Transport Policy

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TRANSPORT POLICY

I. INTRODUCTION

1. The rapid development and mass production of the motor vehicle over the past 20 years has brought immense benefits to millions of people: increased mobility, a fuller social life, family enjoyment, new experiences. It has also introduced new, quick and convenient means of moving goods. But at the same time it has brought severe discomforts: congestion in the streets of our towns; the misery of the journey to work for commuters; noise, fumes and danger as the setting of our lives; a rising trend of casualties on our roads and a threat our environment in both town and countryside which, if it continues unchecked, will ensure that the pleasure and benefit for which we use the car will increasingly elude us. The aim of a rational transport policy must be to solve this paradox.

2. The nation has not yet begun to face up to the implications of the motor car. Each of us still believes he can find his own individual means of escape from the accompanying unpleasantness; for example, by finding a house further afield and buying a car—or cars—to enable him and his family to get about. In the context of such impulses transport policy would have only one aim: to build more routes for the private car. And it would find its economic justification in the fact that goods would be moving by the same routes.

3. The problem of the motor vehicle has been intensified because it has been thrust, unplanned, on the environment we have inherited from a very different age. We have been slow to realise that the expansion of motor traffic on the present scale calls either for a completely new kind of physical environment or for a willingness to adapt its use to the sort of conditions in which we want to live. Countries which became "motorised" earlier than Britain are just beginning to face up to this truth.

4. Even if we had as a nation consciously chosen the first of these two courses, which we have not, it would be at present beyond our means. New towns can be built to the requirements of the motor age though, even then, they will not necessarily be the sort of towns we want if they are built on the assumption of total dependence on private transport. But most of us live in towns built a century or more ago and the cost of adapting them to take hundreds of thousands of cars is prohibitive. Some adaptation must clearly be made but, inevitably, it can only be slow.

5. The same problem faces us on inter-urban roads. Today Britain is spending more on new and improved roads than at any time in her history: the amount for 1966 will be nine times what it was even 10 years ago. Yet to explosive has been the expansion of traffic that by 1970 50 per cent. more miles of our major trunk roads will be heavily overloaded than are today—the legacy of years of neglect.

6. In such a situation, two courses are clearly necessary. The first is to give the country's transport needs the priority they require, not only in the allocation
of money, but in their relationship to other developments. Until very recently we have not even attempted to plan as a whole the factors which create our environment—industry, housing and transport—or to plan different forms of transport in relation to each other. Indeed, until the necessary national and regional planning machinery was created, this was impossible.

7. Since Britain’s resources are limited, it is imperative that they should be used to the best effect: in other words, industries should not be built without their communications, ports without the means of moving the goods to and from them, or houses without adequate roads. Transport must be planned as part of the national effort as a whole and of the regional contributions to this effort.

8. The second requirement is to face up to the role of public transport. Our towns and cities will never be able to cope with their traffic, or the transport needs of millions of people, without strengthening, improving and expanding their public transport services. Nor can we afford to underestimate, as we have been doing, the valuable contribution which the railways can make in moving goods and passengers from town to town and people to and from work. Clearly these services must adapt themselves to new technological developments, but to get more people and goods moved with less use of road space is vital to the solution of our transport problems.

9. New thinking is required, not only about types and combinations of public transport, but also about how they should be financed. To attempt to solve these problems in exclusively commercial terms is to bring the Victorian mentality to the solution of modern needs. Those who manage or work on London Transport, British Railways and provincial bus services are struggling to reconcile two mutually contradictory objectives: to provide an adequate service for the public and to pay their way. As a result they are finding it increasingly difficult to do either. The solution will call for radical changes in the 1962 Transport Act.

10. It will also call for structural changes. If the public sector of transport is to play its important role effectively, its different elements can no longer operate in isolation. But the new forms of organisation must take account of modern developments. On the freight side this calls for a nationally planned and integrated road-rail service designed to take full advantage of the new techniques for handling freight. Passenger services, on the other hand, must be adapted to local needs. The urgent need for integration of road and rail services is now emerging from the practical experience of transport problems in different localities. The ways of ensuring this integration, and the forms it should take, must be decided in consultation with the Regional Economic Planning Councils and local authorities. Account will also need to be taken of the role of internal air services in the total transport picture.

11. The key to solving Britain’s transport problems, therefore, lies in planning designed to reconcile our many-sided needs, national and regional, economic and social. If we are to live within our means, while developing modern, efficient transport systems and drawing full enjoyment from the motor car, we must put all our resources to their best use as part of a coherent and integrated whole. This paper outlines what is being done.
II. BRITISH RAILWAYS—A NEW POLICY

12. This country has an extensive network of railways, with the capacity to provide fast, safe and reliable services for passengers and goods. It already offers, by comparison with roads, a high ratio of traffic capacity to track area; and there is ample scope for technical development to higher capacity at higher speeds, without increased use of land.

13. To make sure that the railways can play their part to best effect in a planned transport system the Government has made a fundamental review of policy. The development of road transport and continuing industrial evolution have made it necessary for the railways to specialise. Equally, these developments have emphasised the need to save road space and congestion costs by making the fullest use of railways where they can give efficient service, as in the trunking of freight, inter-city passenger journeys, and travel to work in the major conurbations.

14. The touchstone of a sound railway policy is the extent to which it meets the country’s overall transport needs. Commercial viability is important, but secondary. Under the Transport Act, 1962, the link between nationalised road and rail transport was broken and the new Railways Board was given the task, as a separate corporate body, of “breaking even” as soon as possible. Such a target could only be achieved by paring down the railway system to a degree which would be socially and economically unacceptable. In practice successive governments have intervened to prevent closures which were obviously harmful to national and local needs.

15. The provisions of the 1962 Act have vitiating much of the good work which the new Railways Board has done. Useful progress was made under Lord Beeching in identifying the roles which the modern railway can best perform and in relating investment and marketing policies to them. Practical results were seen in the rationalisation of passenger and freight services, the accelerated replacement of steam by diesel and electric traction, improvements in the control of the wagon and coaching fleets and the development in conjunction with trade and industry of new transport conceptions such as the Freighliner and “merry-go-round” services. But the Board was given no proper yardstick, statutory or otherwise, for measuring the effectiveness of the railway system against the real national requirement. Too little account had been taken in the Act of the interrelation of the railways with other forms of transport and of economic and environmental needs, whether national or regional.

16. It is now widely recognised that the railway system cannot play its proper role in the economy of the country and also comply with the 1962 Act. The right way forward is to decide now what is to be the new role of the railway system in our society, to amend the relevant statutory and financial provisions accordingly, and to restore stability to the industry so that management and men can concentrate on carrying out that new role with maximum efficiency.
Shape and Size of the Future Railway System

17. For the foreseeable future, the country’s transport system must include a substantial railway network.

18. In most spheres the railways can be expected to continue to operate on a commercial basis. For example, over a wide range of long-distance bulk haulage, on fast inter-city passenger services, and on some of the more heavily used commuter services, there is no reason why an efficient railway should not attract an expanding volume of traffic at rates which reflect the true cost of providing the services. There are other services, however, which have little or no prospect of becoming directly remunerative, in a commercial sense, on the basis of revenue from users, at least until a more sensible framework for urban transport can be established; yet their value to the community outweighs the accounting cost to the railways. These socially necessary services include many commuter services in conurbations, whose closure would add to road congestion costs, and some services in remote areas where reasonable alternatives are impracticable or excessively costly.

19. The first problem is to determine the size and shape of the basic system to meet both commercial and social needs. It is already clear from discussions between the Minister of Transport and the Railways Board that no network which the Board would consider commercially and operationally viable within its present terms of reference could be achieved without further extensive closures of socially necessary lines. On the other hand it is essential to enable management to concentrate on the improvement rather than the reduction of the system, so as to provide a first-class service to the public, trade and industry and to give railwaymen the incentive of an assured and worthwhile future. The Government has therefore decided, in order to restore stability to the industry, that the general shape and size of the system must be determined now, and that it should include:

(a) a network of main trunk routes selected for special development linking the main centres of population, industry and commerce;

(b) secondary lines feeding the trunk network, including some to be developed to carry particularly heavy flows of freight;

(c) certain commuter routes in and around the main cities and conurbations;

(d) certain lines essential to the life of remote areas.

The detailed proposals discussed between the Government and the Board are being considered by the Regional Economic Planning Councils, and as soon as possible particulars of the proposed basic network will be published. The future of some of the lines retained for certain freight flows would, of course, have to be reconsidered if the source of the traffic disappeared or there should be a major change in their circumstances.

20. The result will be a considerably larger system than seemed likely with the previous policy of widespread closure. This change reflects a revaluation of the Board’s traffic potential and the associated operating requirements, as well as a recognition of the importance of the contribution of the railways to broader planning for society as a whole. It will, nevertheless, involve some further closures beyond those already announced, since there
be pruning still to be done before the system is brought up-to-date. New proposals are likely to include, for complete closure, around 400 route miles carrying passenger services and around 1,330 miles carrying freight only: the network will still be very substantial.

21. The Government's decision that there should be a basic continuing work of the general size and shape indicated will not finally settle the future of any line not included in it, or prejudice the decision on the closure of a particular passenger service. Each of these will go through the normal procedures, including consultation with the Regional Economic Planning Councils. Redundancy that may result from the limited number of further closures will be mitigated by the comprehensive agreements between management and unions which provide for the transfer, resettlement and retraining of the men concerned, and for compensation payments in those cases where men leave the railways' service. These arrangements are working successfully, but in some cases men whose jobs are threatened have been left in a state of uncertainty through delays over passenger closure decisions. Decisions on closures which substantially affect the personal future of railwaymen will be taken, one way or the other, as quickly as possible.

22. Where, however, it appears that services might in future have to be maintained on a closed line—for instance as a result of planned movement of population and industry—the Government will ensure that the route is preserved meantime, even if the actual track is removed, so that there will be no physical obstacle to reopening.

Future Development

23. Attention can now be concentrated on the improvement of the part of the system to be retained. This has two principal aspects, which are closely linked:

First, the need to ensure that the best possible use is made of the lines which are to continue in being. To this end road and rail services must be re-integrated. The necessary developments in urban and freight transport are described in Chapters IV and VI.

Second, the development of the network as necessary to enable it to carry the traffic efficiently.

For this latter purpose the Government will make available, on a proper economic basis and within the general limits imposed on public sector investment, the capital needed for the replacement of obsolete rolling stock, the continued modernisation of track and signalling, and other necessary investment. It will have very much in mind the need to concentrate long-term investment on the major trunk routes, while undertaking works required on other routes for their efficient and economical use as feeder lines, commuter routes and so on. The Government will continue to discuss with the Railways Board both its general programmes for investment and appropriate methods of investment appraisal. It will take particular account of the need to consider investment in all forms of transport together and in relation to regional economic planning.

24. These developments will not by themselves provide the efficient, cheap and reliable services needed to enable the railways to attract the traffic to which
they are basically suited. This demands the full co-operation of men and management at all levels in the improvement of services and the raising of productivity. The Government is deeply conscious of the difficulties of the past which, in the atmosphere of an unstable and declining industry, have inhibited the fullest co-operation among all concerned. The new atmosphere which these proposals will engender should do much to overcome this difficulty. But the Government is also taking more specific steps. The Prime Minister has met representatives of the Railways Board and of the unions to launch a review of the structure of railway pay, measures to increase productivity and efficiency, and the machinery of negotiation and consultation within the industry. As then agreed, detailed talks are now taking place under the chairmanship of the Minister of Labour.

Financial Provisions

25. The Government intends to introduce a new system under which the Board will be relieved of the burden at present placed on its accounts by any unremunerative but socially necessary services which, with the Government's agreement, it continues to maintain. These will comprise more than those passenger services for which consent to closure has been refused under section 56 of the Transport Act, 1962; they will include, for instance, a number of important commuter and cross-country services whose closure the Board has refrained from proposing because of their social and economic importance. There may also be other elements of the Board's expenditure which can be properly attributed to social requirements and which ought to be handled exceptionally.

26. A permanent revision of the financial framework within which the Railways Board operates will require legislation and this will be introduced later. In the meantime it is important that the Board, the railwaymen and the public should know as soon as possible how much of the present deficit can be fairly regarded as attributable to the maintenance of unremunerative services which the community requires. Arrangements are, therefore, being worked out with the Board to identify these costs so that they can be published in the Board's Annual Report and Accounts. This will be one of the first tasks in the review described below.

27. The Government is considering the possibility that local communities might, as part of the long-term arrangements, assume some, at any rate, of the financial responsibility for passenger services whose retention is required for local reasons, if they should decide that the line ought to be preserved as part of the local transport system. This responsibility would devolve on any local transport authorities that might in future be established for the areas concerned.

28. These changes will enable a real drive to be made to eliminate the rest of the deficit apart from that resulting from these "social" services. The Government intends that the Board's operations as a whole (including the running of the "social" services) should be carried out with efficiency and enterprise. It proposes periodically to determine and make public realistic financial objectives for the Board by which its progress towards a fully economic of operation can be measured. These objectives will, of course, be set within the context of the new financial framework. The Board's essential task will to operate economically and effectively on the new basis, and to move as
possible to a position of financial equilibrium. In this it should be greatly aided by the removal of the depressing effect of an apparently perpetual deficit, attributable at least in part to factors outside its control.

14. Review

29. The establishment of the new financial framework will require the rationalisation and costing of those services and facilities whose cost should properly be borne or aided by the community. This will be a complex and difficult job. The Government and the Railways Board have accordingly set up machinery for the study of these and certain related questions. These studies are being controlled by a Steering Group under the chairmanship of the Joint Parliamentary Secretary to the Ministry of Transport, Mr. John Morris, M.P.; the other members are from the Railways Board and Government Departments, together with two distinguished industrialists and a working railwayman.

30. The main study will be carried out by a team including experts from the Ministry and the Board, together with independent consultants, into certain aspects of the Board's finances with a view to working out a new and acceptable basis for meeting the deficit arising from the "socially necessary" services. The team will consider the suitability of the Board's management structure and procedures in the light of changes which may stem from other proposals in the White Paper, in particular from the proposal to set up a national freight organisation described in Chapter VI. The detailed terms of reference of the review and the composition of the Steering Group are set out in the Annex.

31. These studies will be of a different kind from the several studies into the railways which have hitherto been undertaken. They will be jointly controlled and undertaken, so that the experience and detailed knowledge which can come from the Board will be applied within the broad framework of the Government's policy, and can in turn affect that policy and the proposed legislation at the formative stage. And their scope will be sufficiently wide to ensure that the railways are considered within the context of the transport system as a whole.

32. The Government is confident that these measures will provide the conditions for the progressive development of the railway services to meet the needs of present and future users and for a corresponding improvement in the Board's financial position. In this new venture it looks for the full co-operation of both management and men, relieved of the uncertainties of the past and encouraged to set their sights on a successful future.

III. ROADS AND ROAD SAFETY

The Road Programme

33. Whatever is done over the next two decades to improve our railways, roads will continue to have the dominant role in the movement of passengers and goods. They carry almost 90 per cent. of the passenger traffic and almost
60 per cent. of the freight. Good roads are vital to the efficient working of industry, the movement of exports and the quality of life in our towns. The importance which the Government attaches to the road programme is shown by the resources it is devoting to it. Current Exchequer expenditure on new roads and major improvements in Great Britain has risen to about £180 million a year. Provision has been made in the National Plan for this to be increased to £280 million (at constant prices) by 1970. These figures include Scotland and Wales; in this Chapter references to the Minister of Transport include references to the Secretaries of State for those countries.

34. This rapidly rising programme is tackling two main tasks. The first is to provide an effective inter-urban network of major routes. By 1970 more than 700 miles of motorway will have been completed out of the planned 1,000 miles and 350 miles of trunk roads will have been built or reconstructed. Thus, by 1970, the traffic situation will have been greatly improved on a number of the most important routes, with faster journey times, greater safety and more satisfactory travelling conditions. The second task is to step up the rate of classified road building in towns, a problem of growing urgency which is dealt with in Chapter IV. Unless we give this greater importance, conditions in our towns will become intolerable.

35. Despite increasing expenditure on the road programme, the backlog of years of neglect and the rise in traffic mean that our roads as a whole will be still more congested in the 1970s than they are now—the Road Research Laboratory forecasts that both vehicle ownership and vehicle miles travelled will double between now and 1980. The crucial questions therefore are how much of our national resources can be devoted to roads in the 1970s, having regard to all the other demands on public investment, and how to get full value for the money spent.

36. Plans for the improvement of inter-urban roads in the 1970s are now being drawn up. They are being based first on a complete assessment of the capacity of the present system to cope with future levels of traffic, and second on an appraisal of the economic returns which investment in road improvement is likely to produce. The Ministry’s existing techniques for road investment appraisal are being progressively developed. They will enable the Ministry to identify the type, place and timing of the schemes which offer the highest returns—and thus the highest benefits to the community. Special techniques are needed because benefits from road improvements cannot be measured by simple profitability. They are principally measured in terms of the savings in travelling time, vehicle operating costs and cost of accidents. Further research into the calculation and projection of these benefits and the assembly and analysis of the basic data are in hand.

37. Since road planning is an essential part of physical and economic planning, the Ministry’s plans are being drawn up after consultation with Regional Economic Planning Councils, other Government Departments, the National Ports Council and the British Railways Board. The plans will fit with the broad pattern of population growth in the 1970s and with the Government’s proposals for regional development. But changes may be needed in the conception and timing of particular projects. The plans will, therefore, be kept under continuous review so that new needs can be met as they arise.
38. The rate at which it will be possible to implement the plans will depend on the level of national resources which it will be possible to devote to roads in the 1970s. The Government hopes to announce later this year the new road programme for 1970/71 and provisional figures for a planning period covering a further period of years. This will allow work to start on the detailed planning and preparation of a substantial number of road schemes. This block of schemes will then be translated into annual programmes, in full consultation with the other Departments concerned with planning and with the Regional Planning Councils.

Productivity

39. It is not enough simply to increase the resources allocated for roads. It is imperative, especially at the present time of financial stringency, to see that we get greater value from any given level of expenditure. Action has already started. In 1965 the Government set up the Economic Development Committee for the Civil Engineering Industry under Lord Campbell of Eskan. The E.D.C. in turn set up a Working Party to examine costs and productivity in the road construction sector of the industry. The Government welcomes its first report, which has just been published*, and is acting on it.

40. In particular the Ministry is:

(i) developing its contract procedures so as to give contractors better opportunities to work continuously on road construction, to employ their plant more productively and to specialise more; this will mean a smaller number of firms being more committed to road construction, still, however, in effective competition with one another;

(ii) helping contractors and material suppliers with their forward planning by publishing every quarter forecasts of every major scheme due to start within two years;

(iii) making the most of contractors' 'know-how' by collecting their experience on major contracts and taking fuller advantage of their suggestions for cost-saving modifications in design, giving them as well more time to study jobs and possible economies in them before tendering;

(iv) promoting the development of better road construction plant and more investment in it;

(v) with the co-operation of the industry, getting better data about the costs of design changes; significant savings are already on the way through changes in the Ministry’s specifications and there will be even more standardisation, especially in bridge design;

(vi) commissioning studies into the economics of construction, e.g. shift working, continuity of operation and the possibilities of serial contract-

(vii) reviewing the working of the statutory and administrative procedures before a road is built or improved.

More detailed studies of productivity in road construction may well reveal scope for further advances.

*Efficiency in Road Construction, H.M.S.O. 1966, Price 5s. 0d.
41. Although the trunk road and motorway programme is wholly financed by the Ministry, much of the design and engineering supervision of the construction of these roads is at present undertaken by the County Councils acting separately as its agents. This diffusion of effort prevents the best use of scarce engineering resources. Uniformity of standards and practices is difficult to achieve and continuity of work for experienced design and construction teams cannot be ensured.

42. In order to remedy these defects there has been advocated in some quarters the creation of a Roads Board, independent of the Ministry, to be responsible for the unified planning and construction of all highways. But this is no real answer. The Government must retain control over the extent of national investment in the road programme, its place in national and regional planning, and the determination of priorities. The execution of the programme—design, construction, contracts, development planning, rehousing, land acquisition and the like—involves so closely both central and local government that the solution must lie in some new form of partnership between them. The Government therefore proposes to establish a small number of large-scale Road Construction Units, each covering a number of counties, in which Ministry and county engineers will work together on all aspects of design and construction for the major motorway and trunk road schemes. The Units will be able to make fuller use of specialist teams, economise on engineering resources, ensure greater continuity of work and arrange an interchange of staff between the County Councils and the Ministry. The standard of technical and financial control will be improved, and duplication will be eliminated. The County Councils have agreed to examine the details of the scheme urgently with the Ministry. The Secretaries of State for Scotland and Wales are considering how far similar arrangements would be useful in the conditions obtaining in their countries.

Road Safety

43. No transport policy for the motor age will be complete unless it incorporates a new attitude to road safety. In the last 10 years 3½ million people have been injured on our roads, 800,000 of them seriously, and 67,000 have been killed. The toll of death and injury is steadily increasing and the risk which every individual faces is a growing one. In 1934 the chance of being injured in a road accident during the year was one in 190; by 1964 it had become one in 136. If accidents continue to increase at the present rate, road casualties in the 1980s will be nearer a million a year than the present 400,000. Even now road accidents are estimated by the Road Research Laboratory to be costing some £220 million a year in damage to vehicles and property, medical treatment, police effort and in the cutting short or interruption of life. This figure excludes any allowance for the premature deaths of those whose contributions to the nation’s wellbeing is not generally measured in financial terms—such as housewives and the elderly. Nor has any attempt been made to assess in economic terms the pain and bereavement caused to millions.

44. Immense gains—both social and economic—can be won from a reduction in road accidents. In the past this problem has been tackled by applying remedies where the danger has become obvious. Accident black spots have been eliminated as part of the highway programme; defects in vehicles have
tackled by the regulation of future design and construction and by inspection of existing vehicles; human failure at the wheel or on foot has prompted measures to reduce reckless or careless driving, accidents caused through drink, and the conflict between pedestrians and vehicles. But, useful though these measures have been, they have not been able to prevent the risk of injury from rising.

45. To secure a real and lasting improvement a more positive and ambitious approach is needed. As traffic increases, so do the risks of death or injury and, therefore, should the resources and research we devote to reducing these risks. But action needs to be better co-ordinated, planned ahead as the roads programme is planned, and concentrated on those measures which are likely to produce the greatest savings in life and limb. Without a clear lead from the Government, local authorities, vehicle manufacturers and road users cannot be expected to make the further contribution which is needed from them all if we are to achieve greater road safety.

46. The Ministry is now drawing up, and will be publishing, its forward programme for attacking the problem on three fronts—safer roads, safer vehicles, safer drivers and pedestrians. To make the best use of our resources existing methods of assessment of benefit are being developed by the Ministry’s economists in conjunction with the Road Research Laboratory. And the laboratory is intensifying its research into road safety generally and into particular aspects of it such as human behaviour, which is at the root of the road safety problem. The results of these studies will be reflected in the long-term programme as it is projected forward year by year.

IV. URBAN TRANSPORT

The Elements of the Problem

47. About 80 per cent of our population live in urban areas, half of them in the larger towns and cities, and the proportion of town-dwellers is growing. Many more people live near towns and travel in for work, shopping or entertainment. Providing the right transport services for this very large majority of the population is perhaps the most difficult and important transport problem we have to solve. The challenge of the motor age is, therefore, in its most acute form in urban areas. Our cities and towns developed on the pattern set by radial public transport systems—buses, trams, surface and underground railways. The growing use of private transport, brought about by rising prosperity, has now fundamentally altered the situation. The motor car, allowing much more diverse patterns of movement, gives people greater freedom of choice in both their living and their working places. Goods vehicles, catering for the growing needs of urban living, help to fill the streets.

48. Unchecked, these developments could distort our whole pattern of living, as they have done in some places in the United States. Since the trend has not gone so far here, however, we still have the opportunity to shape our cities more consciously. But the objectives are complex. An efficient and convenient transport system is a necessary basis for living in towns and yet it must be
provided in a way that does not destroy other important elements of urban life. There is no single, easy or quick solution to this dilemma, but it is vital that we should succeed in both these objectives.

A Comprehensive Approach

49. One thing is now clear. The urban traffic and transport problems can be successfully tackled only by a combination of policies. It is not enough simply to concentrate on more roads or tougher traffic management or improvements in the public transport services. All these are needed as part of integrated policies worked out for each town and region. Nor is it possible to solve transport problems in isolation. Town planning and transport planning must go hand in hand as the proposals put forward by the Planning Advisory Group stress. The land use/transportation studies and traffic surveys now being carried out in the conurbations and in larger towns provide the basis for this planning, but the Government must provide the proper framework within which local authorities can act.

Urban Road Planning and Construction

50. As Professor Buchanan has pointed out†, to meet modern traffic needs to protect the environment and to relieve congestion, our large cities and towns will need over the next generation a modern network of high capacity traffic routes. These networks will call for massive investment in road construction. We now have an expanded urban road programme, growing and gathering momentum. Even so, its present scale cannot be regarded as more than a beginning of the inevitably long and expensive job of providing enough road space in our towns. A bigger programme will be needed in the 1970s, and timing properly related to the resources available for the road programme as a whole. The Government's aim is to see that primary networks needed for the main traffic flows and for the establishment of environmental areas will be built as soon as resources allow. In the meantime, however, we face a critical situation.

Traffic

51. Traffic policy, therefore, will continue to be an essential part of urban transport planning. Traffic management and parking policies are primarily the responsibility of individual local authorities, who will need to plan and control traffic in their area as a whole. The main role of the Ministry of Transport has been to draw their attention to the advantages to be gained from adopting effective traffic policies—one-way streets, parking restrictions, waiting restrictions and so on—and to make available to them advice on the latest techniques of traffic management. The Ministry takes part in joint studies with local authorities and carries out joint experiments. An example is the experiment in centralised computer control of about 70 signal intersections and 30 pedestrian crossings in an area of $6\frac{1}{2}$ square miles in West London, with the objective of reducing journey times by more efficient linking of signals. A complementary experiment is being undertaken in Central Glasgow. County Boroughs will be helped to finance traffic management schemes by the new Exchequer

*The Future of Development Plans, H.M.S.O., 1965, Price 10s. 0d.
†Traffic in Towns, H.M.S.O., 1963, Price £2 10s. 0d.
system, under which they will no longer be debarred from receiving grant towards certain types of highway works.

52. An effective traffic policy, however, should not only make it possible for traffic to move more freely but also ensure that the volume of traffic entering congested central areas is sensibly related to the capacity of the road system. This will require deliberate measures of traffic restraint and the Minister will shortly publish a report on the various methods of controlling the use of urban roads. At present, a thorough-going parking policy is the best method for achieving this, but in the longer term this may not be enough in the larger towns. Other possible methods of restraint are, therefore, being investigated, including in particular methods of road pricing.

53. In congested conditions, the individual road user pays considerably less for using a road than the cost he imposes on the rest of the community. This leads to economic waste—chiefly in the form of delays to traffic. Road Pricing—a metering system to charge directly for the use of congested roads—is, from the economic point of view, the most obvious solution to this problem. It is not yet established, however, that a reliable, workable and enforceable system can be devised on the scale that would be needed. Detailed research to test the technical and operational feasibility of road pricing is now in train and a special team has been set up in the Road Research Laboratory.

54. But whatever individual techniques of traffic management may prove worthwhile, it is already clear that traffic policy is going to be an increasingly important component in the whole transport policy of big urban areas. Two changes will be needed. The powers of local authorities, in relation to traffic matters, must be improved to make them as flexible and effective as possible; and the Ministry of Transport must play a more positive role. To this end powers under the Road Traffic Acts are being reviewed.

Public Transport

55. Public transport has a key part to play in dealing with the urban transport problem, both for the mass carriage of passengers at peak hours and for the transport needs of people without cars. Yet public transport is in decline. Rising costs, the effects of congestion and the loss of passengers to private cars have all contributed to this situation. Traffic management, by relieving congestion, can help public transport to operate more efficiently; but more fundamental changes will be necessary. The Government proposes to deal with this in three ways.

1) Re-organisation

56. Public transport in the conurbations must be re-organised. The basic defects of the present situation are that the main elements in the transport system—public transport, road building and maintenance, and traffic control—are separately planned and financed; that transport as a whole is not being integrated into the general planning of conurbations; and that each continuous urban area which is a unit from the point of view of its transport requirements is split between a number of separate authorities. In many of these areas the efficiency of bus operation is hampered by the small size of the undertakings.
Municipal and company bus services often overlap and complex working agreements are necessary. Suburban rail services, particularly important for commuter traffic, are under separate control.

57. This fragmentation and lack of central control militates against the rational co-ordination of transport policies. Thus, those responsible for traffic management and parking are not directly affected by the consequences of their policies for the operation of public transport undertakings. Public transport operators, for their part, must try to pay their way without having any control over many of the factors which affect their power to do so. Again, because local authorities have a financial responsibility for their own bus undertakings but not for local railway services, their attitude to fare levels is different in the two cases.

58. The lack of a carefully weighed local transport plan is often exacerbated by the fact that highway development is grant-aided while rail or bus development is not. Local authorities therefore have little incentive to explore the development of rail or other rapid transit systems which might better serve local needs. In the long-term the right solution seems likely to be found in the establishment in these areas of single authorities with responsibilities covering land use, highways, traffic and public transport. Clearly, however, a fundamental change of this kind must await the consideration and findings of the Royal Commissions on Local Government.

59. Nevertheless, action is urgently necessary over the next two or three years if there is to be a proper development of public transport over the next decade. The Government, therefore, will promote the establishment in these areas of interim machinery that can put right at least some of the defects in the present system. Already in some of the conurbations, such as Merseyside, the local authorities and public transport operators concerned are working together on the problems of integration and the Regional Councils are examining what steps might be taken in other areas. The Government welcomes and supports these initiatives. It believes that as a first step conurbation transport authorities should be created under broad local authority control, or suitably linked with local authorities, with the duty of securing an efficient, convenient and integrated system of public transport for the urban region. The Minister of Transport proposes to take powers to create such authorities.

60. The Government believes that these arrangements can be made without prejudice to the work of the Royal Commissions and that it should be possible to build into these interim transport organisations enough flexibility to allow their absorption in the long-term pattern of local government, whatever that might be.

(ii) Finance

61. Public transport will not be able to play an effective part without financial help. Where financial assistance proves necessary, those who benefit directly or indirectly from the existence of the service should contribute to its costs; and it should be possible to use the revenue from any transport service (including parking) for wider transport purposes. It is also reasonable that the first source of “outside” support should be revenues from the local community. Where outside assistance is given, it will be important not to remove from management the spur of clear financial objectives.
62. The Government already contributes heavily to the cost of building and improving main roads in towns. It now proposes an extension of this. It intends to take powers to provide financial help for the construction or major improvement of public transport structures that form part of comprehensive local transport plans—railways, new forms of reserved track transport which may be developed, and terminal and interchange facilities on public transport systems.

Technical improvement

63. Technical improvements are constantly being made in vehicles and in methods of public transport operation. But public transport is still a labour-intensive industry, and its patterns of operation have not changed enough in response to the conditions in which it now operates. More research is needed into new operating methods and the development of new labour-saving equipment. Steps are already being taken in this field. The Ministry is setting up a group to examine the technical and operational problems of one-man bus operation. Joint investigations are in hand in Leeds between the Ministry and the local authority over the whole transport and planning field. A joint study has begun with Manchester Corporation into the comparative costs of various rapid transit systems. The Government proposes to mount a large and centrally co-ordinated programme of research and development with the aim of securing a much needed improvement in services and productivity.

London

64. London’s transport problems are unique in their size and complexity. And the ways in which they are being tackled represent the new approach which will be needed in other conurbations. The London Transportation Study, under the joint sponsorship of the Ministry of Transport and the Greater London Council, is collecting the basic data on transport movement in London, projecting future demand for transport and developing new methods of evaluating the benefits of alternative forms of transport in the light of various possible land-use plans for the London area. The work of the Study is closely linked with that of the new Transport Co-ordinating Council for London, which brings together for the first time, under the chairmanship of the Minister of Transport, the major authorities responsible for highways, traffic management and the provision of transport facilities in London.

65. The Co-ordinating Council provides the framework within which the planning of roads, traffic management and public transport can be integrated. Five working groups have been set up to deal with: the co-ordination of public transport facilities; the provision of interchange facilities, such as car parks at stations; investment in public transport; highways planning; and the problems of freight transport. The aim is to achieve, by concerted action, immediate improvements in travelling conditions and to define what changes in the law may be necessary.

66. Public passenger transport in London is provided by two nationalised transport undertakings. The Railways Board’s problems are discussed in Chapter II. The London Transport Board, too, suffers from the defects of the 1962 Transport Act. It has not only a statutory duty to pay its way, but also a
duty “to provide or secure the provision of an adequate and properly co-ordinated system of passenger transport”. In practice, these duties have proved irreconcilable. Difficult road operating conditions and shortage of staff have made it impossible for the Board to offer adequate bus services. Irregular and unattractive services, the result of rising road congestion, have driven people either to already-crowded tubes and trains or to their own cars, thereby increasing congestion further. Between 1955 and 1965, on routes into the Central Area during the morning peak, 29,000 extra cars, carrying 39,000 people, took the place of 1,900 buses but occupied five times as much road space. Although the number of passenger road vehicles entering the Area rose by 30%, 17% fewer people came in by road. The other obligation imposed on the Board, to pay its way, is also impossible to fulfil in present conditions. The difficulties have resulted in an overall deficit of £1 million in 1965; this will probably rise to about £5½ million in 1966.

67. The first solution lies in comprehensive traffic policies including some deliberate measures of restraint. The Co-ordinating Council and its working groups are following up two major studies carried out earlier by the Greater London Council at the Government’s suggestion. The first was an investigation jointly with London Transport and the Police, into traffic management measures which might help bus operations. The second was a major programme for extending parking control over forty square miles of central London (with the object, among other things, of making commuting by car less attractive). Work is in hand in conjunction with the London Boroughs and others concerned to implement the reports on these two studies.

68. Action has also been taken by the Government to deal with the immediate financial problems of London Transport. In the Transport Finance Act, 1966, powers have been taken as an interim measure to provide grants of up to £16 million in respect of revenue deficits incurred by the Board in the three years 1966–1968. But more radical solutions are needed. A joint review is therefore being undertaken by the Government and the Board, with expert outside help, of the Board’s financial needs and commercial policies, and the main operating and management problems arising from them. The review is being steered by a Directing Group chaired by the Joint Parliamentary Secretary to the Ministry of Transport, Mr. Stephen Swingler, M.P.

69. Meanwhile, the practical job of planning major new facilities for London is going ahead. The road programme for the 1970s is being worked out by the Ministry and the Greater London Council together, with particular emphasis on the right choice of major ring roads. Extensions of the Underground, further surface railway electrification, links to the airports and possible interchange facilities are being examined within the Co-ordinating Council machinery. Any projects which can be justified on their individual merits will be approved in advance of the comprehensive transportation plan to be produced on the basis of the London Transportation Study.

70. These measures are a start towards the achievement of a properly co-ordinated transport system for London; as the longer term studies are developed, wider measures involving legislation will be needed.
V. REGIONAL TRANSPORT PLANNING

71. The main transport system—the railways, the inter-urban road network, ports and airports—must be planned centrally and investment must be co-ordinated. The central Government must therefore draw up the broad framework for the development of the system, in the light of the total needs of the economy, and determine the main priorities within it. It is equally important, however, that the overall transport plan should reflect the needs of the individual regions. Decisions about road, rail and airport investment need to be taken in the light of comprehensive studies of the transport needs of each region, though in the case of air transport the international aspect is at least as important as the domestic. These studies in turn are dependent on, and must be related to, the overall planning objectives for the region, and must take into account not only the existing transport requirements, but also future population growth, changes in the structure of industry and employment, and the importance of safeguarding and improving environmental standards.

72. The Regional Economic Planning Councils have an important part to play in the planning of transport. As mentioned in Chapter II, they are being consulted about the future size and shape of the railway system, and they have already given the Government their views about the inter-urban road plans for the 1970s, the Interim Ports Plan and the future of the inland waterways. Their advice will also be sought on the extent to which domestic air services need to be correlated with other forms of public passenger transport as part of the development of national and regional transport plans.

73. Within the regions themselves there is a need for the re-organisation and integration of public passenger transport services to enable them to meet more effectively the changing demand brought about by the growing use of the private car. Over the five years up to 1965 the proportion of all passenger movement accounted for by private transport rose from 56 per cent. to 69 per cent. and this trend is likely to continue. Yet for many people and many purposes public transport is still essential.

74. The needs of public passenger transport vary with the character of each locality. The forms of integration, therefore, must be adapted to local needs. Although, as mentioned in Chapter IV, the local authorities in some conurbations are considering setting up conurbation transport authorities to integrate all their passenger transport services, the need for rationalisation goes wider than the conurbations. The present structure and operations of public passenger transport, whether nationally-owned, municipal or independent, have been determined largely by historical and geographical growth. They follow no rational pattern. Despite the arrangements developed by operators to co-ordinate their services and facilities, considerable scope still exists for better connections and interchange facilities, shared timetables and joint information services. Nor are the deficiencies likely to be overcome until there is a basis on which the services can be planned as a whole.

75. The Minister of Transport has enlisted the help of the Regional Economic Planning Councils in determining what is the best means of achieving the
co-ordination, and ultimately the integration, of passenger transport. At the request they are already undertaking a number of pilot studies into the transport problems of their regions, some of which cover the integration of passenger transport services in their areas, both in the large cities and elsewhere.

76. The Councils agree on the need for more effective co-ordination of passenger services. Many of them think, however, that what is needed is the full integration of these services and that the right answer in the long term may prove to be the setting up of regional, or sub-regional, transport authorities responsible for all public passenger transport services in the area. But they accept that, for the short term, some voluntary machinery for co-ordination would help. At the Minister's request, the Councils have considered what would be the most appropriate machinery and they are all now agreed that transport co-ordinating committees, or bodies with very similar functions, closely linked with the Councils, should be set up in each region.

77. The Minister of Transport has accepted the Councils' advice and steps are now being taken to set up these committees. They will co-operate with co-ordinating committees or transportation study steering committees already established within the conurbations. Their membership will include representatives of the Regional Councils, local authorities, local transport operators, users and trade unions; and the Chairmen of the Traffic Commissioners will be associated with the committees' work. The committees will probably find it convenient to work through small expert groups dealing with particular subjects or areas. Their main task will be to study the local transport arrangements and advise on the steps necessary to get a more effective and co-ordinated service by public transport. They will also advise on such related matters as traffic management measures to assist public transport, on the siting of car parks in relation to public transport facilities and on arrangements for interchange between train and bus or between different bus services.

Rural Transport

78. In recent years bus operators in country districts, as in towns, have been exposed to the twin forces of sharply declining demand and steeply rising labour costs. These adverse pressures cannot be allowed to lead to a widespread withdrawal of rural bus services. For the people who would suffer from a decline in such services include a disproportionately high percentage of the economically weak—in particular the old, the young, the poor and the infirm.

79. In the Government's view, if help from public funds is to be made available to secure that rural services are provided or continued, the local community should take its part in determining what services are to be considered as essential and should contribute to the cost. The Government proposes, therefore, that local authorities shall be empowered to give, at their discretion, financial assistance for providing or improving road passenger transport for the benefit of rural areas and the people living in them. The Minister of Transport will be empowered to contribute towards the costs incurred by local authorities in giving such financial assistance. General criteria for assessing assistance will be worked out in consultation with the local authorities. Legislation will provide that assistance can be given in respect either of the ordinary bus services, where this is required, or of services of a less conventional nature (for example, rural
A small tonnage of inland freight is also carried by air.

As Chapter VII explains, they are important only in the few limited areas and principally for traffics such as coal, and generally high value goods, on domestic as well as overseas routes. The economic use of the waterways must be fully developed, but it can never be significant on a national scale and the Government does not consider it necessary to make specific provision for this traffic in its new proposals for inland waterways.

82. The staple components of the coastal traffic around Britain are coal and oil. For these steady flows of bulk commodities between coastal sites and the ports, carriage by railways is a cheap and efficient form of transport. Carriage by ships, however, is expected to decline but an increase in oil traffic will offset this loss and is likely to maintain the overall tonnage handled at the ports. The Government sets no reason at present for suggesting any change in the general arrangements under which coastal shipping operates.

VI. A NATIONAL FREIGHT PLAN

When many trunk roads carrying large numbers of goods are heavily overloaded, main railway lines have spare capacity. This situation is not clearly in conflict with the best use of national resources, and the Government has put in hand a comprehensive review of the policy of freight transport. Where the public need and the Government would meet the public need and would relieve the regular operator of a heavier responsibility.
85. Apart from water and gas distributed by the public utilities, the main materials moved by pipeline are crude oil and petroleum products. By 1970 probably about 50 per cent. more than the present quantities will be conveyed. Local industrial distribution systems are expected to be developed on a wide scale: but trunk lines have a more restricted role in the overall transport picture, because they are justified only by large, regular flows of a very limited range of products. Their development is already controlled by the Government and as far as the future of pipelines can be foreseen at present there is no reason to alter this control.

86. The greatest scope for rationalisation lies in road and rail transport. The large number of operators making up the road transport industry between them provide facilities for the carriage of general merchandise to all parts of the country. Particularly for traffic which comes forward in quantities up to five-ton-load, the service which is provided is convenient, profitable and competitive. Road transport does not usually have the same advantage in the carriage of traffic which arises in, or can be aggregated into, bulk. The railways, by contrast, have at present two distinct roles in the field of general merchandise. On the one hand, they compete directly with road haulage for consignments which are of wagon-load size or smaller. This is generally uneconomical because it involves the time-wasting, expensive and repetitive process of handling wagons one at a time, which is becoming obsolete. On the other hand, the railways are able to move goods in large quantities very economically. This is being effectively exploited for mineral traffic, other bulk commodities and company trains, but remains largely unexploited for general merchandise. Yet there is a large amount of traffic which could be aggregated for through movement between terminals equipped with modern road/rail transfer facilities, in the main centres of industry and population. There is thus a strong technological and economic case for the railways progressively concentrating on the carriage of traffic which can be bulked into full train-loads or even part train-loads. Road transport can then complement this role by collecting and bulkling general merchandise for trunk haul by rail and subsequently sorting and delivering it by road. By contrast, wagon load traffics which are not easily aggregated, do not come forward in regular flows, or involve circuitous routing would in many cases be better transported by road than rail.

87. The railways and road transport together account for about 80 per cent. of inland transport. The bulk flows of such traffics as coal, minerals and raw materials for the iron and steel industry, for which the railways are generally the most satisfactory means of transport, at present form about 70 per cent. of rail ton-mileage. At the other end of the scale is the traffic for which there is no alternative to road transport, such as local distribution, medium distance work involving collection from and delivery to many different points en route, and certain specialist loads. It is estimated that this traffic comprises between 70 per cent. and 80 per cent. of the ton-mileage carried by road. It is within the remaining traffics, amounting to some 25 per cent. to 30 per cent. of the total road and rail ton-mileage, that the real scope for rationalisation arises. Of the two-thirds now being carried by road includes some traffic—particularly long-distance traffic—which is suitable for rail, and for which there is spare capacity on the railways; the third now moving by rail includes some short-distance and other traffic which could better be carried by road.
88. Over the past ten years rail freight traffic has declined by some 5,000 million ton-miles, while total goods traffic has increased by almost three times that amount. This has been mainly brought about by, on the one hand, a heavy decline of coal traffic, offset to a limited extent by a modest rate of growth in the transport requirements of the steel industry, and, on the other hand, an upsurge of the output of the industries that have hitherto provided the most important of the traffics carried by road—construction and building materials, food, drink and tobacco. But the decline in rail ton-mileage occurred almost wholly between 1956 and 1962. Since then the decline has been arrested and rail freight traffic (excluding the railways' own materials) has been fairly steady between 15,500 and 16,000 million ton-miles a year.

89. In the five years 1965 to 1970 the total demand for goods transport—mounting in 1965 to 68,000 million ton-miles—is expected to grow by about 20 per cent. or by some 14,000 million ton-miles. On present trends, the great bulk of this would be additional road traffic. If the railways were just to maintain their 1965 share of traffic, industry by industry, they would gain only some 1,500 million ton-miles or about one-tenth of the total new traffic.

New Plan for Freight

90. One of the causes of this imbalance between road and rail has been the determination of successive Conservative governments to destroy the machinery for integrating road and rail transport. The British Railways Board and the Transport Holding Company own a substantial part of the country's road/rail freight system (together they account for approximately one half of the total ton-mileage carried by the railways and public road hauliers). Under the Transport Act, 1962, the Railways Board and the Holding Company operate not only independently but in competition with each other. Each undertakes the handling of large or small consignments of general merchandise. There is no obligation on them to co-ordinate consignments by road and rail. On the contrary they duplicate each other's facilities and services. As a result the nation's transport resources, particularly the railway network, have not been put to the best use and the ability of the public sector to offer an efficient door-to-door road and rail freight service has not been fully exploited.

91. The Government has, therefore, been working on the integration of the freight services of the two publicly-owned undertakings, concentrating in a single national freight organisation, operating on a commercial basis, responsibility for general merchandise and sundries traffic. The object is that the organisation shall offer the customer a comprehensive, efficient and cheaper door-to-door service, including collection, transport and distribution of his goods, by rail or road or both as appropriate for the particular load.

92. Such a re-organisation would have the advantages, amongst others, of—

(i) increased efficiency through

(a) the integration and rationalisation of such fixed installations as depots, warehouses and maintenance and workshop bases in the public sector;

(b) the integration of the Railways Board's and the British Road Services' collection and delivery services;
(ii) the development of joint road/rail freight handling techniques involving the use of such equipment as containers and pallets. Better freight handling would benefit all through services, not only by road and rail but also by sea and air;

(iii) the bringing together within a single management of marketing and development policies at present applied by two separate management of publicly-owned undertakings within the same sectors of the freight market.

93. Details of the new national freight organisation are being worked out in consultation with the Railways Board, the Holding Company, the transport unions and user organisations. Among the matters still under consideration are the working relationship between the Railways Board and the new body, the arrangements for co-ordinating their policies and operations, including their pricing policies, and the division of staff and assets between them.

94. It is through the re-organisation and rationalisation of the non-bulk traffics that the greatest immediate benefits can be obtained. The ultimate solution may prove, in the light of further examination, to be that the new body should be the marketing organisation for all freight traffic in the public sector; but for the present the Railways Board will continue to be responsible for bulk traffics, other company trains and freight which moves, mainly in whole train-loads, wholly within the railway system.

95. The provision of a comprehensive door-to-door service for small consignments and general merchandise traffic will require the development of a network of modern road/rail transfer terminals. The Railways Board are already planning a freight grid, which will lead to the concentration of general merchandise traffic, not destined for private sidings, at some fifty major terminals in the main centres of industry and population and conveniently located for the transfer of road traffic for trunking by rail. A national freight organisation could develop this freight grid to secure a rational use of road and rail facilities and at the transfer depots could provide warehousing and other facilities in the making and breaking of bulk as may be required.

Interim Measures

96. Legislation is necessary to set up such a national freight organisation. The Government does not intend to wait for this before taking steps to promote co-ordination between the freight operations of the Railways Board and the Transport Holding Company. It is discussing with them how best their services can now be organised to complement one another and so to facilitate the set-up of the new organisation. An early start will be made on the co-ordination of the parcels service of British Road Services with the freight sundries services of the Railways Board.

Review of Road Goods Transport Policy

97. One of the most serious weaknesses in past transport policies has been the lack of knowledge about the relative costs, both economic and social, of carrying goods by road and rail. The value of the Beeching report's† analysis...

† The Reshaping of British Railways, H.M.S.O. 1963, Price £1 0s. 0d.
role of the railways was to a large extent vitiated by the lack of a similar
basis of the true costs of carrying goods by road. Nor was this failure remedied
by the setting up in October 1963 of the Geddes Committee on Carriers’ Licen-
ses. The terms of reference given to it by the Conservative government were so
limited that it was unable to consider policy on road goods transport as part of a
plan for the carriage of freight as a whole. Although it received evidence from
different quarters both for and against the argument that road hauliers are not
covering their true costs it decided that it was not necessary to its task to pro-
ounce on this issue.

98. To remedy this deficiency in our knowledge the Ministry of Transport is
beginning research into trunk route transport costs in order to establish the relative
costs of carrying goods by road and rail on certain trunk routes and the effect
of the costs of altering the distribution of traffic between road and rail. It is also
starting a survey to get more detailed information about the factors which
influence the choice made between different forms of transport by industrial
users. This additional information will help to answer the hitherto unresolved
question of track costs, and the Government expects to have results from this
research towards the end of this year. When this information is available the
Government will decide what changes will be required in the conditions under
which road goods vehicles are operated.

99. In the meantime it would not be right to take any decision about the
detailed recommendations of the Geddes Committee on the future of the road
goods licensing system. The Government accepts the Committee’s view that the
present carriers’ licensing system is wasteful, ineffective and unduly complicated;
agrees that it is ill-designed to achieve the objectives for which it was set up,
even where these objectives are still relevant. But it does not agree that the
system should be scrapped. On the contrary, it believes that it will be necessary to
develop a licensing system which is an effective instrument of a modern,
national freight policy.

100. These studies need not delay steps to improve the safety and efficiency
of vehicles and to limit the social nuisance, particularly from noise and smoke,
especially from the heavier goods vehicles; and the Government is taking urgent
action in this field. The safety regulations applied to road goods vehicles are being
reviewed and improved. Higher standards for braking are being introduced.
Schemes for ”plating” goods vehicles with the weights they may safely carry,
for testing them regularly and for type-approving essential features of the
construction of new goods vehicles at the manufacturing stage are being
developed. These were described in detail in the White Paper “Road Safety
legislation 1965/6”* which also confirmed the Government’s intention to
introduce special licences and tests for the drivers of heavy goods vehicles.
The necessary new powers will be sought in the Road Safety Bill. New controls
over noise and smoke are being developed, and the Ministry is studying ways
of reducing the nuisance to other road users from loads of exceptional size and
weight.

101. Regulations to improve safety are effective only if they are properly
enforced. The staffing, direction and priorities of the enforcement work now

† Carriers’ Licensing: Report of the Committee, H.M.S.O. 1965, Price 8s. 0d.
* Cmd. 2859, H.M.S.O. 1965, Price 1s. 6d.
being carried out in the Traffic Areas are, therefore, being reviewed in order to secure the most efficient management and direction of this work and the best results in terms of road safety.

102. The Government is also considering ways in which the efficiency and productivity of the road haulage industry may be effectively improved. It wishes, too, to link the road haulage industry more effectively with national and regional economic and transport planning. Representatives of the industry are beginning to play their part in the development of ideas and plans for transport in the regions, but the industry should be brought in more effectively at national level.

103. To achieve all this will require a fundamental and detailed re-shaping of policies, legislation, regulations and machinery now affecting road goods transport. The Government has set this in hand. Representatives of both management and the unions in road goods transport, and of industry, will be fully consulted in the course of this review.

VII. PORTS RE-ORGANISATION AND MODERNISATION

104. For a country as dependent as Britain upon international trade, an efficient ports system is vital. Our ports are inadequate for present and expected needs and neither exporters nor importers are getting services of the quality they require. This puts them at a serious disadvantage in comparison with their competitors in other major industrialised countries which have modern port facilities. The situation will grow worse as trade passing through our ports expands.

105. Considerable improvements have been made at a number of ports in recent years, but a great deal more needs to be done. The Government therefore, prepared a programme for the modernisation and development of port facilities, the introduction of investment grants and the modernisation of the financial and charges framework. Even more important in the longer run are the Government’s proposals for radical changes in the administrative structure and ownership of the ports and in the conditions of employment of the dock workers.

Capital Investment

106. First, the Government intends to press ahead with an expanded programme of capital development. It accepted in principle the National Ports Council’s Interim Plan for port development which provided for the construction of some 70 new berths and the renovation of 46 more, at a total cost of about £150 million. But the Plan is not a rigid one; as the Council has pointed out, a high degree of flexibility is required in port planning. The Plan included the first stage of a new major liner terminal at Portbury (Bristol); but it has been necessary to reconsider this concept on various grounds. In the first place, recently completed analyses of port traffic flows and their relationship to port hinterlands show that the great majority of our imports and exports are generated close to the ports through which the traffic flows. The conclusion to be drawn from this is that a new major port, to be viable, requires, like London
Liverpool, a very large hinterland in terms of industry and population. The planning of large-scale port facilities, therefore, must be closely related to the redistribution of industry and population. The Government is now engaged on foot studies of the development of Humberside, Severnside and Teeside. These and other studies will provide information from which will flow major decisions on the redistribution of population and regional development. When decisions are taken, the necessary large-scale build-up of housing and industry will inevitably be spread over a number of years. It would be many years, therefore, before the capital committed to a new major terminal, at Portbury or elsewhere, could begin to earn an economic return.

107. Moreover, estimates of our port requirements may have to be modified in the light of the “container revolution” which is now under way. What this means in berth capacity can be simply illustrated: whereas an ordinary deep-sea berth can be expected to handle some 100,000 tons of cargo a year, a containerised berth is expected to handle not less than 1 million tons a year, and possibly more. While not all cargo can be containerised, American studies have shown that the percentage which can so be dealt with is much higher than had been thought at first. In Britain the revolution is gathering momentum and the Government is taking every possible step to encourage it.

108. For all these reasons, the Government believes that the case for locating a substantial part of the resources available for port investment to the construction of a new major liner terminal, whether at Portbury or elsewhere, has not yet been made out. This does not mean that progress in modernising our ports need wait for long-term regional planning developments. There is urgent need for new port facilities which, while earning an economic return in the short-term, can form a nucleus of further port expansion where this is required by large-scale industrial and housing development. The need to concentrate on these kinds of projects is all the more pressing in the light of the country’s economic difficulties. The Government is, therefore, inviting the National Ports Council to prepare a phased programme of selective investment in schemes on these lines and to consider alternative proposals for the development of the Port of Bristol.

109. The Government, with the help and advice of the National Ports Council, is also pressing forward with the task of improving efficiency in the ports and of adapting them to the demands imposed by modern methods and techniques. Up to 1964 port investment was running at an average of £18 million a year; this is due to increase under the National Plan to some £234 million over the years 1965–1970. The investment control procedure under the Harbours Act, 1964, will secure that the projects approved yield the highest possible benefits to the community.

110. The National Ports Council has also done valuable work in improving the financial state of the ports and in securing improvements in their budgeting and accounting. Many ports are still financially weak, but lack of funds should no longer be a constraint upon desirable investment. As recently announced, the Government proposes to use its powers under the Harbours Act, 1964, to provide financial assistance towards the re-organisation and modernisation of our ports. Port authorities and port operators will receive investment grants of 20 per cent. on approved expenditure on plant and equipment in harbours and on harbour works. Government loans will continue to be available to port authorities.
111. The National Ports Council’s work on the modernisation of the financial and charges structures of the ports is also going ahead. The aim is to ensure that port charges are based on economic costs and that cross-subsidisation of services is eliminated. The scale of charges should be such as to encourage an efficient flow of goods, for example the delivery of export goods to the docks in an orderly sequence, planned to fit in with the loading of ships.

**Estuarial Unification**

112. Immediately, steps are being taken to secure a greater degree of unification of control in all the major port areas. The Clyde Estuarial Authority has been functioning since January 1st of this year; schemes for the Forth, the Humber and Southampton Water are at an advanced stage; a Private Bill for the unification of facilities on the Tees is before Parliament. These interim measures will provide for much needed concentration and for closer supervision of development and operation than is possible with the present system of fragmented management and ownership. The Docks and Harbours Bill now before Parliament contains a number of provisions designed to increase port efficiency and to facilitate the carrying out of port re-organisation proposals.

**Port Labour**

113. The main purpose, however, of the Docks and Harbours Bill is to provide a system for the licensing of employers of dock workers. The aim is to bring about a large-scale reduction in the number of employers in the ports so as to eliminate the casual employer and reduce the present excessive fragmentation of responsibility. These proposals constitute an important step forward in the Government’s policy of improving industrial relations and efficiency in the ports and will place greater control and responsibility on the major port authorities.

114. Since the war efficiency has been greatly impaired by poor labour relations and inadequate use of labour in an outdated physical environment. The present proposals for the licensing of port employers arose from the recommendations of a Committee under Lord Devlin* appointed by the Minister of Labour. Action is well advanced to adapt the existing Dock Labour Scheme to a system of permanent employment and to provide for the improvement of welfare amenities for dock workers. The detailed changes were worked out by a National Modernisation Committee under Lord Brabazon set up by the National Joint Council for the Port Transport Industry. The Government believes that these radical reforms in conditions of employment will provide a basis for better industrial relations and greater efficiency in the docks in the immediate future.

**Movement of Exports**

115. If the export drive is to succeed and the image of British exports to be improved, exports must be moved quickly and efficiently to the overseas customer. This is not simply a ports problem: improvements are needed along the chain, including handling in the factory or depot, inland transport, shipping and air freight. The Government therefore set up, in the summer of 1965, an Economic Development Committee for the Movement of Exports, under Lord Caldecote, “to examine the present movement of goods for export and to make proposals to improve and speed it”.

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* Cmnd. 2734, H.M.S.O. 1965, Price 10s. Od.
16. To assist the Committee in its work, comprehensive information is sought, with the help of consultants, about export movement times, points at which delays occur and the effect of delayed or unreliable delivery on the willingness of foreign customers to buy British goods.

17. Meanwhile, the Committee has published its first report*, which stresses the importance of the "through transport" concept for exporting to Europe and its comprehensive recommendations about the improvement of transport facilities (particularly the development of unit load systems and the establishment of inland clearance depots), the streamlining of customs procedures and the simplification of export documentation. All these recommendations are now under examination.

Organisation

18. The policies set out in this Chapter are immediate and necessary steps towards the realisation of the Government's long-term intention of re-organising ports on the basis of public ownership. This will require the creation of a long National Ports Authority and Regional Port Authorities. The details of the plan are now being worked out. The National Ports Authority will be the main planning and policy agency, and as such will be responsible for the control and development of a comprehensive national plan for ports, the selection of particular ports and projects for development, and the relationship of the ports and port investment to the National Plan. It will also be responsible for such common services as research, statistics, and training, and the general lines of service charges policy.

19. The Regional Port Authorities will have a wide measure of independence and will be encouraged to plan the developments called for by the needs of the regions within the guiding lines laid down by the National Ports Authority and in conformity with the requirements of the National Plan.

VIII. INLAND WATERWAYS

20. Few of the 2,000 miles of canals and river navigations controlled by the British Waterways Board now have any important transport role to fill; only a few hundred miles are commercially viable. Most of the rest of the board's system, constructed in the late eighteenth and early nineteenth centuries, was the days of the railways, is ill-placed to compete for the carriage of freight. Canals are now carrying less than one half per cent. of the total inland freight tonnage and there is little hope that their development could have any significant effect on the volume of road traffic.

21. The Board is nevertheless still obliged by legislation, much of it as old as the waterways, to keep many hundreds of miles open to commercial navigation regardless of the extent of their use for carrying goods. The expense is considerable and the losses are heavy. The time has come for a hard look at the facts which are available for the first time in a comprehensive and realistic form in the Board's Report, "The Facts about the Waterways".† The first task is to match the waterways and the obligations imposed on the Board to modern needs and conditions.

*Through Transport to Europe, H.M.S.O. 1966, Price 9s. 0d.
†The Facts about the Waterways, H.M.S.O., 1965, Price 15s. 0d.
122. Most of the assets created by the investment of past generations in waterways have—and can have—no further commercial value. The Government does not propose to invest large resources in new transport waterways but those few existing nationally-owned waterways which can form an economic transport undertaking will, with their allied transport facilities such as docks and warehouses, be operated on a commercial basis in a separate division of the Board’s undertaking with a more realistic capital structure. Ancillary sources of revenue, such as the sale of water, will continue to be exploited.

123. In its Report the Board referred to a special group of well-known waterways, the Crinan and Caledonian Canals in Scotland and the London Grand Union Canal in the London area, which lose money heavily. Their future will need consideration in the light of the special needs of Scotland and London.

124. The standards to which the remaining waterways should be maintained—or whether they should be eliminated as waterways—must be decided in the light of the importance of the other purposes they could fulfil and the users involved. The waterways form an integral and important part of drainage and agricultural and industrial water supply systems, and plans for their future must pay particular regard to these functions. But whatever is done a continuing charge on public funds of at least £600,000 a year seems unavoidable.

125. As was made clear in the White Paper "Leisure in the Countryside" many waterways are used for recreational activities such as canoeing and fishing. The preservation of existing facilities for these activities would rule out the possibility of giving rise to little or no expenditure which could otherwise be avoided. But the increasing use of waterways by powered pleasure boats creates a new problem. If the non-commercial waterways at present used by powered pleasure boats were to be closed to them the annual loss could be cut from about £940 a year to the inescapable minimum of about £600,000 a year at present. But once they were taken out of use for pleasure cruising and standard maintenance lowered it is unlikely that it would ever be possible to replace them. It would be wrong to allow this to happen to those waterways which seem likely to have a valuable part to play in meeting the country’s leisure needs in years to come.

126. The Government will, therefore, discuss with the Waterways Board, the Economic Planning Councils, the local authorities and other appropriate national and regional bodies, and also with the organisations representing the extent of the network it would be justifiable to maintain in the immediate future for use by powered pleasure boats. On the basis of these discussions new legislation will be enacted to take the place of the present statutory provisions which expire at the end of 1968. The network which the Government decides should be maintained for use by powered pleasure boats following these discussions will again be reviewed after five years, and thereafter at regular intervals, in the light of the use made of it, of the success achieved in attracting more custom and in exploring the possibility of increasing charge and other sources of revenue, and of prospects for the future. The Government must, however, reserve the right during the period between these reviews exceptionally, to close a waterway to use by powered pleasure boats by special order if the cost of keeping it open proves to be out of proportion to the benefit from it.

* Cmd. 2928, H.M.S.O. 1966, Price 1s. 6d.
127. In the Government's view, both the commercial and the amenity waterways owned by the Waterways Board should remain under the single management of the Board. The day-to-day running of the waterways requires specialised skills, to cover such services as water control, lock repairs and the safety of canals and river navigations, all needing to be co-ordinated over wide areas to ensure the efficiency of the system as a whole. Moreover, because of the cost that must continue to fall on the Exchequer for many years, the Government must maintain direct control of expenditure through the Board.

128. At the same time there will be scope for voluntary effort. There are many people who have given of their time and resources to working on canals for recreational use and also to advocating their cause. This energy and enthusiasm should not be wasted. The Government proposes, therefore, that the Waterways Board shall be empowered to enter into agreements for the development of waterways for recreational purposes by suitably-organised bodies which can raise the necessary resources of finance and labour by voluntary effort, without any additional burden being imposed on public funds.

IX. ECONOMIC PLANNING AND RESEARCH:
TECHNOLOGICAL RESEARCH AND DEVELOPMENT

129. To support these new policies, the Government is strengthening the resources for research, development and long-term planning for transport. In the Ministry of Transport, a Director-General of Economic Planning was appointed earlier this year: a Chief Scientific Adviser had previously been appointed late in 1964.

Economic Planning and Research

130. The strengthened economic and statistical research facilities of the Ministry will provide the facts upon which future policy can be based and will calculate some of the likely effects of policy proposals. The Economic Planning Directorate has concentrated first on forecasting demand and assessing costs: this work includes the research on trunk route transport costs mentioned in chapter VI above. There are many other problems, both urban and inter-urban, which economic analysis, aided by the development of economic models on computers, will help to define; the models will also be valuable for prediction and policy formulation.

131. Techniques of appraising investment schemes and cost effectiveness are being developed, both to get the right priorities and to ensure a continuing check of costs against the likely return.

132. The Railways Board and London Transport also have economic, statistical and operational research groups working on their particular problems. The Universities, too, are carrying out research in these fields. This work needs to be integrated, in a more effective way than in the past, with national transport planning. Applied technical and scientific research will be more effective if related closely to information on population trends and other social forecasts; the growth of income and, in particular, the proportion of it likely to be spent in various forms of transport; and the forecasting of industrial and passenger demand for transport services.
133. All these studies will thus form part of the Government's new approach to economic planning in which greater emphasis will be placed on closer collaboration between the Government Departments concerned and between these and the local authorities.

**Technological Research and Development**

134. But the solution of economic problems is only part of the picture. We must make the most of our technological skills and resources to encourage innovation in our transport systems and equipment. There are many diverse technological problems confronting different sectors of the transport industry and resources have tended to be deployed independently in the different sectors. In land transport, there are the research and development organisations of the Railways Board and London Transport; the Road Research Laboratory in which the Minister of Transport assumed direct responsibility in April 1963; bodies such as the Motor Industry Research Association and the Civil Engineering Research Association partly financed by the Ministry of Technology; and several groups financed by industry.

135. This research is giving good results. For example, the Railway Board's Research Department is now well in the forefront of understanding the fundamental scientific and engineering problems of high-speed railway operation, which will be of great importance in the design of new stock and new methods of operation. London Transport lead in automatic operation of their kind of railway—they already have an experimental section of automatic line carrying passengers between Hainault and Woodford and the new Victoria Line now under construction will be automatically operated throughout. The Road Research Laboratory has a world-wide reputation in road construction techniques and in traffic and safety research; their work will be aided by a new large computer recently ordered for them.

136. However, the main energies of these research groups have been, quite properly, devoted to their own particular problems. The total public investment in research and development directly identifiable with transport (excluding aircraft, ships and hovercraft) is of the order of £5 million a year. This is a large sum, particularly since much of the present development is directed to the improvement and modernisation of existing forms of public transport. It is imperative that the new possibilities which are continually appearing are not overlooked.

137. The Government has, therefore, decided that research and development in inland transport should be expanded under the guidance of the Ministry of Transport. There are many ideas, but valuable and scarce research and development effort needs to be guided along lines that bear some realistic relation to the possibilities of future capital investment in new systems or in modernisation. The central co-ordination now being arranged in the Ministry of Transport across the whole spectrum of research—economics, operational research, systems engineering studies, equipment development—will help to ensure the proper deployment of the available effort and to knit together the various programmes. The Ministry will work in close co-operation with the Ministry of Technology and the National Research Development Corporation. As much use as possible will be made of the skills and facilities that exist in Government Research Establishments. Some aviation research may also have a bearing on wider transport.
The aim will be three-fold: first, to meet the needs of the Government and the development of equipment is required in support of future policies; second, to ensure that new ideas are thoroughly examined in the light of the problems facing the country; and third, by basic research to lay the foundations for future ideas and engineering development.

138. Science and technology can also play an important role in the efficient administration of the regulatory and other routine work for which the Ministry of Transport is responsible. For example, plans are being prepared for a computer and data processing system to handle in the early 1970s the whole of the vehicle and driving licensing system. This is a major undertaking in data processing and clerical automation. The computer will, in addition to its basic data processing function, play a direct part in the administration of the heavy goods vehicle testing scheme, will aid road safety by providing efficient means of dealing with vehicle accidents and their drivers, thus assisting police enforcement of regulations, and will provide a comprehensive store of information which can be analysed in ways possible only with a computer.

X. SUMMARY

139. Four basic themes have shaped the Government’s transport policy:

(i) the transport infrastructure and services (rail, road, ports, etc.) must be modernised. Since total resources are limited, this means planning investment as a whole, increasing productivity and developing better criteria to assist choice;

(ii) the problem of traffic conditions in towns must be given greater priority. Here again the solution lies in integrated planning. New machinery is needed for the conurbations, where the problem is most acute;

(iii) the transport system must take account of the social, as well as the economic, needs of the country;

(iv) public transport must play a key role in solving our transport problems. Publicly-owned road and rail services must be integrated on a functional basis.

British Railways

140. As a starting point for development the size of the basic railway network is to be defined and stabilised. Details are now being considered by the Regional Economic Planning Councils and will be published as soon as possible. (Paragraph 19.)

141. The Government will assume responsibility for the losses on services claimed for social reasons, or on wider cost/benefit grounds, though the loss on such services which meet mainly local needs may ultimately be assumed by the local community. The Railways Board will then be given realistic financial objectives to assist them to move as soon as possible to a fully economic basis of operation. (Paragraphs 25–28.)

142. The Government and the Railways Board are jointly undertaking a study of the Board’s finances to determine an acceptable basis for meeting any deficit arising from “socially necessary” services: the study will also cover
other matters, including the suitability of the Board’s management structure and procedures in the light of changes proposed in the White Paper. (Paragraph 29–30.)

143. The Government will make available capital for the modernisation and development of the railways on an economic basis, particularly for those tasks for which they are best suited—carriage of freight in bulk, inter-city passenger services and commuter services in conurbations. (Paragraph 23.)

144. The Government is reviewing with the Railways Board and the trade unions the structure of railway pay and ways of improving productivity and efficiency. (Paragraph 24.)

Roads and Road Safety

145. Current Exchequer expenditure on new roads and major improvements in Great Britain has risen to about £180 million a year. Provision has been made in the National Plan for this to be increased to £280 million (at constant prices) by 1970. (Paragraph 33.)

146. The objectives of the expanding programme must be to provide an effective inter-urban trunk route network, and to put increasing emphasis on the relief of urban traffic congestion. (Paragraph 34.)

147. Techniques for road investment appraisal are being improved to ensure that we choose schemes which give the highest benefit to the community. (Paragraph 36.)

148. The Government has accepted the main recommendations of the Working Party of the EDC for the Civil Engineering Industry that has been examining costs and productivity in road construction, and is acting on them. (Paragraphs 39–40.)

149. The Government proposes to establish Road Construction Units in which Ministry and county engineers will work together on design and construction work for motorway and trunk road schemes. (Paragraph 42.)

150. A new long-term programme for reducing road accidents is being worked out and will be published later. (Paragraph 46.)

Urban Transport

151. Land use and transport in our towns must be planned together as parts of an integrated whole. The land use/transportation studies being undertaken in all the conurbations will provide a sound basis for such planning. (Paragraph 49.)

152. A traffic plan, forming part of the local transport plan, is needed for every major town or city: this must include a comprehensive parking policy to keep traffic routes clear of parked cars and to keep total parking space in balance with the capacity of the road system. (Paragraphs 51–52.)

153. Further research is being undertaken into a system of road pricing to charge directly for the use of congested roads. (Paragraph 53.)

154. An expanded road programme will enable a start to be made on provision of a modern network of high capacity traffic routes in our towns. (Paragraph 50.)
155. An efficient public transport system is essential to our city life: the
government is taking measures to improve public transport and ensure that
it can fulfil its proper role. (Paragraphs 55–63.)

156. The Government will encourage the establishment of conurbation
transport authorities, normally under joint local authority control, to integrate
public passenger transport services throughout the conurbation; this will be
without prejudice to the work of the Royal Commissions on Local Govern-
ment. (Paragraph 59.)

157. The Government proposes to take powers to provide financial help
for the construction or major improvement of public transport infrastructure—
avays, new forms of reserved track transport, terminal facilities and so on
where needed as part of comprehensive local transport plans. (Paragraph 62.)

158. The Government and London Transport are making a joint review of
Board’s financial and commercial policies. In the meantime, powers have
been taken to provide grants of up to £1.6 million in respect of revenue deficits
incurred by the London Transport Board in the three years 1966–68. (Para-
graph 68.)

Regional Transport Planning

39. Regional Economic Planning Councils have agreed that machinery
shall be established under their aegis to secure better co-ordination of public
passenger transport services and facilities—connections and interchange
abilities, timetables, etc.—and they are studying how transport in their areas
might be integrated. (Paragraphs 76–77.)

160. Powers are to be sought to enable local authorities and the Government
to contribute to the cost of providing bus services in rural areas. (Paragraph 79.)

National Freight Plan

161. The Government is proposing to establish a national freight organisa-
tion with responsibility initially for the general merchandise and sundries
traffic at present carried by the British Railways Board and the Transport
Holding Company. The organisation—which will operate on a commercial
basis—will offer the customer an integrated door-to-door service by road
and rail. (Paragraphs 91–94.)

162. The first step will be to co-ordinate the parcels service of British Road
Services with the freight sundries service of the Railways Board. (Paragraph 96.)

163. The Government will review the road haulage licensing system and
other conditions under which road goods vehicles are operated with the help
of more detailed information about transport costs. (Paragraph 98.)

164. The Government is taking urgent action to improve the safety and
efficiency and to limit the social nuisance of the heavier goods vehicles, e.g. by
improved safety regulations, higher standards for braking, and the “plating
and testing scheme. (Paragraph 100.)

Ports

165. The Government has decided that the case for a new major liner
terminal has not been made out and is inviting the National Ports Council to
prepare alternative port development proposals. (Paragraphs 106–108.)
166. Port investment will be expanded over the next five years. Investment control procedures will secure that the projects approved yield the highest possible benefits to the community. (Paragraph 109.)

167. Port authorities and other port operators are to receive investment grants of 20 per cent. on approved expenditure on plant and mechanical equipment in harbours and on harbour works. (Paragraph 110.)

168. The financial and charges structures of the ports are to be modernised, to ensure that port charges are based on economic costs. (Paragraph 111.)

169. In order to secure a drastic reduction in the number of employers of dock workers, a licensing system will be introduced under the provisions of the Docks and Harbours Bill. This will be an important step forward in the improvement of industrial relations and efficiency in ports. (Paragraph 113.)

170. The Government intends, for the long term, to reorganise the ports on the basis of public ownership, with a strong National Ports Authority and Regional Port Authorities. (Paragraph 118.)

Inland Waterways

171. The Government accepts as the basis for the development of new policy the broad factual analysis in the British Waterways Board's report "The Facts about the Waterways". (Paragraph 121.)

172. It proposes to discuss with the Board, the Economic Planning Councils, the local authorities and other appropriate national and regional bodies, and also with the organisations representing users, what network should be kept open for pleasure boat use—the "amenity" network. (Paragraph 126.)

173. The commercial waterways will be reorganised in a group separate from the amenity and other waterways; all will, however, remain under the management of the Waterways Board. (Paragraphs 122 and 127.)

174. Provision will be made for the participation of suitably-organised voluntary bodies in the development of waterways for recreational purposes (Paragraph 128.)

Economic Planning and Research:
Technological Research and Development

175. The economic and statistical research facilities of the Ministry of Transport have been greatly strengthened in order to provide the data and techniques necessary for a planned and co-ordinated development of the country's transport system. (Paragraphs 129–130.)

176. A good deal of valuable research and development is being undertaken by various organisations into the technology of transport. The Ministry of Transport will co-ordinate and expand this work (Paragraphs 134–137.)
BRITISH RAILWAYS

Terms of Reference for the Joint Review

1. The Government has reached the conclusion that for the foreseeable future there must be a need, as part of the country's transport system, for a substantial railway network. In order to restore stability to an industry which has been the subject of continual change and uncertainty, and to enable management and staff to concentrate on the development of the system in the interests of the public and of trade and industry, Government has decided that the basic size of the railway network should be determined now. It will consist primarily of routes linking the main centres of population and of industry and commerce, with additional routes to serve major freight flows and to provide essential passenger services for commuters and others. There are still some lines, services and stations whose retention in modern conditions no longer be justified, and their future will be decided under the usual procedure as soon as possible to avoid prolonging uncertainty.

2. The Government and the Railways Board are determined that this stabilised system shall play a full part in the transport system of the country and do so with steadily increasing economic efficiency. Capital will be provided for the replacement of rolling stock and the modernisation of traction systems and of track and signalling wherever this can be justified in economic terms. Investment will be concentrated on the main trunk routes carrying heavy flows of traffic, but other feeder and commuter lines will also be adapted to modern needs.

3. The social and other considerations which have led to the decision to stabilise the rail network also make it necessary to substitute a new financial framework for that imposed by the Transport Act, 1962. It has become clear that the requirement contained in the Act for the Board to "pay its way" by the beginning of 1968 is entirely unrealistic and would, if pursued, force it into action which in many cases would be against the interests of the community and inconsistent with the plans for transport and other services which the Government is developing. It must therefore be amended to provide more realistic and appropriate financial objectives and a new financial framework and discipline.

4. Against this background the Minister of Transport and the Chairman of the Railways Board have agreed to undertake a review of certain aspects of the railway industry. For this purpose they have set up a Joint Steering Group under the chairmanship of the Joint Parliamentary Secretary to the Ministry of Transport.

5. The Joint Steering Group will be assisted by an expert working party, consisting of independent accountancy and management consultants and including economists from the Ministry's new Directorate General of Economic Planning, and of a number of joint Ministry/Railways Board teams investigating particular subjects. The terms of reference of the review as a whole will be as follows:

(a) To establish an acceptable basis for costing and to identify those categories of services (both passenger and freight) which are not covering costs; to isolate those categories which are potentially viable; to examine the remaining loss-makers and to isolate those with no prospects of becoming viable; and to cost in detail the annual loss on each passenger service which is unlikely ever to become viable so that the Government can decide whether it should be grant-aided on broad social and economic grounds;

(b) to consider any steps in the field of pricing policy or elsewhere which may be necessary to improve the prospects of those services which are already remunerative and those which are potentially viable;
(c) to examine the Board’s methods of costing and financial control in the light of, particularly of the new proposals for meeting the cost of essential but unremunerative services and of other changes proposed in the White Paper;

(d) to assess whether and, if so, to what extent the cost of the railway infrastructure includes an element of “standby capacity”;

(e) to examine the Board’s investment programmes and the criteria for investment appraisal;

(f) to examine the continuing obligations deriving from the past which rest on the Board, including those in respect of road bridges and level-crossings, of superannuation and pensions for past and present employees, and of the British Transport Police Force;

(g) to consider the suitability of the Board’s management structure and procedure for the future operation of the system in the light of the contents of the White Paper and the changes which may stem therefrom;

(h) to make consequential recommendations, including suggestions for possible legislative changes;

and to report to the Minister of Transport and the Chairman of the Railways Board accordingly.

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**Composition of the Joint Steering Group**

*Chairman:* John Morris, M.P.,
Joint Parliamentary Secretary, Ministry of Transport

*Members:*

J. P. Berkin, c.b.e.,
formerly Managing Director, Shell Petroleum Co. Ltd.

J. G. Cuckney,
Managing Director, Standard Industrial Group.

P. G. James,
Member, British Railways Board

F. C. Margetts, c.b.e.,
Member, British Railways Board.

Professor A. J. Merrett,
Professor of Applied Economics, Sheffield University

P. H. Shirley,
Vice-Chairman, British Railways Board.

J. W. Wardle, J.P.,
Running Movements Supervisor, British Rail Diesel Depot, Tyseley, Birmingham.

and representatives of H.M. Treasury, the Department of Economic Affairs and the Ministry of Transport.