TRANSPORT POLICY IN THE UNITED KINGDOM

Two Comments

(1) By George Charlesworth

In the recently published comments [1] on the U.K. Government's policy statements in both the Consultation Document [2] and the White Paper [3], I am surprised that the authors make no reference to the absence of any explicit reference to research policy. In their criticisms of the White Paper they draw attention to what they see as shortcomings in the analysis of problems, but do not say how answers to those problems should be sought. I believe that scientific research has a vital role here, and it is encouraging that the Consultation Document at any rate draws considerably on the results of research.

The latest published statement of official research policy appears to be that contained in the DOE Report on Research and Development 1976, which gives a brief description of the way research programmes are formulated by internal committees and an indication of research areas and expenditures planned for 1976/77. In this report it is stated: "The organisation of research in the Department is based on the customer/contractor principle. The customers are mainly the Department's policy directorates, who in many cases act as proxy customers for wider interests in industry and local government." The report also states that independent advice on the transport research programme is received from the Planning and Transport Research Advisory Council.

I have recently been investigating the views of users and sponsors of research, of universities and of consultants on transport research policy. There appear to be doubts in the minds of some users of research as to whether the Department of Transport is giving a sufficient lead in determining research policy. It seems that a fuller statement by the Department of its future policy for research, particularly its intentions with regard to the research needs of users external to the Department, would be welcomed.

The main research contractor for DTp customers is the Transport and Road Research Laboratory, and a much clearer picture of research in progress in the Department is provided by the Laboratory's recently published Annual Report for 1976. It is particularly disturbing to read in the Director's introduction to the Report of the cuts in staff numbers and expenditure. At a time of economic difficulty it is often argued that research and development is something that can be deferred or even abandoned. Certainly R and D cannot escape scrutiny. However, the benefits of research in transport are so high in relation to cost that a strong

1 Formerly Assistant Director TRRL, Department of the Environment.

212
TRANSPORT POLICY IN THE UNITED KINGDOM

claim can be made for increased resources to be provided. With transport costs forming a very large part of gross national expenditure it is clearly of considerable importance that transport should be run efficiently. To decide the "right" policies requires a great deal of information which can only be provided by R and D: and the sooner that information is available, the sooner it can be applied to national policies.

(2) By Angus Dalgleish

In their critique [1] of the 1977 White Paper [3] the authors, when discussing fair competition in connexion with rail freight (page 218), appear to accept the "avoidable cost" basis for charging. The assumption is that, since passenger traffic requires higher standards for track and signalling, freight traffic using the same route does not impose any additional cost. This can only be true if freight trains do not cause any wear on track or equipment, or impose any restraint on passenger services using the same route. Clearly this is not so: but there might still be some justification if the support for freight services were considered to be cross-subsidisation from passenger services whose riders were bearing the full cost of providing and maintaining the track. This possibility should be examined.

In 1976 the proportion of track and signalling costs attributed to passenger services was more than 80 per cent of the total, whereas passenger receipts were less than 55 per cent of total receipts from users. Passenger receipts were far from covering the total costs attributed to passenger services, since they amounted to only 62 per cent thereof, the balance being made up by grants from central or local government.

These grants must represent in part a subsidy to freight services using passenger routes. There are of course other grants, in addition to the direct subsidy, which represent in whole or in part a subsidy for freight traffic; for example, grants for level crossings, for new rail sidings, and to replace the railway's lost pension fund. A commercial concern would have to provide for the last item by increasing its prices.

Clearly, in spite of its stated intentions ([3] para 181), government is doing little or nothing to remove subsidies to rail freight. The "avoidable cost" convention is a specious one: one might with equal validity argue that, since pavement construction is dictated by the heaviest axle loads, all highway costs should be paid by buses and lorries, and that private cars, like pedal-cycles, should be granted free use of the highway.

The statement ([3] para 177) that a single train can carry as much freight as many heavy lorries is irrelevant. No evidence is offered for the assertion (para 187) that rail has a unique ability to carry bulk goods. Experience in North America suggests that, for very long overland hauls, it is the cheapest mode; but the subsidies needed here confirm the North American experience that for short-haul bulk freight (there are no long hauls in this small island) rail is not competitive.

A good example of the way in which suggestions for improvement founder is

Chairman, Railway Conversion League Ltd.
provided by the proposals for a national system of designated lorry routes to ensure, as it was put in the Consultation Document [2], that maximum use should be made of the country’s “better” roads. The White Paper ([3] para 195) states that, as a result of consultation, it has been decided that this idea is not a practical proposition. This predictable outcome is the result of intense opposition from residents of the roads which it was proposed to designate. Apart from our 2000 km of motorways and a small mileage of trunk roads built to near-motorway standards, we have no roads suitable for carrying through lorry traffic. All that should be tolerated on most of our highways is limited use for access to premises.

The public complaint and agitation concerning lorries arises from government failure to provide adequate routes for the mode of transport which carries 80 per cent of overland freight movement. There are no suggestions in the White Paper for changing this unsatisfactory situation, although it is admitted that lorries will be “the most important means of moving freight for the foreseeable future” (para 192). Meanwhile the railways, which provide for only 20 per cent of overland freight movement, are permitted to retain 18,000 km of high-grade segregated routes. This is the imbalance which must be corrected if there is to be any significant change for the better.

It is suggested (para 183) that lorries be charged some unspecified amount above the directly ascertainable costs they impose, to take account of the noise and vibration they cause; but these are a nuisance only because of the inadequate roads that lorries are forced to use. Trains cause more vibration and noise than lorries: the supposed environmental benefits of rail (para 184) result only from their possession of segregated track well separated from most human activities. “Taxes are no substitute for constructive policies” (para 183), yet the White Paper is shifting policy away from any attempt to provide adequate roads and thus to make life more tolerable for those compelled to live and walk along what are now main traffic routes.

The discussion on rail commuters’ travel costs (para 130 et seq.) totally ignores the detailed studies which suggest that, taking into account total resource and passenger time costs, express buses can do the job at no more than one-fifth the cost of rail. Again for interurban travel there is said to be no justification for seeking to restrict choice of mode (para 172); but quantity licensing remains to restrain the development of cheap American-style inter-city bus services. British Rail is still entitled to object, before the Traffic Commissioners, to any bus operation competing with its services.

Clearly the “unreported importance of job protection” ([1], page 216), in particular the protection of railway workers’ jobs, appears to be placed above all other considerations, certainly above the need to provide cheap and convenient transport for the people of this country.

REFERENCES


A Rejoinder

By M. E. Beesley and K. M. Gwilliam

(1) We agree with Dr. Charlesworth about the potential role of scientific research, and hope that other well informed commentators will take up the question he poses of justifying such research in terms of its costs and benefits.

(2) In reply to Mr. Dalglish, we should point out that our guarded approval for an "avoidable cost" approach was for its application to both freight and passengers. The method does not involve an assumption that either type of service will not impose additional costs when run with the other. Rather, the question is—what is saved if either type of service is withdrawn? As we pointed out, the answers to this question, when added together, would not usually exhaust all relevant costs. Joint costs will remain. If both types of services are to be retained, these joint costs will have to be met from some source, either profit margins or subsidy.

In the presence of joint costs—by definition unallocable—it seems sensible, when referring to particular services, to reserve the term "subsidy" for sums given to help to cover avoidable costs. The absence of subsidy in all services taken separately is then, of course, quite consistent with a large subsidy in respect of services as a whole.