

CHAPTER IV

TRANSPORT

Our Railway System—Difficulties of Transport—New Motive Powers—Development of Waterways.

BEFORE proceeding to deal with the various aspects of our foreign and home trade, I will deal with the important bearing which transport has upon the commerce of a country. The development of the natural water-ways before the era of railways was a necessary precedent to commercial growth, and at the present day it is still futile to attempt the development of an industry in any new country, or even in any part of the United Kingdom, unless adequate provision has been made for a means of transport. Some of the finest timber areas of the world, indeed, are to-day lying untouched despite the high price of timber and wood pulp, for the sole reason that there is no means of transport available. Economical, speedy, and regular transportation facilities are, in fact, essential to the development of commerce, and the more cheaply these can be provided so much the more quickly will the development of the

country proceed. Unfortunately, during the first half-century of their existence the railways of the United Kingdom were not constructed on any properly defined plan, with the result that we now possess in this country one of the most difficult and complicated railway systems in the world. Our traders as well as the administrators of our railways have good cause to deplore the railway boom of the 'forties,' which caused the country to be covered with a vast and complicated network of lines. To any one who surveys the position of the railways to-day and compares it with the general railway system of the country, say, in 1870, it must seem almost marvellous that any method at all could have been developed out of the engineering chaos of those days. Railways were constructed from point to point regardless of the needs of the districts they were to serve, of the necessity for forming junctions with other lines to more distant parts of the country, and sometimes even of the fact that they would run parallel with existing lines. When the first Railway Bills were introduced into Parliament, the ordinary traffic of the country was conducted upon the roads and canals, and the new system offered the country the option of an improved mode

of transit, which was naturally accepted on its own terms. The country at large is still paying the penalty for the mania of building railways haphazard, but traders do not suffer for the sins of our predecessors in that respect more than do the directors and railway officials at the present time in endeavouring to overcome the difficulties originated during the infancy of the systems. The railway companies have, on the one side, their shareholders to consider, on the other the traders. Millions of pounds sterling of capital have been in the hands of the families of present shareholders since the days when the companies were first established. The holding of railway stock was for many years regarded as a *sine qua non* among county families, presumably affording the holders some additional status as semi-proprietors of the railways running through their counties. Much of the present money invested in railway companies, therefore, forms part of trust estates, and as it has suffered very considerable capital depreciation, and in many instances entire loss of income-value, it is natural that many beneficiaries who are shareholders through their trustees should exclaim wrathfully at the losses exhibited by the railway companies. Whilst criticism is being directed

from this side, there is also an increasing antagonism between the railway companies and the traders, who have constantly been made to suffer under the domestic troubles of the companies. It has been pointed out that hitherto when a new and competing railway has been established it has endeavoured to divert existing traffic from its natural channel while, as an obvious consequence, retaining comparatively high rates on the non-competitive traffic. What one trader loses another may gain; what one company takes from another, that other company, in retaliation, seeks to recover from it again, and in the contest loss ensues to both. The dislocation of business resulting from this line of policy has, it is alleged, caused big losses to British manufacturers, especially when the preferential rates put into operation have been quoted for foreign imported produce. The individual trader is constantly at issue with the railway companies on questions of a similar nature, the annual report of the Railway and Canal Commissioners covering some hundreds of such cases heard by the Commissioners each year. Between these warring forces the executive officer has for some years been striving to bring about a more comprehensive system of working

the railways. Competitive lines have been abandoned, working agreements have been entered into, junctions and connections have been established between separate systems, and generally a great step forward in railway policy has been taken during the past ten years. Some of the amalgamations and agreements—notably that of the South Eastern & Chatham Railways—have not always proved to the advantage of traders, but where the agreements have been carried out with a view to the better development of the districts served by the companies, a substantial benefit has accrued to the traders in those districts.

There still remain many defects in the traffic facilities of the country, giving the manufacturers just cause to complain, especially when comparison is made with the advantages apparently enjoyed by many other countries. It should not be possible for Dutch and Belgian traders to send their produce to London over British railways more quickly and at less cost than the British producer. The official argument may or may not be acceptable. It is, that the railway company receives the whole of the produce at one time and is therefore able to rush it up to London in special trains at a cheap rate,

whereas the home produce has to be gathered from various parts of the country at various times and conveyed to London in slow trains.

This may be an explanation of the difficulties with which home producers have to contend in getting their goods to market, but no one is likely to accept it as the final word on the matter. The companies have been, after all, legally endowed with the powers for controlling the transport facilities of the country, and it is for them to devise and introduce new methods by which the home producer can compete on fair grounds with the foreign importer. The Great Eastern Railway has already done much towards improving the methods of collecting and carrying goods. By constructing short line railways, and running services of motor omnibuses, some of the more enterprising railways have opened up districts which will in time yield a substantial traffic revenue justifying the capital expended. Even the best friends of the railway companies are at times dispirited by the scant support some boards of directors accord to their executive officers in carrying out a progressive policy. The result of that indifference is that some of the best railwaymen in the country are being enticed to manage the big trunk railways now

being constructed in other countries throughout the world.

The excellent policy of friendly co-operation exhibited by our big railways during the past five years must be accompanied by a strong developing policy if the companies are to retain the confidence of the trading community. It was many years before the railway companies began in due earnest to electrify those parts of their lines serving crowded areas. Only when a great deal of unfair competition was set up by the State-aided tramway system did the railway companies take action. Now that motor omnibuses are being utilised for reaching more sparsely populated districts farther afield the railway companies will have to face additional competition. The Metropolitan Railway has shown the way to meet such competition by linking up their system with motor omnibuses and tramways, thus creating feeders to their own lines. The same methods might possibly be applied to other parts of the country with benefit to railways and traders alike. For years great dissatisfaction has been caused by the companies' unsatisfactory methods of carrying goods, through the congestion and delay involved in transferring them from one railway system to another. A

few years ago a practical proposal was put forward for the establishment of a great central clearing house for London. It has now been discussed for some time. It is not impossible that whilst the railways are hesitating to give financial support to the proposal, a formidable competitive system free of their control may be developed for carrying goods. The rapid discovery of new motive powers, together with the vastly increased capacity of the road vehicles for long-distance journeys, may bring about a wonderful development in the carriage of goods by road during the next generation. Manufacturers are already finding that in some instances it is more economical to convey goods by road direct from factory to consumer than from factory to the train depot, by train to another depot, and then from the second depot to consumer, with all the attendant risk, routine, and delay of a threefold change in transit. And where goods can be carried cheaply and swiftly it is quite certain that passengers will follow. The first trains run were primarily to carry goods, but the passenger revenue soon outstripped that derived from goods, until the railway companies found it advisable to buy up the canals and divert their goods traffic thence to the

railway lines. A great deal may yet be accomplished by the co-operative use of railways, canals, and roads in establishing a perfect cheap system of transport to any part of the country. There are over 4600 miles of waterways in the United Kingdom, nearly a third of which are at present controlled by the railway companies. In 1906 a Royal Commission was appointed to inquire into the canals and inland navigations of the United Kingdom, and in 1911 the Commissioners presented a voluminous report, wherein they recommended the constitution of a central public authority, to be known as the Waterways Board, which should acquire certain existing routes by a procedure resembling that adopted in the Port of London Act. It was the opinion of the Commissioners that 'waterways, even in their present condition, can obtain some share of local traffic in populous and industrial districts, where numerous works or collieries and wharves are situated on their banks or in their neighbourhood. In such cases, waterways are competing not against their modern rival, the railway, but against their original rival, the road. But the evidence also shows that our waterways do not, except to a small extent, and therefore, it

may be assumed, cannot, in their present state, effectively compete with railways for long-distance traffic of any kind.' The Government has been so much occupied with other measures, however, that no steps have been taken to carry into effect the recommendations of the Commissioners, but it is clear that the growing demand for better traffic facilities will make it necessary in the near future to take advantage of every possible form of conveyance whether by road, canal, railway, or sea.

The announcement in May, 1913, that the railway companies proposed to increase their rates both for goods and passengers is calculated to give a strong impetus to the development of transport both by road and by water. The Waterways Association has commenced an active propaganda which may have an important bearing upon the carriage of heavy goods between Midland towns and the coast. The Association was formed with the object of inducing the Government to bring in legislation to give effect to the principles contained in the recommendations of the Royal Commission on Canals (1909) by appointing a Waterways Board. The Royal Commission recommended that the four main

canals connecting the Thames with the Mersey and the Severn with the Humber should be acquired by the State and vested in a newly created Waterways Board, which would issue guaranteed Waterways stock in exchange for the property of each canal company. The first duty of the Board would be to make a thorough investigation of the whole situation, and to submit to Parliament a scheme for the improvement of the four routes, bringing them up to what is called the 100-ton standard.

The effect of these two proposals would be : First, to put an end to the present system of divided ownership, which makes any general improvement impossible, and hinders and hampers the long-distance traffic. Second, to eliminate the ownership of canals by railway companies, which have strangled canal traffic in their own supposed interest. Third, to widen and deepen existing canals, so as to allow of improved methods of traction, and to diminish to an enormous extent the number of locks which now waste so much time and water. It is not proposed that the State should act as a carrier. The Board would simply maintain the waterways and take tolls, which, however, would be very much reduced from present practice.

Dealing with the cost of acquiring the existing canals, it is reported that the net income of the canals to be acquired, omitting those showing a loss, is £237,876, so that an estimated figure on the basis of twenty-five years' purchase would be about £6,000,000. The total estimated outlay on improvements and completion of the scheme was £17,533,910. To meet the annual expenditure the Royal Commission recommended that the tolls should be fixed so as to render the improved waterways self-supporting so far as concerns maintenance, management, and interest on the capital expended on improvement. But as regarded the cost of acquisition they suggested that this should be borne by the State as a free grant, or by advances with a long-deferred period for repayment, or by a combination of both these methods. If these recommendations were adopted, the Commission estimated the annual charge to be met from tolls at £964,563, made up as follows: Interest and sinking fund at £3 12s. 6d. per cent., £633,411; management, maintenance, and pumping, £370,770, sundry expenses, £93,844, making a total of £1,098,025; less revenue from canals obtained from other sources than tolls, £133,462, leaving a difference of £964,563.

Whilst the railway will probably remain the principal means of carrying traffic, it should be possible to convey a very large proportion of bulky goods by canal. Goods such as coals, minerals, metals, brick, stone, timber, and other building materials, clay, pottery, manure, etc., should be transportable over inland waterways at a lower working cost than by our railways. All the canals situate in districts which handle heavy goods such as those described have already a considerable traffic, and the development of the canals would at once tend to relieve the railways of the least remunerative part of their traffic and to promote the trade of the districts concerned. If Birmingham, for example, possessed an outlet to the sea its trade would be very considerably increased, and many other large Midland towns would derive substantial advantage. It is hopeless to expect private enterprise to saddle itself with the large capital expenditure necessary to enlarge the existing waterways, and to give them uniform dimensions, for a great proportion of the benefits arising from the expenditure would accrue to the towns through which the canals ran and to the land, works, and warehouses adjoining such waterways. Any

proposals for the revival of the canals would have to emanate from the State and receive its financial support. It must not be overlooked that there has been a vast change in the conditions which led to many of our inland waterways becoming derelict. The coming of the motor-driven vehicle has revolutionised road traffic, and it is obvious that had the present motive power been in use half a century ago, it would speedily have been adapted to the barges and boats on the canals, and would have prevented many of the waterways being abandoned. Now, when the value of the motor-driven barge is realised, there are comparatively few canals that are navigable by them. Hundreds of miles of natural waterways are lying neglected for lack of a reorganising power to adapt them to modern conditions. Not until our whole system of transport is organised upon some well-defined plan can our agricultural producers hope to compete in price with importers of foreign produce. The question of organisation is so bound up with success in commerce that it must be discussed in a separate chapter.