
BRITISH RAILWAYS
AND
THE FUTURE

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Introduction

This short statement of fact shows what the Railway Companies have done in recent years, and what they are now doing, for the continuous improvement of transport.

It outlines what the conditions of transport were when the war broke out, how the Railways tackled their new tasks, what they are now doing to adapt their services to the needs of the moment, and how they plan to anticipate and meet the needs of to-morrow.

The Railways claim that they have shown economy and efficiency in the conduct of their affairs and have, within the restrictions imposed upon them by Parliament, met in full their obligations to the public in times of both peace and war.

The general question of State Ownership versus Private Enterprise is not fully argued here, though it may well be that the mere record of fact will inevitably raise—and possibly answer—such questions as these :—

(1) When so much must be done, without hindrance, to repair, replace, construct and improve railways, stations, rolling stock, and services generally, is this the time for experimenting with State Ownership ?

(2) Seeing that the Government recognized in 1939 that many of the statutory regulations imposed upon the Railways were injurious to them,

why not deal with that practical problem *now* and put the railways on an equal footing with other forms of transport ?

(3) The Railway Companies, in addition to their main interest—railways—own docks, steamers, and hotels ; they have large interests in omnibus, road haulage, tourist and other businesses ; they manufacture on an extensive scale rolling stock, signalling equipment, and a variety of products which their many activities call for. In fact, the running of the railways involves an organization of exceptional complexity. Does not the very complexity of the organization of the railways make State Ownership of this industry a most undesirable measure, especially at the present time ?

(4) It is part of the Government policy that transport in this country should be self-supporting. Capital, whether provided by public subscription or by the State, must be remunerated : cheap transport can only be obtained by efficient and economic working. How will the transfer to the State of railway stocks, now owned by one in thirty of the adults of this country, give better practical results ?

The Railway Companies appreciate that such questions must arise out of the following statement of fact. But that, they feel, is no reason why the facts should not be recorded.

What the Railways have done towards achieving a new Transport System

THE RAILWAYS BEFORE 1939

The four Main Line Railway Companies, as we know them today, were formed out of 123 railways which existed at the end of the first world war. The Railways Act of 1921 brought them into being and largely laid down the conditions under which they should operate. Among other provisions the Act called for a detailed schedule of rates to be charged for all goods carried, and re-enacted a large number of regulations which had bound the Railways in the nineteenth century.

These regulations were originally made for the protection of the public at a time when there was a danger of a railway monopoly, and many of them were out-of-date even when the appropriate sections of the Act came into force. These sections largely dealt with the charges which could be made for the carriage of merchandise. Based on the principle that regard should be had to the value of the goods conveyed, the rates structure (much of it dating back over a century) compelled the Companies to carry coal and other raw materials at very low rates; to offset this, the Railways were allowed to carry the higher class traffics at higher rates.

The Growth of Road Transport

When framing the Railways Act of 1921, Parliament did not foresee the rapid growth of road transport. In fact, the

coming of road transport after the war of 1914-18 knocked the bottom out of this system of rate-fixing. Free from the regulations which bound the Railway Companies, road hauliers were able to select the traffics they would carry and the routes over which they would operate, and naturally they chose the most remunerative. A large volume of high-class traffic was thus diverted from the Railways, which were left to carry the low-rated heavy traffics without the compensating benefit which Parliament intended they should receive from the conveyance of the high-class traffics.

The Railway Companies had this further disability: they had to pay the interest charges on the original cost of providing their tracks, to bear the full cost of their maintenance and signalling, and to meet the expense of carrying out the safety precautions required—and rightly required—by Acts of Parliament. It is, of course, a fact that road operators contribute towards the expenditure on the upkeep of the roadways, but they contribute nothing towards the interest charges on the original cost of providing the major part of our highway system. Moreover, their contributions towards the cost of road upkeep are reduced when traffic declines.

Various proposals for equalizing the burden of track costs for road and rail transport have been published from time to time, some of which appear to merit

investigation. The Board of the London and North Eastern Railway have their own proposals on the subject which they are publishing in a separate document.

Despite the exercise of strict economy, the financial position of the Railway Companies, in the face of unregulated and unrestricted competition from the roads, rapidly deteriorated. Representations were made to the Government from time to time on the difficulties with which the Railways had to contend. In November, 1938, the Companies addressed a memorandum to the Minister of Transport asking to be relieved from many onerous and out-of-date restrictions. They asked, not for preferential treatment, but for equal treatment with the road industry. So began the Railway Companies' "Square Deal" campaign.

The Square Deal

The Minister of Transport expressed the view that the Companies had made out a case for consideration, and referred it to the Transport Advisory Council.

This Council, whose members represented all classes of transport, local authorities, and labour, was set up by the Minister of Transport to study transport problems and to advise him upon the co-ordination, improvement, and development of transport generally.

In March, 1939, the Council recommended that the fettering regulations governing the conveyance of merchandise by rail should be relaxed for an experimental period, during which the Railway Companies should be allowed to make such reasonable charges as they thought fit, subject to certain specific safeguards considered necessary for the protection of trade and industry and of other forms of transport.

The Council expressed the view that the resulting relief would enable the Railway Companies to build up a new and simpler

rates structure, and thus facilitate agreement between all forms of transport.

On 24th May, 1939, the Minister of Transport announced in the House of Commons that the Government had decided to accept in principle the recommendations of the Council, and added that "the specific changes in the law which may be involved require careful consideration, but it is intended to introduce appropriate legislation as soon as possible next session."

The second world war had, however, begun before the next session was reached, and the contemplated legislation had to be deferred.

Peacetime Efficiency made the Railways ready for War

In spite of unregulated and unrestricted road competition and trade depression in the period between the wars, the Railways continued each year to maintain their undertakings at a high standard and to improve their services to the public.

Until its inquiries were suspended by the Defence Regulations in 1939, the **Railway Rates Tribunal found at each of the annual reviews required under the Railways Act of 1921, that the administration of the Railways had been conducted with efficiency and economy.**

No responsible body has ever challenged its findings.

In 1939, the Railway Companies submitted in evidence to the Railway Rates Tribunal a comprehensive review of the developments which had taken place in the eleven years 1928 to 1938 inclusive. During this period over £240 millions were spent upon modernization and improvements. The main items covered by this expenditure are set out in Appendix 1 ("*Improvements, 1928—1938*").

If this eleven-year period had been extended to cover the seventeen years 1923 to 1939, the total expenditure would have been £450 millions.

The records show that the four Railway Companies have had one main objective in view, the public interest.

Ready for War

It was the British Railway Companies' pre-war policy of constant modernization and improvement that was responsible for the efficiency and skill with which Britain's huge task of war transport was handled.

For well over a year before September, 1939, special railway committees had

planned the transport strategy to meet a national emergency, and on the day war broke out the Companies were able to place at the disposal of the Government a well-equipped machine with a highly trained staff. This machine bore the strain of serving the transport needs of the fighting services and industry throughout the war, and, in addition, it supplied ships, rolling stock and other railway equipment for overseas use. Moreover, it manufactured and repaired war weapons, ranging from fuses to tanks, and ammunition boxes to aircraft.

THE WAR YEARS

When war broke out the Railways immediately took up their task of evacuating the children, moving the mobilized forces, transporting food to emergency stores, shifting thousands of tons of A.R.P. material, and changing the routes of trains to new and previously little used ports.

As Britain's war effort was built up to the gigantic proportions it eventually reached, the burden of transport inevitably grew apace. From Dunkirk, to the arrival of the Americans and other Allied Forces, and all through the bombing of Germany and the immense preparations for invading the Continent of Europe, the

Railways met every demand made upon them; this notwithstanding the fact that they released to the Armed Forces 110,000 of the younger members of their trained staff, leaving a tremendous burden on those remaining.

Moreover the Railways had to carry on in face of enemy bombing, under conditions of blackout; and, while dealing with unprecedented war traffics, they had to maintain services for civilians and traders. Some of the many examples of the tasks carried out by the Railway Companies during the war are given in Appendix 2 (*"Some of the tasks carried out by the Railway Companies during the War"*).

THE FIRST YEAR OF PEACE

The immediate task, and the one of paramount importance, is to repair the Railways and to bring them up to the highest possible standard. In their effort to meet the demands of peace and to build up a service even better than that of pre-war days, the Railway Companies since the war have been engaged, with all the resources at their command, on programmes of urgent reconditioning and repair work.

For this the Companies have set aside more than £120 millions to spend on deferred maintenance. This figure represents the amount underspent during the war on the repair and renewal of the Railways, and is based on the assumption that the annual requirements would have involved the same amount of work as was carried out by the Companies in an average pre-war year (adjusted to meet variations in assets and new price levels).

It does not include any allowance for abnormal wear and tear resulting from war conditions.

Although considerable progress has been made, the work has not gone on as rapidly as the Railway Companies would like. Shortage of labour and materials must spread out the work of full restoration for some years, for most of the building labour and material available in the country is required for housing. During the war years all maintenance other than work urgently necessary had to be suspended, and when the war ended all the 7,000 stations throughout the country called for restoration of some kind.

The Permanent Way

That the railway machine must continue without interruption to meet the needs of the nation is a complicating factor in the work of restoration. The permanent way, which had suffered during the war from years of hard usage and restricted maintenance, is being overhauled and relaid. But railway tracks cannot be repaired or relaid without imposing speed restrictions, and this, in some cases, may necessitate the diversion or curtailment of passenger services. Moreover, the amount of work which can be carried out at any time is limited by traffic requirements. For example, a section of main line requiring attention might be relaid in 24 hours if the engineers could have uninterrupted possession of the track, but as trains must continue to run the work has to be spread over several nights.

The Railway Companies will have to relay nearly 9,000 miles of line completely within the next five years to overtake, not only the normal track renewals in those years, but also the arrears which have accumulated since the summer of 1939. In addition, about 2,500 miles of line will have to be partially renewed, i.e., re-railed, re-sleepered, or re-chaired.

During the year 1945, over 1,000 miles of line were completely relaid by the four Companies and 500 miles were partially relaid. For the current year the corresponding figures are likely to be 1,250 miles completely relaid and 550 miles partially relaid.

Locomotives and Carriages

The Railway Companies cannot fully restore their pre-war passenger services until they have more engines and carriages at their disposal. During the war years the Companies had to concentrate on the building of freight locomotives of a type suitable for use both in this country and overseas, and the building of passenger engines had to be suspended. Many passenger engines had to be employed on freight work ; such factors as excessive use, inadequate maintenance and servicing, and inferior coal, have contributed to the deterioration of the Companies' locomotive fleets.

The railways are still handling a much larger volume of traffic than before the war. This often necessitates engines being kept in traffic for a much longer period between overhauls than before the war. In consequence, every engine which comes in for a general overhaul requires far more repair than in pre-war years. In addition, many engines, whose normal life has expired, have to be kept at work to meet the exigencies of traffic. 2,800 locomotives must be built within the next five years to maintain the normal building programme and to overtake the arrears of renewals which have accumulated since 1939. In 1945 the Companies built 299 locomotives and in the current year it is hoped that 311 will be built in the Companies' shops and 80 by outside firms, with whom orders have been placed for the maximum number they could accept.

The position in regard to passenger carriages is even more serious. Early in the war the building of passenger carriages

had to be suspended so that workshops and labour could be utilized for war purposes.

Today the Railway Companies have 5,630 fewer passenger coaches available for normal traffic than they had before the war, due to the suspension of building, losses by enemy action, the transfer of vehicles to other war uses, and to the large number of vehicles under and awaiting repair. This is without making any allowance for the very large number of coaches in traffic which require attention but cannot be withdrawn without curtailing services. 16,000 carriages will have to be built within the next five years. In 1945 the Companies built 300 coaches, and this year it is hoped that 950 coaches will be built in their workshops and 600 by outside firms, the maximum obtainable under present conditions.

Nevertheless much has already been

accomplished ; this winter passenger trains will run half a million more miles per week than they did last winter, and the services will be accelerated. A large number of through services and through carriages will be reinstated. Cross-channel services to the Continent and the Channel Islands, both passenger and freight, have been resumed as fast as ships could be released from war service, many branch lines closed to passenger traffic have been reopened and travelling post office services have been restored.

Restaurant or buffet cars are now working on 430 trains and sleeping car accommodation has been increased. Extensive cheap day return fares have been re-introduced and seat reservations have been resumed on a number of main line trains. Over 250 express freight trains per day have been restored.

CO-ORDINATION OF TRANSPORT

Arising out of the recommendations of the Transport Advisory Council, a Road-Rail Joint Conference was formed before the war to devise a simplified classification of merchandise traffic, agreed conditions of carriage and co-ordinated rate structures for road and rail services. Although interrupted by the war, considerable progress has since been made in this direction.

In January, 1945, the National Road Transport Federation was formed. This body could speak with authority for all road haulage interests, and in May, 1945, fresh conversations began between the General Managers of the four Main Line Railway Companies and the Road Haulage Association, representing the road hauliers' section of the Federation.

These conversations had the support of the Minister of War Transport of the day (The Rt. Hon. Lord Leathers) and continued with the approval of the present Minister of Transport (The Rt. Hon. Alfred Barnes).

As the result of these conversations a scheme was agreed for the co-ordination of all road and rail freight transport services. Under this scheme, which was submitted to the Minister of Transport in July, 1946, the road haulage industry, for the first time, largely accepted the obligations involved by a public service.

The main points of this scheme are :—

(1) Road hauliers, within the limits specified in their licences, undertake to provide reasonable and, where appropriate, regular services ; and to accept all traffic offered which is within their capacity to carry.

(2) Area Organizations to be established to provide for the conveyance of goods by road which cannot be handled conveniently by individual hauliers under the terms of their licence.

(3) A Road-Rail Tribunal to be established, similar to the existing Railway Rates Tribunal, to settle standard conditions of carriage, classification of

merchandise, and co-related road and rail rates schedules.

NOTE: The co-related rates schedules envisaged will allow different charges to be made for each form of transport. Both parties recognized, that in general, rail transport can best cater for long distance and bulk traffic and road transport for short distance traffics. The rate schedules will be co-related to the extent that they will be built up largely on a common classification of merchandise and on uniform conditions of service and will prevent the wasteful competition resulting from rate cutting such as was experienced before the war, for example, to secure return loads for road services.

(4) Any representative body of users or providers of transport to be entitled to be heard before the Road-Rail Tribunal on the matters referred to in paragraph (3) and any trader to be free to apply to the Tribunal to vary the scheduled charges or any of them on the ground that they are not reasonable.

(5) Observance of rates and conditions of carriage to be a statutory obligation on the railways and road hauliers.

Under this scheme the dangers of monopoly will be avoided as traders will be entirely free to choose the form of transport most suitable to their business, **including the right to carry their own goods in their own vehicles (under "C" licences).**

NOTE: **There can be no monopoly so long as traders have the right to provide their own transport.** Public transport undertakings cannot thrive unless they can meet the traders' requirements better than the traders can themselves. If a trader considers any rate to be unreasonable he will have the right of appeal to the Rates Tribunal. Other measures for securing co-ordination include :—

(a) The organization of railway collection and delivery and other road

services on a co-operative basis to ensure the most economic use of road transport ;

(b) The provision of railway wagons for the sole use of the road haulage industry on selected routes so as to provide express services for long distance traffic ; and

(c) The establishment of a Transport Advisory Body (possibly assisted by local bodies) representing transport undertakings, traders, and organized labour, to advise the Minister of Transport on the development of transport facilities and still closer co-ordination of all forms of transport.

The proposals in the new agreement provide for a large measure of co-ordination with a minimum of disturbance. They leave ample scope for enterprise on a fair and competitive basis and go far to eliminate the waste admitted to exist in wholly unregulated competition.

Inland Waterways

Since the Road-Rail Co-ordination Agreement was formulated it has been agreed to extend it to cover the Inland Waterways. The Canal Joint Committee, comprising representatives of the Canal Association and the National Association of Inland Waterway Carriers, is in agreement with the proposals, and is willing to become a party to a supplementary agreement.

Coastwise Shipping

Coastal shipping interests have expressed their support of the proposals in the Road-Rail Co-ordination Agreement.

The Chamber of Shipping, which speaks for coastal shipping, views the proposals of the Railway and Road agreement as a major step forward.

Docks and Harbours

As the largest dock-owners in the country, the Railway Companies wished to secure the closest possible co-operation between all dock and harbour under-

takings on matters of mutual interest and so, in 1943, they became members of the Dock and Harbour Authorities Association. Shortly afterwards, at the request of the Minister of War Transport, the Association appointed a Committee, on which the Railway Companies are represented, to formulate proposals in relation to the post-war organization of the Ports. In February, 1945, the Association advised the Minister, in a report which has since been published, that the differing circumstances of the several ports must be considered before any decisions could be reached as to what re-organization should be carried out. They recommended that an Advisory Body should be set up as soon as practicable.

Industry Approves of the Agreement

In the discussions on the Road-Rail Co-ordination Agreement, 1946, on which the future of freight transport services will largely depend, the users of transport, namely trade and industry, were kept fully informed.

In expressing their approval of the Agreement, the Association of British Chambers of Commerce, the Federation of British Industries, and the Traders' Co-ordinating Committee on Transport, in a joint statement, say :—

“ We are satisfied that the proposals safeguard the factors which we regard as essential, namely :—

“(a) The freedom of the trader or manufacturer to select the form of transport he wishes to use.

“(b) The freedom of the trader or manufacturer to operate his own vehicles without restriction.

“ The proposals show how the necessary co-ordination of the two forms of transport can be achieved without resort to State monopoly, our opposition to which has already been expressed.

“ Our concern is to preserve the two freedoms which are essential to the efficiency of trade and industry, and we therefore support without reserve the plea of the Road and Rail interests that the proposals should be accepted as a basis on which they should be authorized to work out the detailed application of the principles laid down, and to put them into effect.”

The British Road Federation, representing one hundred National Trade Associations using road transport, including more than 250,000 “C” licence holders, also welcome the Agreement. Besides encouraging useful development in the various forms of transport, the Chairman of the Federation declared, the Agreement fully and clearly safeguards the right of the trader to choose whatever form of transport he finds most suitable, including the use of his own vehicles when rail or road do not meet the case.

The National Union of Manufacturers fully support the proposals.

Local joint committees of the Railway and Traders' Panels created by the Railways Act of 1921—in abeyance during the war—are being revived throughout the country to maintain contact with the small traders.

These committees will strengthen the contacts made by the district representatives of the Railway Companies, who are always anxious to meet the local trader in person, and discuss his transport problems and the best means of meeting his particular needs.

Many Chambers of Commerce also have special committees which provide direct liaison between commercial representatives and local railway officers.

When this scheme is put into force the country will have a well-balanced and co-ordinated transport system to meet the full needs of trade and industry and one acceptable in principle to all concerned.

The Future

Although the Railway Companies are concentrating their efforts on the restoration of their lines, equipment and services, they also have in course of preparation a long-term programme of vast developments, and if they are permitted to carry out their plans, the country will have one of the finest transport systems in the world.

The plans cover all phases of railway work, including ancillary businesses, and **the Railway Companies anticipate no difficulty in securing the necessary finance.** The transport needs of the different areas vary considerably, but there is a complete interchange of information between the Companies on technical and administrative matters.

Constant research on a large scale is being carried out.

Particulars are given in Appendix 3 (*"Important Developments the Railway Companies intend to carry out"*).

They include the reconstruction of 58 of the principal *main line* stations and improvements at most of the other stations; the reconstruction and improvement of goods depots; new designs of rolling stock, new hotels and additional and improved refreshment room facilities; improvements in signalling, and telecommunication arrangements; the modernization of dock facilities and the provision of new cross-channel steamers and other vessels.

OPERATION OF THE RAILWAYS

So much for the actual physical programme of the Railways in the coming years. But what are to be the conditions, and under whose control will they be operated?

The four Main Line Railway Companies, with their experience of transport throughout the war, and throughout the periods of boom and slump in the previous twenty years, have reached the following conclusions:—

(1) The Companies believe that a complete fusion of the present systems into one single unit would be disastrous, especially at the present time. It is a matter of record that the amalgamations under the Railways Act of 1921 involved an administrative upheaval which was much more prolonged and disrupting, and far less productive of economies than was anticipated when the Railways Bill of 1921 was introduced.

(2) After more than twenty years in their present form the four Main Line Companies have become well established entities, and it would be a calamity from a national point of view if their organization so laboriously evolved were to be scrapped for the sake of intangible advantages.

(3) Further unification of management is undesirable; the present units are as large as can, in practice, be managed from a central headquarters.

(4) The restrictions applied to the Railways when they were a monopoly have not yet been removed; they are now under a form of public control more effective than would be possible under national ownership. They are already more regulated and controlled than any other industry. Their charges are controlled; their profits are limited; and—with all this—under their present

organization they afford the Government and public the opportunity of comparing one Company with another, and give the operators and engineers the opportunity of trying out new methods and devices on four independent systems.

(5) Any practical proposal for the future organization of the inland transport services of the country must provide that the user shall be free to avail himself of the particular service which best suits his purpose. These conditions will be obtained without dislocation of existing freight transport under the proposals outlined for the co-ordination of all forms of transport, which have received widespread approval.

(6) Transport services for passengers and for trade and industry should continue to be provided on a commercial basis; that is to say, on a basis which would allow a reasonable return on the capital employed, and thus permit new capital to be raised at reasonable rates when needed.

(7) The Railway Companies should still retain the statutory right to earn their standard revenues under the Railways Act, 1921, thus fixing the maximum permitted for the remuneration of their capital.

(8) They should be empowered to build up reserve funds in times of prosperity which could be used to reduce charges in times of depression, and to provide dividend equalization funds up to specified amounts.

(9) The annual review by the Statutory Tribunal relating to the efficient and economic working of the Railways should be preserved.

(10) If, in future, the Government require the Railway Companies to provide or maintain facilities in the national interest which cannot, over a period of years, be justified by the direct results of working, Parliament

should provide the cost of these facilities.

(11) The Railway Companies should be allowed to make reasonable charges for the conveyance of traffic and, if Government policy should demand that assistance be given to particular traffics through the medium of railway rates, some new means should be devised to make good the loss to the Railways. It would be manifestly unfair that the Railway Companies, who are only one section of the transport industry, should bear this cost.

Closer Working Arrangements between Companies

While, as stated in paragraph (1), the Railway Companies are against their fusion into a single operating unit, they are anxious to secure closer working arrangements between the four Companies. For example :

(a) The existing pooling schemes should be revised so as to reduce inter-company accounting.

(b) Joint lines should be transferred to one or other of the Companies. Economies in working and accounting arrangements could then be made.

(c) Penetrating lines (or their control) should be transferred from one Company to another, where better results would be likely to accrue.

(d) General merchandise traffic should be concentrated on fewer railway stations and additional railheads should be established throughout the country.

(e) Railway and omnibus services should be further co-ordinated throughout Great Britain.

(f) The wartime measure of common user of privately-owned wagons should be continued.

There is, however, a practical limit to unification and centralization. Beyond that limit simplicity is not found, it is lost. The machine becomes unwieldy, soulless and sluggish and may become unworkable.

THE FUTURE BASIS OF RAILWAY CHARGES

The Charges (Railway Control) Consultative Committee has recently held an inquiry at the request of the Minister of Transport to advise him as to the best method of adjusting railway charges so as to produce in 1947 a net revenue approximating to the amount of rent payable by the Government to the Railway Companies under the Control Agreement.

The evidence and estimates given by the Companies and submitted at the inquiry on the basis of existing wage levels and cost of materials, indicated that if railway charges were increased to 37 per cent. over their pre-war level, the net revenue which the Minister requires will be forthcoming.

The proposed increase of 37 per cent. is considerably below the increase in price levels generally. The average increase in railway costs was estimated at about 70 per cent. by the Minister of Transport when he announced his provisional increase in rates and fares as from July 1st, 1946. That figure is much below the price level increases in other industries.

Speaking during the Transport Charges (Increases) Debate in the House of Commons on June 26th, 1946, the Minister of Transport (The Rt. Hon. Alfred Barnes) said :—

“ I would like to indicate the relative position of transport charges as compared with similar basic services which affect the general level of prices. For instance, the price of cotton goods has advanced 98·2 per cent. ; wool, 80·8 per cent. ; building materials, 61·6 per cent., and coal 97·9 per cent. The wholesale price of milk has increased by 50 per cent. . . .

“ Two years after the 1914-18 war railway charges increased by approximately 100 per cent. over the 1914 cost. Later, there was a reduction to approxi-

mately 60 per cent. and the figure was stabilized, in 1928, at 60 per cent. above the 1914 cost. In this case transport charges have not moved in any way above the level of the general price movement within the community. The increase I am putting on at the highest level, with regard to passenger and freights, brings the figure up to 33½ per cent. over the 1939 cost. With regard to coal, general merchandise, workmen's fares and season tickets, the rates vary by 8½ per cent. to 15 per cent. My purpose is to bring the rates in that group to a level of 25 per cent. over 1939 cost. If every other commodity and service in the country had an increase of only 33½ or 25 per cent. we should be in a very much happier position than we are today.”

Seeing that the main items of expenditure by the railways, namely, salaries and wages, coal, sleepers, and rails, have risen by 60 per cent., 137 per cent., 70 per cent. and 204 per cent., respectively, it can fairly be claimed that it is a tribute to the efficiency of the operation of the railways under the present ownership and management that they expect to be able to earn the additional revenue sought by the Minister from this relatively small increase in their charges.

There are indications that the level of railway charges may for some time continue to be influenced by the considerations of national expediency : the Minister of Transport, on the occasion of the last increase in July, said that a Treasury adjustment would be made if food supplies were affected by the addition of 8½ per cent. in freight rates. His discrimination between the rates of increase in passenger fares and freight rates, in favour of the latter, points to an intention to keep down production costs in the national interest.

If this factor is to be an essential feature of Government policy, it is plain that any resulting deficit should properly be borne by the National Exchequer, and not be thrown upon the other users of the railways.

It is equally in the national interest that efficiency in railway operating should be maintained at the highest level, and the capacity of the Railway Companies to do this is amply borne out by the percentages quoted above.

The independent machinery which already exists for reviewing railway charges and adjusting them from time to time could be utilized for ascertaining the amount of any deficiency resulting from this aspect of Government policy. The position of the Treasury would thus be safeguarded.

Railway Freight Rebates

When, in 1929, Parliament provided funds out of which the local rates upon industrial premises, agricultural holdings and railways, docks, canals, etc., were reduced, it was enacted that, so far as the Railway Companies alone were concerned,

the saving in working expenses should be transferred to a special fund—The Railway Freight Rebates Fund—from which assistance in the form of rebates from railway rates could be given to coal exports and the depressed industries.

This fund is administered under the direction of the Railway Rates Tribunal ; and under the Railway Freight Rebates Act, 1943, the railways are now required to pay over to the Minister of Fuel and Power 80 per cent. of the payments which would otherwise be made to the Fund, to be used by him for any purposes connected with the production and marketing of coal. The balance of the payments into the Fund has to be used for rebates from the rail conveyance charges on certain agricultural traffics.

There can no longer be any justification for depriving the Railway Companies of the rating relief granted to other industries, but if on grounds of national policy it is considered desirable to assist particular industries or sections of industry, the machinery adopted for its administration might well be used and the Fund financed from the National Exchequer.

THE RAILWAY STAFF

The efficiency with which the Railways operated both before and during the war was due to the experience and skill of the higher executive officers as well as to the hard and loyal work of the rank and file. There has always existed between the Railway Management and the Staff a spirit of mutual respect and understanding and the industry has a fine record of freedom from industrial strife.

Conditions of Service

Before the war the four Main Line Railway Companies employed 560,000 workers, and few industries, not excepting the "industrial" staffs of the Government, enjoy better conditions of service than the staffs of the Railways.

No industrial workers in Great Britain have greater security than railwaymen. Like Civil Servants, 400,000 Railway workers were excepted from unemployment insurance because of the security of their employment. The railwayman does not fear losing his job.

The State was thus relieved from the responsibility of providing for potential unemployment among this large group of workers.

Among the special privileges of railway employees are free tickets for holidays and privilege tickets at all times, entitling both them and their families to travel the return journey at half the single fare.

All grades receive at least two weeks' holiday with pay.

Hours of work of certain railwaymen are sometimes long. This is due to the fact that the Railways have to provide the nation with a 24-hour service for 365 days of the year in fair or foul weather. If any man serves more than an eight-hour shift overtime is paid.

Railway salaried workers enjoy the advantage of superannuation funds, established by Acts of Parliament, to which both the Railway Companies and staffs contribute.

Promotion is by merit with consideration for length of service on the Railways, and positions in the higher grades and executive ranks are reached through such promotion. The Railway Companies have many schemes whereby men in the lower ranks of the service are given opportunities of rising in the service.

Schemes for the further improvement of staff amenities on all railways are to be taken in hand as soon as possible. More hostels are to be provided for the use of drivers, firemen and other personnel employed on turns of duty involving lodging away from home.

The Companies already provide many sports grounds for the use of their staff. These will be improved and extended.

Training

The Railway Companies intend to raise still further the efficiency of the railway services by the enlargement and development of staff training schemes.

Schools of Transport for the rapid training of men and women in different aspects of railway working have already been established. Training classes are being arranged for new entrants to railway service. There is to be an extension of training for grades such as signalmen, telephonists, and the clerical, operating, and police staff schools set up during the war will be developed.

Special attention will be paid to courses in public relations for men and women who come into direct contact with the travelling public.

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Negotiating Machinery and Suggestion Schemes

The machinery which exists on the Railways for discussion and negotiation on matters affecting terms of service and the conditions under which duties are performed has worked well during the war. Every railwayman can make suggestions concerning his conditions of service, the working of the Railway or the well-being of the staff, in full knowledge that his ideas will be sympathetically considered by his elected representatives, his immediate supervisors, or the Railway Management.

All suggestions submitted through the Railways' Suggestion Schemes are fully investigated by responsible officials of the Railway Companies, and in cases in which

a suggestion is considered useful or meritorious, irrespective of whether it is eventually put into operation or not, a monetary award or other suitable recognition is given.

Finally, and quite apart from the machinery of negotiation, every person employed by the Main Line Railways or their joint lines and the Railway Clearing House, is free to submit an application to the management through his immediate superior on any matter affecting his employment, and if dissatisfied with the decision he has the right of direct access, by appeal in writing, to the management.

The existing machinery of negotiation between the Railway Companies and the Railway Trade Unions is generally regarded as among the best of its kind.

Conclusions

The Railway Companies believe that their record amply justifies their claim to have met in full their obligation to the public in times of both peace and war.

They know that an impartial examination of the results of State Ownership of Railways in other parts of the world shows that the creation of a State Corporation has, in no case, provided the public with as good a service as that afforded by the British Railways. To make such a change here today would involve immense administrative and financial dislocation and would obstruct and seriously delay the carrying out of the practical problems of transport.

The Railways, like every other industry, have to make up vast accumulations of work caused by the war ; they have to do this in the face of shortage of trained staff and materials, and, at the same time, they have to cope with an increasing pressure on their present services. If, on top of this, the managements and staff are to be subjected to the interruptions and uncertainties inevitably involved by a fundamental change, the switch-over from war to peace will be seriously delayed. This would handicap other industries in their return to normal production, and the effect would be felt throughout the country. If it is argued that the economies effected by a fundamental change in the transport

system outweigh these disadvantages, the Railway Companies can only point to the experience after the amalgamations in 1923. The task of re-organization then was so immense that it was ten years before the economies aimed at began to be effective. And the difficulties to be faced today are much greater than they were then.

The Railway Companies believe that the public interest will best be served by the existing organization, working under revised conditions, and subject to the control of a statutory tribunal for the protection of the public against any unreasonable charges or inadequate facilities. The Road-Rail Agreement provides the framework.

Today, the Railway Companies employ 625,000 people and their assets have a value of more than £2,000 millions. With ramifications so wide and affecting so many interests, they submit that before any proposals for nationalization are laid before Parliament, there should be a public inquiry before an impartial tribunal into the manner in which the Railways have met their obligations to the public and into any scheme which the Government contemplates. It is by such means, and by such means alone, that proposals to transfer the Railways to the Government can be examined and weighed. The Railway Companies would welcome such an inquiry.

Improvements, 1928-1938

The chief items in the outlay of over £240 millions spent by the Railway Companies on improvements in the eleven years 1928 to 1938 were :—

Building locomotives of the latest and most powerful types, also carriages, wagons, containers and road vehicles.

Providing the largest electrified suburban railway systems in the world.

Renewal and improvement of permanent way (14,000 miles completely renewed) and widening of many sections of railway.

Improvement of curves to provide faster travel.

Re-building and strengthening bridges.

Modernizing passenger stations, goods depots and equipment.

Improved signalling for greater safety and speed.

Modernizing workshops and power depots.

Providing new cross-channel steamships.

Extending and improving docks.

Building new marshalling yards.

The newest forms of traffic control.

APPENDIX 2

Some of the tasks carried out by the Railway Companies during the War

Mobilization of H.M. Forces

The mobilization of the Army and R.A.F. began on September 2nd, 1939, and lasted 24 days. Hundreds of special trains had to be provided and the railways met all requirements.

Dispatch of Expeditionary Forces

Among the movements connected with the dispatch of Expeditionary Forces overseas were :—

- (1) Conveyance, to Glasgow, of 10,000 men for Mediterranean in 22 special trains between September 1st and 3rd, 1939, concurrently with mobilization.
- (2) Conveyance to Southampton of first B.E.F. for Continent between September 9th and October 5th, 1939—102,000 men in 281 special trains with baggage, equipment, armoured vehicles and guns.
- (3) Conveyance of Norwegian Force in 202 special trains to Glasgow and Leith in April, 1940.
- (4) Between December, 1939, and May, 1940, over 1,429 special trains were run for 421,000 members of B.E.F. on special leave from Continent.
- (5) Conveyance at only a few hours' notice of 319,000 men evacuated from Dunkirk—over 620 special trains were run from the Dover area in 16 days commencing May 27th, 1940.
- (6) Re-distribution of evacuated B.E.F. to military depots throughout the country by over 200 special trains in June, 1940.

- (7) North African Expeditionary Force carried in 373 special troop trains to Clyde, Merseyside and South Wales in 10 days in November, 1942. Also 680 special freight trains run to same ports in November and 15,000 wagons worked by ordinary services.
- (8) For invasion of Europe in June, 1944, 24,459 special trains were run to Southampton, Plymouth, Welsh ports, etc., in two months—the greatest railway peak traffic of the War. New sidings, marshalling yards, sheds and depots were specially constructed to facilitate movements.

Supply and Maintenance of B.E.F.

- (1) More than 3 million men were carried to ports en route for Continent.
- (2) During the war over 238,000 special troop trains and nearly 280,000 special stores trains were run.
- (3) In three months following "D" Day (June, 1944), nearly 56,000 special trains were run or **about 600 per day**.

Evacuation of Civilians

- (1) In September, 1939, over 617,000 children and adults were evacuated from London by railway in four days by 1,577 special trains and over 716,000 persons from other hazardous zones in 1,577 special trains.
- (2) During the flying bomb attacks on London and the South East coast, 532 special trains were run between July 5th and September 8th to evacuate over 375,000 passengers.

- (3) Altogether nearly 2½ million persons were conveyed during the war in planned evacuation schemes necessitating the running of 5,600 special trains.

Air Offensive

Movement of bombs and fuel for bombing offensive: every 1,000 bomber raid involved the running of 36 special trains conveying petrol and bombs.

Total Traffic carried

During the war the railways carried more than 7,000 million passengers and over 1,700 million tons of freight train traffic.

Freight Traffic

- (1) Total net ton miles rose from 17,000,000,000 per annum before the war to 24,000,000,000—an increase of 40 per cent.
- (2) Throughout the war period, every mile of railway carried on an average one-third more freight transport than it did before the war.

Passenger Traffic

- (1) Passenger miles (i.e., the number of miles passengers are carried) all categories, rose

from 20,000,000,000 per annum before the war to 30,000,000,000—an increase of 50 per cent. during a period when passenger train mileage had to be cut by 30 per cent.

- (2) New passenger stations, halts and sidings were built by the railways to service factories specially built for war production (one of these dealt with 58 trains and 30,000 passenger journeys per day).
- (3) Over 1,000 extra workmen's trains were run on the average every day during the war.
- (4) Although civilians were advised against travelling, and shortage of locomotives and rolling stock made travelling conditions difficult and uncomfortable, services for civilians' travel met essential requirements and, unlike in Germany, travelling was never rationed.

Manufacture of Munitions

The total value of Government work carried out in railway workshops during the war is estimated at £39,000,000. Landing craft and other naval vessels, aircraft parts of all kinds, guns and gun mountings, bombs, shells and cartridge cases and compounds for army bridges were among the war weapons produced.

APPENDIX 3

Important Developments the Railway Companies intend to carry out

Stations

The reconstruction or improvement of about sixty of the principal main line stations, including Euston, Liverpool (Lime Street) and Liverpool (Exchange), Manchester (Victoria) and Manchester (Exchange), Colchester, Doncaster, York, Reading, Banbury, Plymouth, Birmingham, Portsmouth & Southsea, Littlehampton, Twickenham, King's Cross, Peterborough, Newcastle, Edinburgh (Waverley), Leeds (Central), Grimsby and Cambridge. The exteriors of the larger stations will be of modern design with spacious ticket halls, wide platforms and staircases. Special attention is being given to the planning and decoration of the waiting rooms and the need for improved toilet facilities. The concourse and public rooms will be attractively decorated and lighted and, where practicable, provision is being made for newspaper stalls and shops catering for the needs of travellers. The programme also includes the recon-

struction and improvement of a very much larger number of the smaller stations, a programme interrupted by the war.

Refreshment Rooms

Refreshment and Buffet rooms will be completely modernized by the introduction of up-to-date standards of decoration and equipment and extensive alterations will also be carried out at many stations, including modern cafeteria services and snack bars. A more varied and appetizing selection of food will be provided when the supply position improves.

Electrification

Work has already been resumed on the Liverpool Street—Fenchurch Street—Shenfield electrification scheme; the electrified lines between North Acton and Ruislip and, in conjunction with the L.P.T.B. the electrification of lines from Stratford to Loughton, Ongar and to Newbury Park. The completion

of the Manchester—Sheffield—Wath electrification scheme will be resumed and it is anticipated that work will shortly commence on the electrification of the Oxted line. Other plans for further extensions are being made and important improvements will be carried out in electricity supply and distribution arrangements.

Permanent Way

Apart from the heavy volume of work to be carried out in reconstructing bomb-damaged bridges, a large number of bridges will be re-built to take heavier engines and trains. The approaches to busy stations and junctions will be modified to enable still faster and more frequent services to be operated. The use of flat bottom rails to save maintenance will be extended and concrete sleepers used to supplement timber. Important developments are now being carried out with the use of longer rails, mechanized methods of packing ballast, prefabrication of permanent way, the use of machines to speed up renewal and maintenance works and reduce restrictions of speed, etc.

Rolling Stock

The five years' programme for the construction of locomotives, carriages and wagons will fully occupy the capacity of the Railway Companies' workshops.

Locomotives.—Yet more powerful engines are being built capable of hauling heavy loads at very high speeds. New standard types of engines have been designed incorporating many novel features. Extensive research and experimental work is being carried out in regard to methods of propulsion. Gas turbine engines are being constructed based upon the experience gained in connection with jet propulsion and experiments also are being made with steam turbine engines and the use of diesel-electric locomotives is being extended. Improved facilities are being provided for servicing locomotives in order to increase the period of their availability.

Passenger Carriages.—New passenger carriages are now being built embodying the results of the research work on new light metal alloys developed during the war, and plastics and laminated wood will also be used. Other improvements include new springing processes, the latest designs in upholstery materials and fittings, thermostatic-controlled heating and the newest forms of fluorescent and other types of lighting. Special attention is being given to the future design of restaurant and buffet cars, of which large numbers will be built and the new sleeping cars will incorporate the latest ideas in decoration and equipment. Buffet cars completely equipped

with automatic machines will be introduced for the quick service of light refreshments.

Freight Rolling Stock.—New wagons of the most modern type, many of high capacity, are being built. Apart from the ordinary open and covered vehicles, the Companies will continue their pre-war practice of building wagons of special types to suit the particular requirements of the many branches of trade and industry. A large number of the additional vehicles are being fitted with vacuum brakes to enable express services to be extended, the aim being to give a next day delivery between important centres.

Signalling

Many improved signalling and telecommunication arrangements and appliances are being introduced to enable a wider area of the line to be controlled from a central point with consequent increase in traffic facilities, economy and efficiency of operation. Colour light signalling is being extended in areas of intensive traffic density to increase the running capacity of the line and to speed up local services. Further developments in automatic train control are in hand. The lighting of semaphore signalling is to be improved. The continued introduction of the most up-to-date telecommunications equipment, including carrier wave telephony teleprinter and automatic exchange services in conjunction with the modernization of the existing arrangements to facilitate traffic operation. The use of loud speakers at stations and in marshalling yards, etc., is being extended, whilst research and experiments into the application of radio to railway operation is actively in hand.

Motive Power Depots

An extensive programme of reconstruction and improvement of motive power depots includes the provision of improved lay-outs, and the extended use of mechanical appliances.

Marshalling Yards

Further modernization and mechanization of marshalling yards is proceeding.

Goods Depots

Extensive reconstruction and improvement of large goods depots is being carried out and many new mechanical appliances developed during the war are being installed.

Hotels and Holiday Camps

The Gleneagles, Turnberry, Dornoch, Morecambe and Welcombe Hotels now being de-requisitioned by the Government, will be re-opened as quickly as possible. New hotels at Swindon, Cardiff, Swansea, Looe and Birmingham will be erected, and the Palace Hotel, Aberdeen, which was destroyed by fire

will be rebuilt. Other plans include the modernization of the Great Northern Hotel, King's Cross, Charing Cross Hotel (as soon as the question of the station site is settled), Royal Hotel, Grimsby, Station Hotel, Aberdeen, and the recently acquired Grand Pump Room Hotel, Bath. Improvements and enlargements will be effected at the Station Hotel, Newcastle, the North British Hotel, Edinburgh, Great Western Royal Hotel, Paddington, Tregenna Castle Hotel, St. Ives, and the Manor House Hotel, Moretonhamstead.

The Railway Companies are developing holiday camps through their ownership of Thos. Cook & Son Ltd. One at Prestatyn was re-opened this summer, a holiday hotel has been opened in the Isle of Wight where a modern camping estate is to be provided, and other holiday estates will be established.

Docks

Extensive modernization schemes are in hand for the improvement of the dock facilities at Fleetwood, Stranraer, Hull, Lowestoft, Folkestone and Newhaven, and the reconstruction of transit sheds and the provision of new warehouses at Southampton, where a dock terminal for the R.M.S. "Queen

Mary" and R.M.S. "Queen Elizabeth" will be a great advance on any similar structure at any other port in the world. An extensive programme of new works at the South Wales docks includes new transit sheds, an enlarged dry dock, improved facilities for ship repairs and the reconstruction and improvement of the ocean passenger accommodation at Plymouth.

Steamboats

Five new steamboats of the most modern design are under construction for the Irish Cross-channel services; a new steamer is being built for the Harwich—Hook of Holland service, and a new train ferry for the Harwich—Zeebrugge route; a new passenger steamer for the Channel Islands route which will be fitted with an improved design of stabilizer with anticipatory control to prevent rolling. Radar is being installed on passenger ships as rapidly as possible. A diesel cargo ship is being built for the Channel Islands routes; three diesel ships for the Isle of Wight routes and a new paddle steamer for the Clyde. The s.s. "Invicta" ordered just prior to the war and the largest vessel on the short sea routes will shortly go into service.

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BRITISH RAILWAYS
AND
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