

Memorandum on Liberalization within the
field of Inland Transport, submitted by
the Netherlands delegation.

The Council of O.E.E.C., with its decision of July 4, 1949, has applied the principle of liberalization of trade also on tourism and other invisibles, and has instructed the Technical Committee accordingly.

In the matter of inland transport, the Netherlands delegation submits as its opinion that, although some headway in this field has already been made through concerted action of nations in the past, further action is called for. Since progress in this respect does not primarily rest on unilateral action, they recognize for the I.T.C. of O.E.E.C. an important task in this field. Progressive action should have as its object a rational utilization of the means of transport and the transportways in the wider field of the territories of the participating countries as one economic-geographical entity.

Whatever action should be decided upon, no measure should lead to payments of gold or dollars as between participating countries, since the object of the principle of liberalization is to contribute to an economic and monetary equilibrium.

There is, in this connection, a problem as between participating and non-participating countries which, being primarily of a monetary nature, is not dealt with in this memorandum.

The Netherlands delegation submits as a guiding principle for any measures to be taken, the

free choice by the user of the means of transport
and the transportways available within the joint
territories of the participating countries.

1. On this basis, it is suggested in the first place that those freedoms which were in existence before the war - either de jure or de facto - should not be retracted from or minimized. The freedom embodied in the various rivertreaties should be applied in practice. Also the freedoms regarding the European road-traffic, agreed upon on a provisional basis since 1947, should be elaborated or consolidated.

On the same basis, the following criteria are offered for consideration:

2. Freedom to contract for transport-services among residents of participating countries
 - (a) Railways: In principle there exists freedom to contract for residents of countries which acceded to the Berne-Convention;
 - (b) Inland Navigation:
 - (i) I.W.T. craft admitted to international traffic under the laws and regulations of their own country, should be admitted to international traffic without any restriction by other countries;
 - (ii) I.W.T. craft should in principle be permitted to participate in the internal traffic within the territory of other participating countries, on the condition that such I.W.T. craft is subject to the same laws and regulations which are in force for the national I.W.T. craft in inland water traffic of such other countries;

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(c) Road Transport:

- (i) Motor vehicles admitted to international traffic under the laws and regulations of their own country should be admitted to international traffic without any restriction by other countries;
- (ii) Motor vehicles should in principle be permitted to participate in the internal road-traffic within the territory of other participating countries, on the condition that these motor vehicles are subject to the same laws and regulations which are in force for the national motor vehicles in internal road traffic of such other countries.

As to the laws and regulations in force in the participating countries in respect of international and internal traffic - whether by water or road - a systematic effort to achieve a reasonable measure of uniformity ultimately, should be made.

It is recognized that there are at present various obstacles in the way of the application of the above criteria:

3. No discrimination in tariff-policy.

In the view of the Netherlands delegation, the principle of liberalization involves the principle of one economic-geographical entity for the sake of a rational utilization of the means of transport and the transportways. Therefore no tariff policy should have the effect of influencing traffic away from the most rational means of transport or transportway within the said entity.

4. No discrimination as a consequence of currency policy.

Foreign exchange for the payment of transport services in the opinion of the Netherlands delegation, should be made available separate from foreign exchange, allocated for the goods. The amounts of foreign exchange for payment of transport services should not be subject to allocation.

A further criterion suggested by the Netherlands delegation is:

5. Freedom to engage intermediaries or agencies in any participating country.

It is suggested that residents of any one country should have the free choice of intermediaries in the transportfield even when these intermediaries are residents of other participating countries. This freedom of choice is designed to foster a rational utilization of the various means of transport and transportways.

The Hague, October 14, 1949.