

TRANSPORTATION

Owing to the rupture of economic ties between Israel and her neighbours, almost all Israel's supply sources and export markets are overseas and distant. This fact influences the product of the Israel communications system and increases the cost of transportation. The value of the gross product in this sector amounted to IL. 256 millions in 1955, the value of the net product having increased to IL. 128 millions. As compared with 1954, the real product expanded by 8 per cent, as shown in Table 99.

TABLE 99
THE PRODUCT OF THE TRANSPORTATION SECTOR, 1954 AND 1955
(in IL. millions)

	at Current Prices		1955, at 1954 prices *	Percentage Increase in the Product in 1955, at constant prices
	1954	1955		
Gross Product	220	256	238	8
Net Product	110	128	119	8

* Price increases have been deducted in accordance with the prices of input and output.

SOURCE: Calculations of the Bank of Israel.

1. SHIPPING

Freight

The share of freight carried to and from Israel in Israel vessels has increased in recent years. This expansion was parallel to the growth of the Israel merchant fleet, which mainly carries cargo to and from Israel. Statistics of maritime freight transported to and from Israel and the share of Israel shipping are given in Table 100.

The decline in import cargoes carried by Israel ships, from 33 per cent of total imports in 1954 to 26 per cent in 1955, was caused by the operation of these ships on longer routes. Cargoes carried on short and medium length routes contracted by 132,000 tons, while those carried on the longer routes increased by 69,000 tons. The share of Israel shipping in the total ton-milage transported did not decline in 1955, despite the reduction of the 63,000 tons in the amount of cargo carried by Israel ships. Its share of export cargoes (in tons) rose from 19 per cent in 1954 to 28 per cent in 1955, mainly owing to the greater amount of citrus transported by the new ships acquired by Israel.

The transport of fuel under Israel flag began in December 1954. Until that date, fuel, to the amount of about one million tons per annum, had been imported exclusively by foreign ships. One tanker flying the Israel flag was in operation during 1955

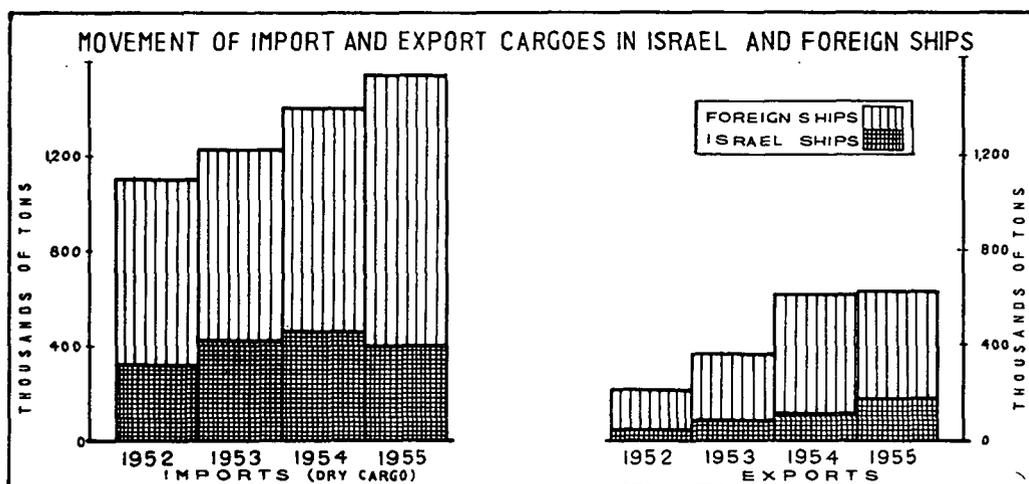
TABLE 100

CARGO CARRIED TO AND FROM ISRAEL, 1953 TO 1955
(in thousands of short tons)

	Dry Cargo			Fuel imported by Tanker
	Imports	Exports	Total	
1953				
<i>Total, All Flags</i>	1,232	367	1,599	1,063
Israel Flag	426	95	521	—
Percentage under Israel Flag	35	26	33	—
1954				
<i>Total, All Flags</i>	1,402	615	2,017	1,232
Israel Flag	463	114	577	10
Percentage under Israel Flag	33	19	29	1
1955				
<i>Total, All Flags</i>	1,540	625	2,165	1,435
Israel Flag	400	174	574	200
Percentage under Israel Flag	26	28	27	14

SOURCE: *Shipping Department, Ministry of Transport and Communications.*

and, at the beginning of 1956, it was joined by two others. A fourth tanker has been ordered and is at present under construction. With the increase in the number of tankers, the Israel fleet may become an important factor in the transport of fuel to this country.



Since the quantity of imports far exceeds that of exports, Israel ships have been forced to load cargoes in foreign ports in order to exploit their carrying capacity in both directions. The transport of cargoes by Israel ships between foreign ports is generally directed westwards from Israel, along the maritime routes leading to the countries which supply Israel with her imports. The volume of these cargoes, and of the total freights carried by Israel ships, is set out in Table 101.

TABLE 101

TOTAL CARGO CARRIED IN ISRAEL SHIPS, 1953 TO 1955

(in thousands of short tons)

	<i>Total Cargoes Carried to and from Israel</i>	<i>Cargoes Carried between Foreign Ports</i>	<i>Total</i>
<i>Dry Cargo</i>			
1953	521	450	971
1954	577	450	1,027
1955	574	375	949
<i>Fuel Carried in Tankers</i>			
1954	10	—	10
1955	200	30	230

SOURCE: *Shipping Department, Ministry of Transport and Communications.*

Freight rates for cargoes carried between foreign ports (mainly ore in bulk) are much lower than those for general cargo, which constitutes the principal import and export shipments to and from Israel. Israel shipowners regarded the carriage of bulk cargoes as supplementary to their liner activities rather than a justification by itself for the employment of cargo-vessels. During 1954 only two Israel ships were engaged as tramps, while in 1955 this number was reduced to one. *

Plans for the expansion of the Israel merchant fleet are partly based on increasing its tramp activity. Seven large cargo vessels, each of 14,500 d.w.t. tons, are at present being specially constructed for the carrying of bulk cargoes. When this plan is in operation, the volume of freight carried by Israel ships between foreign ports will be considerably increased.

Passenger Transport

In 1953, as immigration decreased and the number of ordinary passengers rose, two of the four old passenger ships then belonging to the Israel fleet were sold, and the remaining two were supplemented by the trans-Atlantic ship, s.s. "Jerusalem". These changes enabled the implementation of a fixed time-table of passenger sailings on the Mediterranean route, and the carriage of passengers to and from North America was begun. As these three ships are both slow and old (their average age being about 40 years) this arrangement may be regarded as temporary, pending the acquisition of new ships for the passenger service. In 1953, with the increase in passenger traffic between Israel, Italy and France, the Italian shipping companies expanded their activities. One of their two old ships was replaced by a new one, and a third passenger vessel was later introduced. In 1955, when the number of passengers on the Mediterranean line increased still further, a French company, which had not been active in Israel for three years, resumed its service on this line with one ship.

The old Israel ships were unable to face the competition of the better equipped foreign vessels, and Israel's share of the passenger traffic has therefore been gradually declining since 1952, although no serious change occurred in the number of passengers

* S/S "Yafo" sank early in 1955, after completing only one sailing during the year.

carried, as shown in Table 102. There was, moreover, a worsening in the distribution of passengers according to the class in which they travelled. As the ships owned by the Italian companies were newer, they mainly attracted passengers for the first and second class, while passengers in the lower classes generally travelled in Israel ships. Since there are considerable differences in price between higher-class and lower-class tickets, foreign competition had a more adverse effect on the income of the Israel fleet than on the actual number of passengers it carried.

TABLE 102
THE NUMBER OF PASSENGERS CARRIED TO AND FROM ISRAEL, 1952 TO 1955

Year	In All Ships	In Israel Ships		In Foreign Ships	
		Passengers	Per cent of Total	Passengers	Per cent of Total
1952	34,300	27,600	81	6,700	19
1953	50,400	30,600	61	19,800	39
1954	48,200	28,400 *	59	19,800	41
1955	54,500	29,000 *	53	25,500	47

* An additional 400 passengers in 1954 and an additional 4,000 in 1955 travelled in foreign ships chartered by an Israel company.

SOURCE: Prepared by the Bank of Israel, on the basis of material received from the shipping companies.

As against the declining share of passengers sailing on Israel ships between Mediterranean ports, more people travelled on the Israel—North American line. The s.s. "Jerusalem" started to ply this route in 1953, after American vessels had ceased to serve it. The number of passengers increased from 1,700 in 1953 to 5,100 in both 1954 and 1955.

The combined cargo and passenger vessel s.s. "Israel" began to ply the North American line at the end of 1955. This vessel, together with its sister ship s.s. "Zion", which supplemented it in March 1956, can maintain a fixed schedule of sailings at an international standard of service. It may thus be assumed that the number of passengers on this line will increase further in the future.

Added Value and Business Trends in 1955

The shipping branch produced an added value of I.L. 9.1 millions worth of foreign currency in 1955, representing 28 per cent of total receipts, as shown in Table 103. With the renewal of the fleet, the proportion of current foreign exchange expenditure will be reduced. This will apply especially to fuel costs, repairs and other expenses connected with the maintenance of the ships. Preliminary calculations show that the added value produced by the shipping branch will reach some 30 per cent of total income, once the renewal of the fleet has been completed. Insofar as international prices in any branch are maintained at a fixed level, while local companies operate without loss, or even at a reasonable profit, the price in Israel pounds of every dollar saved by their activities is equal to the official rate of exchange. Thus, the fares on Israel ships are determined in accordance with international rates, and the net profits of the shipping companies, after deduction of interest and depreciation, totalled about IL. 1 million in 1955.

TABLE 103

RECEIPTS AND ADDED VALUE IN THE SHIPPING BRANCH, 1955
(in IL. thousands)

Receipts		32,100
Expenditure: In Foreign Currency	15,200	
In Foreign Currency Equivalent	7,800	23,000
Added Value in Foreign Currency		9,100
Added Value in Foreign Currency as Percentage of Receipts		28.3

SOURCE: Prepared by the Bank of Israel on the basis of reports from the shipping companies.

Shipping profits tended to rise during 1955. The index of tramp freights published by the Chamber of Shipping of the United Kingdom has been steadily climbing since 1953: the annual average was 77.5 points in 1953 (1952 = 100), 86.1 points in 1954 and 127.7 points in 1955. The liner rates charged by Israel ships were likewise raised in April 1955. The increase was by 10 per cent on the North-West European route and by 15 per cent on the North American route. It is reasonable to assume that the factors making for increases in freight charges, and especially the large scale coal exports from North America to Europe, will continue to operate for some time. The income from Israel shipping, and the added value produced by it, will increase still further if new ships are added to the fleet.

The Renewal of the Fleet

Most of the activities of Israel shipping until 1953 were designed to increase its share of cargo and passengers to and from Israel. Factors enabling the old ships of the Israel fleet to operate at a profit were the large number of immigrants and the high freight rates current in 1952 due to the Korean War. Falling transport rates and the restriction of immigration in 1953 affected Israel shipping adversely, and it was, at times, impossible to avoid losses caused by the high operating costs of the old ships. The operating costs of a ship are determined by its technical condition, which becomes progressively worse as it ages. Nearly half of the ships in the Israel fleet in 1953 were over 20 years old, as shown in Table 104.

TABLE 104

THE AGE STRUCTURE OF THE ISRAEL FLEET, 1953 AND 1955

Age, in Years	1953			1955		
	Number of Ships	Gross tonnage	Per cent of total tonnage	Number of Ships	Gross tonnage	Per cent of total tonnage
0 to 5	5	11,300	9.5	12	45,200	34.9
6 to 10	6	31,900	26.8	2	4,400	3.4
11 to 20	6	10,400	8.7	7	20,000	15.4
Over 20	14	65,500	55.0	13	60,000	46.3
Total	31	119,100	100.0	34	129,600	100.0

SOURCE: Prepared by the Bank of Israel on the basis of material received from the Shipping Department of the Ministry of Transport and Communications, and from the shipping companies.

It is generally considered that, under normal conditions, ships cease to be profitable when they are more than 20 years old. More than half the Israel fleet exceeded this limit in 1953 and it is therefore clear that the renewal of the fleet is an essential pre-condition for putting it on a sound business footing. In point of fact, the building of new ships for the Israel merchant marine was began in 1954, within the framework of the Reparations Agreement.

The age structure of the fleet in 1955 shows a considerable improvement, as eight ships constructed from Reparations funds were already in service during that year. The proportion of new ships will increase with the arrival of additional ships now being built, which will constitute the major part of the Israel fleet. The number of ships ordered, their types and the investment in them are shown in Table 105.

TABLE 105
SHIPS ORDERED UNDER THE REPARATIONS AGREEMENT, PRIOR TO 1 MARCH 1956

<i>Type of Ship</i>	<i>Number</i>	<i>Gross Tonnage</i>	<i>Investment in \$ thousands</i>
Cargo	13	95,700	28,200
Passenger	4	36,700	22,500
Other Types	11	34,900	12,070
<i>Total</i>	28	167,300	62,770

SOURCE: Prepared by the Bank of Israel on the basis of material received from the Shipping Department of the Ministry of Transport and Communications, and from the shipping companies.

Of the 28 ships ordered under the Reparations Agreement, 11 were already in service by March 1956, while the remainder will all be completed at various dates extending to the end of 1958.

2. INTERNATIONAL AIRLINES

Nine foreign civil aviation companies are operating in Israel, as well as the Israel company *El Al*. The latter company holds first place as regards the volume of business transacted. During each of the last three years, the proportion of passengers flying to and from Israel in *El Al* aircraft was 41 per cent of the total, as shown in Table 106. Though the activities of *El Al* suffered somewhat after one of its aeroplanes was shot down over Bulgaria in 1955, its share in the passenger traffic to and from Israel did not diminish,

TABLE 106
MOVEMENT OF PASSENGERS TO AND FROM ISRAEL IN ISRAEL AND FOREIGN AIRCRAFT, 1953 TO 1955

<i>Year</i>	<i>In All Aircraft</i>	<i>In Israel Aircraft</i>		<i>In Foreign Aircraft</i>	
		<i>Passengers</i>	<i>Per cent</i>	<i>Passengers</i>	<i>Per cent</i>
1953	62,400	25,500	41	36,900	59
1954	64,700	26,200	41	38,500	59
1955	77,400	31,400	41	46,000	59

SOURCE: Prepared by the Bank of Israel on the basis of material received from *El Al*.

In addition to carrying passengers to and from Israel, *El Al* also transported passengers between foreign countries. The total numbers of passengers carried by the company on all its lines were 28,800 in 1953, 30,300 in 1954 and 34,000 in 1955.

At the end of 1954, *El Al* owned four Constellation aircraft (one of which was shot down over Bulgaria), as well as four of the Commando type. Two additional Constellations were purchased in 1955. Three aircraft of the new Britannia type were ordered and will be put into service during 1957. The expansion of the air fleet will enable *El Al* to consolidate its position on the routes it now serves, as well as to extend its service to other routes.

The added value in foreign currency derived from the activities of Israel aircraft reached IL. 2.3 millions in 1955. This represents 18 per cent of total receipts, as shown in Table 107.

TABLE 107
RECEIPTS AND ADDED VALUE IN FOREIGN CURRENCY FROM CIVIL AVIATION SERVICES ON
INTERNATIONAL ROUTES, 1955
(in IL. thousands)

Total Receipts		12,800
Expenditure: In Foreign Currency	10,000	
In Foreign Currency Equivalent	500	10,500
Added Value in Foreign Currency		2,300
Added Value in Foreign Currency as a Percentage of Receipts		18.0

SOURCE: Prepared by the Bank of Israel on the basis of material received from *El Al*.

The income of *El Al*, in common with the income of Israel shipping, is based on the international level of fares and charges. Had Israel residents used foreign airlines to the same extent as *El Al*, they would have paid IL. 12.8 millions for this in 1955; however, the use of the services of an Israel company cost the economy IL. 14.8 millions, i.e. IL. 2 millions more. Had *El Al* not been working at a loss, the dollars saved through its activities would have been reckoned at IL. 1.800 to \$1.00, i.e. at the official rate of exchange. But, since the company incurs a loss covered from public funds, its expenditure in Israel pounds, on account of the \$1,278,000 saved (which constitute the difference, in dollars, between the value of its air services at international rates, i.e. IL. 12.8 millions, and its actual expenditure in foreign currency, totalling IL. 10.5 millions), is not IL. 2.3 millions but IL. 4.3 millions. This loss, therefore, raises the rate of exchange of the dollars saved to IL. 3.400 to \$1.00.

The added value in foreign currency is smaller in aviation than in shipping, while the cost of each dollar saved is greater. One of the contributory reasons for the high foreign currency expenditure and the losses incurred by *El Al* is the need to employ foreign experts. There is reason to hope that in future these experts will be replaced by local personnel. It must, however, be taken into account that nearly all

airline companies in the world are operating at a loss and are supported by their governments either by direct or indirect subsidies. Moreover, the Israel air services are of great value both from national and defence aspects.

The decision of the traveller whether to go by air or sea is generally determined by the relative cost and by the standard of service (including the speed of the journey) provided by these alternative means of transport. During the last three years, the price ratio has altered only slightly, as the price of air tickets rose by no more than 3 to 5 per cent while the cost of sea travel remained unchanged. The travelling public was served by six passenger ships, of which five were slow and obsolescent. On the other hand, it could avail itself of constantly improving air services and, as a result, there has been a continual, if slow, rise in the proportion of passengers choosing to travel by air, as shown in Table 108.

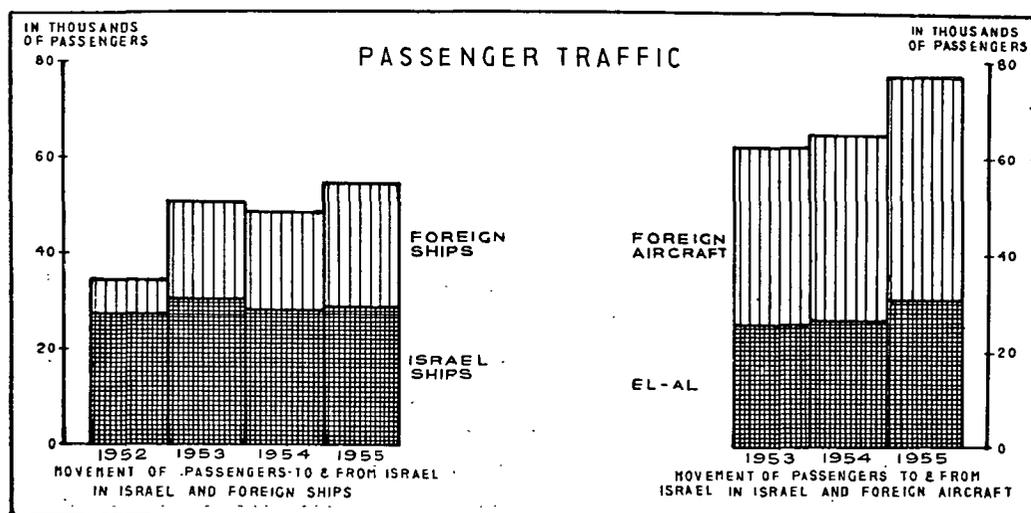
TABLE 108

MOVEMENT OF PASSENGERS TO AND FROM ISRAEL BY AIR AND SEA, 1953 TO 1955

Year	Total Number of Passengers	Passengers Travelling by Sea		Passengers Travelling by Air	
		Number	Per cent of Total	Number	Per cent of Total
1953	112,800	50,400	45	62,400	5
1954	112,900	48,200	43	64,700	57
1955	131,900	54,500	41	77,400	59

SOURCE: Prepared by the Bank of Israel on the basis of material received from shipping companies and airlines.

The large investments in new passenger ships made to improve the standard of service, the reduction by one-third in the time required for journeys to Europe, and the establishment of a permanent line between Israel and North America may bring about a change in the ratio between sea and air travel. This does not mean, however, that the absolute number of air passengers will diminish, as long as the number of travellers to and from Israel continues to increase.



3. RAILWAYS

During the seven financial years from 1948—49 to 1954—55, the sum of IL. 33.6 millions (at 1955 prices) was invested in railway development.* These investments brought about an expansion in the activities of the railways, both as regards the number of passengers and the tonnage of goods transported. This is shown in Table 109.

TABLE 109
OPERATIONS OF THE ISRAEL RAILWAYS, 1953 TO 1955

Year	Goods Traffic		Passenger Traffic	
	thousands of tons	millions of ton-km	thousands of passengers	millions of passenger-km
1953	995	99	2,416	169
1954	1,312	124	2,934	200
1955	1,324	131	3,254	234

SOURCE: Central Bureau of Statistics.

The main reasons for the increased use made of the railway have been:

(a) transport charges are approximately 30 per cent lower on the railways than on the road; (b) transportation of goods has been improved by the increased number of sidings and by the expansion of the co-ordinated service; (c) new rolling stock for passenger traffic has been acquired and a new station was opened in Tel-Aviv in November 1954.

The railway services in Israel have been operating at a continuous deficit. Table 110 shows that this deficit has become relatively smaller during the last three years, after the introduction of diesel locomotives and new carriages and the fuller exploitation of rolling stock, as the number of passengers and the quantity of goods carried increased.

TABLE 110
RECEIPTS AND EXPENDITURE OF THE ISRAEL RAILWAYS, 1952—53 TO 1955—56
(in IL. thousands)

Year	Expenditure *	Receipts	Deficit *	Expenditure as a Percentage of Receipts
1952—53	4,713	2,402	2,311	196
1953—54	5,344	3,188	2,156	168
1954—55	6,966	4,435	2,531	157
April 1955 to February 1956	6,982	4,757	2,225	147

* Not including depreciation, estimated at approximately IL. 861,000 during the financial year 1956—57.

SOURCE: Reports of the Railway Management.

As shown in Table 111, the deficit is smaller on goods traffic than on passenger traffic. The high expenditure per ton-km for goods trains is largely due to the fact that the first replacements of rolling stock were made for passenger traffic. During 1955, the new diesel locomotives operated on only 29 per cent of the total

* The calculation at constant prices was made by the State Comptroller's Office.

kilometrage covered by goods trains, as against 60 per cent of the kilometrage covered by passenger trains. The more extensive use of diesel locomotives for goods traffic may reduce the expenditure on goods trains in the future, and it is even possible that they will be able to operate at a profit.

TABLE 111
RECEIPTS AND EXPENDITURE PER TON-KM AND PASSENGER-KM, 1953—54 AND 1954—55
(in prutot)

	Expenditure *	Receipts	Expenditure as a Percentage of Receipts*
<i>Goods, Ton-Km</i>			
1953—54	31.80	19.64	162
1954—55	36.72	23.15	159
<i>Passenger-Km</i>			
1953—54	9.73	5.25	185
1954—55	10.72	6.69	160

* Excluding depreciation.

SOURCE: *Reports of the Railway Management.*

4. MOTOR VEHICLES

The carriage of goods and passengers by public motor transport has been expanding steadily since 1952. During 1955, road haulage (calculated in ton-km) and motor-bus transport (calculated in km) showed increases of 7 per cent, while the number of passengers carried by inter-urban taxi-cabs declined by 5 per cent, as shown in Table 112.

TABLE 112
OPERATIONS OF TRUCKS, BUSES AND TAXIS ON INTER-URBAN ROUTES, 1953 TO 1955

Year	Trucks, in millions of ton-km	Motor-Bus Traffic, in millions of km	Taxis on Inter-Urban Routes, in millions of passengers
1953	417	81.6	1.9
1954	480	83.7	2.1
1955	515	89.8	2.0

SOURCE: *Central Bureau of Statistics and the Road Traffic Department of the Ministry of Transport and Communications.*

The last census of motor-vehicles, taken in March 1954, emphasised their high average age and increasing obsolescence. Details are shown in Table 113.

TABLE 113
THE AVERAGE OF MOTOR VEHICLES, 1951 AND 1954

Date of Census	Trucks	Motor-buses	Taxi-Cabs	All Motor Vehicles
March 1951	7.5	7.8	4.5	7.0
March 1954	9.8	9.2	7.2	8.8

SOURCE: *Census of Motor Vehicles, March 1954, published by the Central Bureau of Statistics.*

Of the 16,600 trucks in service, 14,500 (87 per cent) are more than 6 years old and nearly 10,000 (60 per cent) are more than 10 years old. Trucks can generally

operate efficiently up to the age of 10 years. It follows that 60 per cent of the trucks in use should have been replaced before March 1954 and a further 27 per cent within four years of that date, i.e. before March 1958. Most of the trucks are now being replaced so that two of the handicaps from which this branch has been suffering will be removed, namely: (a) the small number of trucks powered by diesel engines; (b) the excessive variety of models.

The solution of these two problems will make it possible to reduce transport charges (provided that other conditions remain equal), since diesel propulsion is cheaper, while standardisation will facilitate truck repairs and the maintenance of a stock of spare parts.

Most truck owners have not been putting by sufficient sums for depreciation and the Government has therefore been obliged to help in the financing of truck replacements. The Ministry of Transport and Communications has begun implementing a plan for the rejuvenation of the country's fleet of trucks, at a cost of some \$4 millions. The plan involves the purchase of 750 trucks, of which 400 will be heavy diesel trucks. Credits, for a three year period, to the amount of \$1.5 millions, have been approved for the import of 200 vehicles (mainly heavy diesel trucks) during 1956—57.

The co-operative basis of motor-bus transport facilitated investment. According to the plans of the Ministry of Transport and Communications, 500 additional buses are to be ordered, at a total cost of £ 1.5 millions sterling. Permits have so far been issued for the import of 250 buses, to be financed from a four-year loan to the amount of £ 650,000 sterling granted by the Jewish Agency. With the acquisition of the additional 500 buses, the bus co-operatives will own 750 diesel-powered Leyland buses. These will then constitute 40 per cent of the total fleet, which will increase the standardisation of vehicles in this branch.

5. INVESTMENT

When the implementation of plans for the development of sea and land transport began in 1954, investments in the transport sector were greatly expanded. This expansion continued in 1955. During the latter year, investment in transport (at

TABLE 114
INVESTMENT IN COMMUNICATIONS, 1953 TO 1955
(in IL. millions, at current prices)

<i>Branch</i>	1953	1954	1955	<i>Percentage Increase in 1955 as compared with 1954</i>
Shipping *	4.6	10.4	21.8	110
Railways	3.3	6.9	11.2	62
Road Transport **	12.6	22.9	27.0	18
Aviation	2.8	6.2	7.4	19
<i>Total</i>	23.3	46.4	67.4	45

* *Net, after the sale of old ships.*

** *Including investment in road construction by local authorities.*

SOURCE: *Calculations of the Bank of Israel.*

current prices) totalled IL. 67.4 millions, as compared with IL. 46.4 millions in 1954, representing an increase of 45 per cent. This is shown in Table 114.

Most of the investment in transport during 1955 was in road transport and shipping.

Investment in equipment and means of transport totalled IL. 45.9 millions in 1955, thus constituting 68 per cent of the total investment in the transportation sector. The remaining IL. 21.5 millions, or 32 per cent, were invested in construction as shown in Table 115.

TABLE 115
INVESTMENT IN EQUIPMENT, MEANS OF TRANSPORT AND CONSTRUCTION FOR THE
TRANSPORTATION SECTOR. 1955

	<i>Shipping and Ports</i>	<i>Railways</i>	<i>Road Transport</i>	<i>Civil Aviation</i>	<i>Total</i>
<i>Equipment and Means of Transport</i>					
in IL. millions	18.3 *	7.2	14.0	6.4	45.9
in per cent	84	64	52	86	68
<i>Construction</i>					
in IL. millions	3.5	4.0	13.0	1.0	21.5
in per cent	16	36	48	14	32
<i>Total (in IL. millions)</i>					
	21.8	11.2	27.0	7.4	67.4

* *Net, after the sale of old ships.*

SOURCE: *Calculations of the Bank of Israel.*

The investment in construction is largest for the railways and road transport. Practically half the total investment made in road transport and a little more than a third of the investment in the railways was, in fact, for construction.

The investments made in 1955 constituted a part of the general process of expansion and replacement in all branches of transport. This process, described in previous paragraphs of this chapter, may also encourage continued heavy investments in communications during the coming years.