new forms of port operation, most of which are based on some kind of public or trust ownership roughly to be divided into two types; namely, direct ownership by the community or ownership by a separate body—the Port Authority. The first is to be found throughout the world, in many important cases, owned by the municipality, but this is not the familiar kind. It is the Port Authority system which is in use at most of the bigger ports in the United Kingdom and the United States, particularly at London, Liverpool, New York, New Orleans and San Francisco.

The functions of the Port Authority may be said to consist of conservancy and dock-ownership. The first heading comprises all operations connected with making the port available for shipping: maintenance of navigation channels, surveying the same, buoying and lighting, removal of wrecks, signal service, pilotage service, and supervision of foreshore to prevent interference with navigation channels.

As dock-owners the Authority provides the equipment necessary for the accommodation of ships, their loading and discharging and the movement of their cargoes, including the provision of transit sheds, cranes and other cargo-working machinery, power plants, railway lines and roads, etc.: "facilities", such as working of lock gates (if any), lighting, berthing masters and everything necessary to enable a ship to get with safety to a position to discharge and load its cargo. Apart from all these, services are provided which include everything connected with the handling of cargo, discharging or loading, receiving, despatching and sorting. "Facilities" are necessarily provided by the dock-owner, but with regard to the rendering of "services", the practice varies within wide limits. In some ports these are rendered by the dock-owners, in whole or in part. In others, the policy is to leave the services to private enterprise.

Port Authorities in the United States tend to lay much emphasis on the port's regional character. The State in which the port is situated is usually extremely interested in the wider aspects of the port's activity, as well as in the extension of its hinterland, and as a consequence of this, often possesses the controlling right in the Authority. Such is the case with the San Francisco waterfront whose facilities are now owned by the State of California and operated by the Board of State Harbour Commissioners, as well as with Seattle, New Orleans and Virginia Port Authorities, all of which were created by statute of the States concerned.

The South Carolina Ports Authority is an excellent example of a State controlling and co-ordinating the activities of three ports; namely Charleston, together with its auxiliary ports, Georgetown and Beaufort, A more complicated case is that of the Port of New York, which lies within the boundaries of both the States of New York, and of New Jersey. Even as early as 1834. these two States had found it necessary to sign a treaty concerning their jurisdiction over the harbour waters. Later in 1917, the Interstate Commerce Commission recommended that, as the port was an integral part of both States, immediate steps should be taken to reorganize and co-ordinate facilities there. This advice was acted upon in April, 1921, when the Port of New York Authority was established, consisting of six Commissioners, three from each State, and possessing full power and authority "to purchase, construct, lease and operate any terminal or transportation facility within the port district; to own, hold, lease and operate real

or personal property as well as to borrow money and secure the same by bonds or by mortgage upon any property held or to be held by it."

It may also occur that a Port Authority will be interested in airways terminals in the port area and, as is the case with the New York Authority, may actually own and operate such airports. Since I June, 1947, this Authority has successfully undertaken the development of La Guardia, New York International and Newark airports and has invested \$370,000,000 in them. The Authority's air programme calls for the development of these three airports on a regional basis in order to serve the whole port area.

A very recent and typical example of the tendency towards the creation of port authorities and in particular of its regional character is to be seen in the post-war creation of The Port of Boston Authority (legalized by "Chapter 619 of the Acts of 1945 of the Commonwealth of Massachusetts"). It is quite obvious that a favourable development of the port of Boston would not only be of local importance, but also a matter of great consequence for the whole State of Massachusetts, of which Boston is the capital. The Port of Boston Authority is, by modification and extension of the General Laws of the State of Massachusetts, considered as one of those cultural and economic bodies (e.g. The Milk Regulation Board, State Planning Board, etc.) active in the public interest under the general superintendence of the State Governor.

The Port Authority Board set up by the Governor consists of five members, of whom a maximum number of two may be citizens of Boston. It is responsible for the administration and management of the port and its daily working, as well as for the submission of plans for the development of the port, together with publicity campaigns on its behalf. It also has power to appoint a director and other staff. A yearly report is issued, having particular reference to the financial side, including the purchase and sale of properties, etc. In general, the Authority takes upon itself all those activities which were previously performed by the Public Works Department.

In this connection it is important to note that all the Authority revenue is made over to the State and paid into a special *Port of Boston Fund*, so that each year the necessary sums for the upkeep and improvement of the port and the payment of interest on loans, etc., are made available. The income from the port is thus at first to be kept entirely separate from other State funds.

Although the law neither grants nor delegates to the Authority any power of decree, the latter nevertheless possesses the right "to take by eminent domain", i.e. it is enabled to take over private property against adequate compensation if this be considered in the public interest, particularly in cases where public building schemes or extension of existing public buildings is involved. The public is, however, protected against this power to a certain extent, in that such requisitioning is not possible if the owner or tenant (1) submits for approval plans for a suitable exploitation of the property and (2) has actually made a start with the execution of such plans within a year of their having been approved.

Expropriation by the Authority in the interests of suitable railway connections between the various port regions is, however, permissible at all times and from this and other stipulations of a more technical nature can be seen the special interest of the authorities in railway traffic from, to and in the harbour areas. Boston is in any case primarily a railway transit port and possesses an extensive network of railway connections with the hinterland.

It is, as long as private ownership exists in the transport industry, inevitable that on occasions the interests of a Port Authority and those of private transport should clash, particularly where rail transport is concerned. Such is the case at the present moment in New Jersey, where an effort by the State of New Jersey towards unification of the port's waterfront railway facilities is meeting with stiff opposition from the local railway companies. The Port Authority believes that consolidation of waterfront operations should be undertaken in order to effect greater efficiency and economy and to release valuable waterfront sites for marine terminal and industrial development. A report issued by the Authority sets out a number of measures which would result in reduction in costs.

It was pointed out that every important rail system serving the port of New York, except the New Haven Railway, has a main freight terminus on the New Jersey side and the practice of each railway according to the report, is to secure the longest possible haul on its own rails, and joint through rates, if any, apply, by way of interior junctions beyond the port district, but not through local interchange points in the district.

The report also noted that the railways have thus far failed to do anything about unification. It indicated that general consolidation would bring economies to the railways, but if they continued to object to such consolidation, it might be possible to effect limited consolidation for development of the New Jersey waterfront in the public interest.

In conclusion it was stated that if the State should agree that comprehensive development is necessary, the railway companies would have to show willingness to take part in voluntary negotiations, otherwise the practicability of adopting a mandatory plan, to be approved by the Interstate Commerce Commission, would have to be considered.

To sum up, it appears that in the United States the desirability of proper independent administration of ports has been thoroughly recognized and in particular, that the appropriate form is to make responsible for the ports' operation specialized, more or less independent bodies, which will be guided in the first instance by the interests and needs of the ports themselves as an integral part of the community. The Port Authority system is now extending all over America and although it must be expected that it will still have to face many difficulties there are, nevertheless, ample indications that the valuable experience which is being gained will contribute towards co-ordination of port and other transport facilities in the United States, to the benefit of the sub-continent as a whole.

ECA, AMERICAN SHIPPING AND WORLD PEACE

By JAMES W. WADSWORTH

Economic Co-operation Administration

Abbreviated text of an address delivered before the Maritime Law Association of the U.S.A. in May, 1949.

ECA is not a shipper. It routes no cargoes, hires no forwarders or brokers, makes no bookings, charters no vessels and handles no shipping arrangements.

Since available ocean shipping and U.S. rail facilities have been able to handle the movement of recovery programme cargoes without undue strain, these matters have been left to the channels of private trade in accordance with the provisions of the Act.

Has Two Functions

1. It is responsible for supervising the expenditures of ECA funds for the payment of ocean freight, implementing requests of the participating nations for procurement authorizations for freight purposes and establishing regulations under which the ECA nations secure reimbursement for dollar port charges.

2. ECA administers other special provisions of the Act relating to shipping, such as, for example, the so-called American Flag Rule or 50-50 clause.

The latter brings me naturally to the new amendments to the Act. I have listed four which are of special interest. They concern first of all, the section to which I have just referred.

The ECA administrator, under the criginal bill, was responsible for taking the necessary steps to ensure, as far as practicable, that at least 50 per cent of the gross tomage of commodities procured with ECA funds is shipped on U.S. flag vessels to the extent such vessels are available at market rates. Congress has amended this provision to provide that market rates are spelled out as market rates for U.S. vessels.

"Market Rate" Clause

The proper interpretation of the words "at market rates" has been at doubt. ECA has held the view that this meant world market rates. Others have claimed that they meant U.S. flag ship market rates.

The difference was, of course, important since, in the case of bulk-cargo vessels, the rates for U.S. flag ships are often substantially higher than those of flag vessels of other countries. In his testimony during the hearings on the new bill the ECA administrator, Paul Hoffman, asked for clarification of this issue.

In the amendments to the Act, Congress states definitely that market rates are to be interpreted as market rates for U.S. flag ships. In other words, ECA, in carrying out the 50–50 clause, must hereafter make use of U.S. flag ships even if their rates are higher.

This section is further amended to provide that computation shall be made separately for dry bulk carriers, dry cargo liners and tankers and that the ECA administration shall, in so far as is practicable, endeavour to secure a fair and reasonable participation by U.S. vessels in cargoes by geographic area.

One of the amendments permits the ECA administrator to waive the requirement of a deposit of counterpart with respect to ocean transportation on United States flag vessels by the amount which the United States rates exceed world market rates.

Counterpart Funds

If I may, I would like to digress here briefly to discuss these counterpart funds. This is one of the unique provisions of the ECA Act and one that is, we have found, very little understood. It has proven to be, however, one of the most effective of the recovery tools placed in ECA's hands under the Act. It has practically doubled the amount of cash available for recovery purposes.

Section 115 (b) (6) of the Act requires that the dollar assistance furnished Western Europe in the form of grants be matched by equivalent amounts of local currency deposited in a special account by the foreign agent receiving the ECA goods. In other words, ECA aid is not a gift to the individual. He, the individual, pays in his own currency for whatever he receives at an internationally fixed rate of exchange.

These special accounts of local currency, except for 5 per cent which is set aside for the use of the United States, are available to the governments of the ECA nations for projects which they, and ECA, agree will contribute to recovery. For example, dollars have been used to finance shipments of cotton, grain, petroleum and machinery to Italy. The lire paid into the counterpart funds for these goods have been used by the Italian Government, with ECA's approval, to build bridges, drain marshes, rebuild railroads and so on.

In other countries—for example, the United Kingdom and Norway—part of the funds has been used to retire government debt in an anti-inflationary drive.

So remember that only governments get anything free from ECA.

Insurance, Emigration

There are two other amendments to the Act which are of particular interest. The marine insurance section, for one, has been amended to require that insurance shall be placed on a competitive basis in accordance with pre-World War II practices. There will be more on this point out of Washington shortly.

And, finally, a new provision designed to assist in the solution of the Italian emigration problem. Italy's over-population and resulting unemployment has been . . . and is . . . a serious factor retarding Italian recovery. The Italian Government has an emigration programme which has been, in part, held up for lack of ships. The new ECA bill authorizes the United States Maritime Commission to make a maximum of ten

vessels available for this purpose. Most of the expenses will be paid by the Italian Government in lire but dollar expenses will come from the ECA allotment to Italy. Procedures for putting into effect this amendment are now being discussed with Italy.

Conditions under which ships will be used will be established by the administrator. I think it safe to say, however, that the ships loaned to the Italians will not be taken from the U.S. North Atlantic run. On the other hand, Italians will not be permitted to put into North Atlantic service Italian vessels freed from present routes to other countries.

In overall figures ECA tonnage crossing the seas in American flag ships this past year was 46.9 per cent of the total.

A breakdown of the figures shows that with respect to berth cargo U.S. ships carried 55.2 per cent. This tonnage is, of course, the highest cost per unit and the most remunerative.

Cargo in U.S. Ships

Only 28.8 per cent of U.S.-financed tanker cargoes were carried in such ships, due to the fact that a large proportion of the U.S. tanker fleet has, for a temporary period, been engaged in carrying oil from off-shore points as well as in the U.S. coast-wise trade. ECA felt that to demand that existing charter arrangements be disrupted in order to carry the relatively small exports of oil was unnecessary and impracticable.

The shift is, however, being made with the result that March, 1949, figures show a percentage of 42.4. It is believed that this increase will continue.

Of ECA-financed bulk cargoes moved from the U.S., 47.5 per cent were carried in U.S. flag ships. At the end of 1948, this figure stood at 50.1 per cent, but the strikes last Autumn in the French coalfields resulted in a sudden and notable increase in the programme during the winter months, reducing the availability of vessels. The use of our flag ships as a result, fell off sharply in January, 1949. It increased subsequently, but the loss had not been regained by 2 April.

I think I should add that these figures do not include shipments for China, of which 90 per cent was carried in American vessels.

Both the Senate Foreign Relations Committee and the House Committee on Foreign Affairs reported out the new ECA bill unanimously.

House Committee Report

The House Committee report said:

"No apology need be made for the European recovery programme. It is working. The aims that the Congress had in mind when it passed the Economic Co-operation Act a year ago are in the course of realization."

The Senate Committee report concluded with the following:

"Last year the ECA Act was described both as a calculated risk and an ideal. Due to the efforts of the peoples on both sides of the Atlantic, the risk has proved worth taking. The programme is now successfully

under way. With the momentum gained during the past twelve months, this second and critical year should bring the participating countries still closer to the achievements of those great ideals of common welfare and peace embodied in the recovery programme."

At ECA, of course, we found those words heartening. Heartening but sobering, for no one could know better than those working in the programme that the Senate was, indeed, right when it spoke of "this second and critical year".

The programme has gained momentum. But it would be very easy to lose that momentum. Now is the time to take the fullest advantage of the gains made. And to go on and on from there to the goal of our programme.

ECA's field is, of course, primarily economic. But in these curious times it is impossible to separate the life of a nation or the lives of the people into neat little compartments, economic, political, social and so forth. "Common welfare and peace" the Senate report said. Those two are the goals towards which the European nations, with our help, are directing their efforts.

"Peace Is Our Business"

At ECA we say that "peace is our business". We admit that economic health may not assure peace of itself, but it is a substantial preventive of conditions which create international ill will and so lead to war. In the present international situation it most certainly is a factor and a major one.

It was General Marshall, the soldier, who said that peace could not be won by bullets alone. He saw, too, the part the United States must play if peace was to be assured. In that memorable Harvard University speech of June, 1947, in which he announced the proposal to the world, he said:

"It is logical that the United States should do whatever it is able to assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace."

General Marshall saw very clearly that the free world could not survive, challenged as it is to-day by competitive ideologies, unless the democracies of the world could furnish their people opportunities to attain dignity and decency in their personal lives in free and stable societies. It is to the creation of such societies that ECA is dedicated.

In addition to the English edition of this "Journal" there are editions published in Swedish and German. The I.T.F. also publishes a fortnightly "Press Report" which appears in the following languages: English, French, German, Swedish and Spanish.