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# GERMAN PRISM

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## *German Transport System*

# The Government's Transport Policy Programme

by Georg Leber, Federal Minister of Transport, Bonn

**I**t is nowadays generally understood that the problems of our transport system can no longer be overcome by partial solutions. When I assumed the office of Minister for Transport in the Federal Republic of Germany in 1966, I therefore instructed my collaborators to provide me with a comprehensive analysis of the situation of transport and communications and to make a list of the required improvements. Recognising that an all-embracing traffic plan was a matter of prime importance, the Federal Government also asked me to submit a programme that would comprise all means of transportation.

It goes without saying that a thorough investigation of the facts had to be undertaken before such a far-reaching programme could be worked out. We were of course aware that such an attempt at reform would affect not only considerable general interests but also the livelihood of many individuals. We were therefore in duty bound to proceed with caution and think carefully.

For several months now a discussion has been going on about the transport programme which, after being worked out in the Federal Ministry of Transport, subsequently received the approval of the Cabinet after a discussion extending over several meetings. This programme has given rise to, and stimulated, great debates about the problems facing the transport system not only in the Federal Republic, but also in other European states. Considering the enormous number of the proposed measures it is hardly surprising that the debate has been conducted with passion and with the financial and organisational support of large and powerful pressure groups.

### **The Transport System in the Federal Republic**

The traffic carried by the German Federal Railways has been decreasing from year to year. The system is not working to capacity. Many branch lines do not earn even half their costs. In the beginning of this year its total indebtedness amounted to roughly DM 18,500 mn. Financial contributions by the Federal

Government to the Federal Railways have risen correspondingly, amounting in 1967 to roughly DM 3,100 mn. To allow this trend to continue—a trend that has been caused by the great structural changes in the German economy and the transfer of freight from rail to road—would mean before long imposing an unreasonable strain on the Federal budget. It would also upset the Federal Government's financial plans, which are prepared for several years ahead. Such negative pressures would make it vastly more difficult, if not altogether impossible, to change the structure of the Federal Railways and adapt it to the requirements of the future.

By contrast, road traffic has been increasing from year to year. In 1960 every twelfth citizen of our country had a private car, in 1966 it was every sixth and by 1980 every third will be the possessor of a motor car. To the 11 million cars licenced in the Federal Republic must be added some 900,000 lorries. Furthermore there is the additional strain imposed on our road system by the constantly increasing number of foreign heavy lorries crossing our frontiers. The density of traffic in the Federal Republic is appreciably greater than in other countries. In our country some 400,000 motor vehicles pass annually over one kilometer of road, whereas for instance in France the comparable figure is no more than 100,000; for Italy the figure does not exceed 200,000 and for Great Britain 330,000. This density of traffic has developed in spite of the fact that the Federal Republic of Germany has built more roads in the last two decades than any other country, second only to the United States of America. These peculiarities of the German traffic situation must be taken into consideration in all comparisons with foreign countries and in all comments abroad on our measures.

A comparison between rail and road traffic leads to the inevitable conclusion that the Federal Republic is clearly guilty of extravagance. On the one hand we are faced with unused railway capacity and the consequent deficits which must be covered by an-

nual state subsidies running into billions. On the other we are confronted with a constantly rising traffic of goods and persons on our roads, which likewise necessitates the expenditure of billions of marks without the slightest hope of our ever solving the problem of putting our roads in order.

Another matter for concern is the economic position of inland water transport. This branch of traffic is also specifically affected by the structural changes that have taken place in the cargo volume of bulk transport. This applies particularly to the medium-sized and privately owned enterprises, which represent 95 per cent of the 4,100 firms engaged in inland water transport which as a rule own only one ship and which nearly all act as sub-carriers for other shipowners.

The German sea ports are also confronted with growing difficulties. Competition between the German ports and those on the Rhine estuary is considerably distorted by a series of factors which contribute in no small measure to the unfavourable trend of German sea port-traffic. Whereas the traffic through our ports is subject to national traffic and tariff regulations, no such regulations exist for the traffic crossing the German frontier on its way from or to the ports on the estuary of the Rhine. Another factor is the unfavourable location of some of the German seaports. Their situation has further deteriorated since the loss of their hinterland in the East, forcing them to compete against bigger and artificially distorted odds.

#### **A Dismal Balance Sheet**

As far as traffic by air and sea is concerned, the situation is characterised by the need for constant adjustment to international developments in order to stay in the competitive race. The rapid development of world air traffic, and in particular the trend towards ever bigger and ever faster aircraft, necessitates the extension of our airports in order to enable them to cope with the new conditions. Our shipowners are facing at times difficult problems that arise from the preference some countries increasingly tend to give to ships sailing under their national flag, and this tendency severely restricts the activities of German shipping lines. Then there is the world-wide trend towards "containerisation", which raises for the shipowners investment problems of vital importance. Without the construction and equipment of container-ships and installations German shipowners and ports risk being left behind in the race for modernisation.

All in all therefore a dismal balance-sheet. From this the Federal Minister of Transport looking at the situation soberly, could not but draw the conclusion that in view of these developments further delay would be irresponsible. It would inevitably lead to a further deterioration in the general transport situation, particularly inland where the road and rail situation is becoming more menacing. This situa-

tion could only lead to an unjustifiable constriction of the scope for fiscal measures by the Federal Government and thereby jeopardise the functioning of the traffic system.

#### **The Programme for a Traffic Policy**

This realisation is taken into account in the "Federal Government's Transport and Traffic Policy Programme for the years from 1968 to 1972". This programme represents for the first time a comprehensive plan covering all branches of traffic. The proposed measures are correspondingly numerous and extend to all spheres of the transport system. This is no fortuitous result but meets the need to establish the basis on which a permanently sound modern traffic system will be able to function.

The traffic plan contains, apart from numerous individual measures, two crucial provisions:

- ☐ stabilisation of the Federal Railways' financial position and at the same time its modernisation, and
- ☐ the relief of the road network from heavy and bulk transports.

The Federal Railways is to be streamlined in its structure and its personnel through reorganisation, concentration and rationalisation. Its network of lines is to be reduced and the remaining routes are to be made more efficient commercially, operationally and technically. The final goal is a "railway of the future", comparable to a business organisation conducted on modern management lines. The railway must therefore concentrate to the full on developing its decisive advantages, which are its ability to transport heavy goods over long distances and its point-to-point services between city and city, as well as to serve as a means of mass passenger transport in the areas of high population density. We are of the opinion that the proposed measures, which cut deep into the structure of the Federal Railways, are all that can be expected of it.

The proposed reorganisation of the road traffic gives priority to two objectives. We want to make doubly sure of the success of the proposed reform of the Federal Railways by introducing complementary measures designed to restrain long-distance road-haulage and particularly the long-distance traffic on works' own road vehicles. At the same time road safety is to be improved, for the record of road accidents gives rise for concern. It is intended to impose a special tax on long-distance road-haulage. This tax will amount to one pfennig per ton kilometer for long-distance goods traffic, while in the case of long-distance traffic in factories' own road vehicles the tax will be on a sliding scale, ranging from three to five pfennigs per ton kilometer according to payload. In addition, as from the first of July 1970 the transport of certain heavy and bulk goods over long-distances is to be banned. Simultaneously with this ban there are to be fewer licences for road hauliers while the use of smaller vehicles for

long-distance road traffic is to receive more encouragement.

### **Aims of the Traffic Plan**

These temporary measures intended only for a transitional period are very drastic but they are indispensable, if the necessary order is to be restored to the country's inland transport. They shield the Federal Railways from a further intensification in competition while it is in the process of undertaking the changes which aim at improving its efficiency and financial position; by restraining heavy goods traffic on the roads they improve the safety and the flow of traffic on the roads and they enable the road network to be more harmoniously adjusted to the continued heavy increase of private motoring.

Among the aims of our traffic policy special importance also attaches to our efforts to further more intensively the combined road and rail transport. Here we are tackling three tasks simultaneously. Firstly, we want to relieve the roads of heavy goods traffic over long distances. Secondly, we wish to divert this traffic back to the railway and, thirdly, we are anxious to see that the small and medium-sized transport firms are not deprived of their present spheres of activity. We have devised means of furthering combined road and rail traffic, and these measures should offer transport users equal, if not better, transport facilities.

As for the inland waterways, the proposed measures aim at enabling this traffic to function more effectively. The relevant measures may be found in the following sections: regulation of capacity; structural improvements (with particular reference to small privately owned businesses); procedures for setting and approving freight rates; rate control. Special importance in this connexion attaches to the proposed scrapping scheme because, for one thing, it counteracts the tendency to create surplus capacity and, for another, because it attacks the evil at its roots by withdrawing superannuated ships from circulation and by making it easier for their owners to retire.

The programme also provides for improved cooperation along the transport chain from continent to continent. In this context consideration is also given to the transport by sea and by air as well as to the places of transshipment. The Federal Government will therefore include in its current programme for the furtherance of shipping the building of special container-ships and will try to bring about close cooperation between all those concerned in the through-transport of container-freight. In the international organisations, the Government will continue to initiate, and press for the adoption of, measures designed to harmonise the various legal and administrative regulations, and it will also support the efforts at standardising containers and their transshipment facilities.

A further important objective of the transport-political programme is the integration of the transport sector

into the medium-term financial planning of the Federal Government and the coordination of the investments required for the extension of the system of communications and traffic facilities. In 1968 allocations for the transport and communications system were already the third largest item of expenditure in the Federal budget, ranking after defence and social charges. But they are still limited in comparison with the magnitude of the proposed construction programme and must therefore be used as effectively as possible. It follows that Government in its endeavours to improve the country's infrastructure must in future see to it that the available means are brought to bear where they are of the greatest use to the state's economy. The Government's Transport Policy Programme has been drawn up in full recognition of the problem in hand; it provides for an integrated rail, road, waterway and air-traffic programme—a programme that covers even pipelines.

### **In Step with EEC-Policy**

The range of the Government's policy has now been outlined as well as its essential aims—aims which have been dictated by the force of circumstances. It becomes clear from this outline that the programme is based on a uniform concept which makes it an integrated whole, the individual parts of which dovetail into each other. Some of the drastic measures, designed for the period of adjustment, must be put into effect simultaneously and without delay, if the desired end is to be achieved.

A point to bear in mind is that the programme is so designed as not to clash with the basic principles of a common transport and traffic policy such as is emerging in the EEC. The key-note of the programme—to provide the national economy with the best possible traffic facilities—is in full accord with the aims that both Council and Commission of the EEC have set themselves for their common transport and traffic policy. There are some minor reservations to this agreement with the Brussels concept—these reservations will have to be discussed further—as well as the individual measures envisaged in the German traffic programme. The exchange of ideas that has already taken place with all the transport ministers of the EEC countries and their reaction to the Federal Government's Transport and Traffic Programme as a whole encourage me to hope that the German traffic plan will exercise a positive influence in the further negotiations about a common traffic policy in the EEC.

What matters now more than anything else is to solve the grave traffic problems in the Federal Republic quickly and effectively. The steps the Federal Government is proposing to take are on the whole the right ones and should achieve the set objective. But time is short. What matters therefore now is for the German Federal Parliament to discuss the programme without delay and pass it soon. The final decision thus lies with the legislators.