

1. TRANSPORT POLICY - A SUMMARY
BY NORMAN FOWLER.

1. Main Themes: The transport document has four main themes:-

- (i) To distinguish between functions which can only be carried out by Government - provision of infrastructure and the regulation of public utilities - and those functions which can and should be left to the user and operator.
- (ii) To break down mammoth concerns into entities that will be governable and manageable; to diminish public ownership and the public sector (a B.P. type constitution for the National Freight Corporation and a reduction of the Road Construction Units); and to achieve greater freedom for the user and the small man through far less rigid licensing.
- (iii) Clear accounting by the publicly owned transport industries to provide Parliament and public with better information and a better understanding of the conditions effecting transport policy.
- (iv) Simplification of the traffic laws and an emphasis upon accident prevention rather than making new restrictions.

2. The Strategy: As far as possible transport should be paid for by the user and decisions between modes of transport taken by the user. We should remove restrictions which prevent new forms of transport developing. We should recognise the importance of the car - 55 per cent of households now own cars and in rural areas the figure is 70 per cent. Transport must be expected to contribute to the public expenditure cuts. We should recognise, however, that to a very substantial minority public transport is necessary for mobility. Where subsidy is necessary we should identify the specific services being supported. We must recognise the interests of those who work in the transport industries. We should seek to protect vital environmental interests. Competition and free choice are preferable to Labour's so called 'integrated' transport policy.

3. Policy Proposals:

(a) Railways: The central aim of policy must be to reduce British Rail's operating deficit. To achieve this it is necessary for the British Railways Board to achieve the improvement in productivity which they themselves say is possible: a reduction in staff of over 40,000 by 1981. As over two-thirds of the costs of British Rail are the costs of wages and salaries the importance of achieving this aim cannot be over-emphasised. As for the different businesses of British Rail there is no economic or social reason why there should be support for either rail freight or Inter-City. The position with commuter services - particularly into London - is more difficult. Inflation has added to the problem of the two 'peaks' of morning and evening demand (when demand for labour and equipment is far above that needed for the rest of the day). Support for commuter services

will continue to be necessary over the next few years. It is, however, basic to our approach that British Rail should provide accounts which clearly show the costs of different services - with costs properly apportioned. An important aim of policy is to achieve a more certain future for the railway industry.

(b) Road Passenger Transport: A central aim of policy here is to relax the licensing laws which currently prevent new services developing. The law has remained basically unchanged since 1930: the legislation was based on the 1928 Royal Commission on Transport. In rural areas there is a need for new types of service - a minibus service run by private operators who do not have the overheads of National Bus; shared cars and vans. A number of councils would like to use school transport for more general purposes. In urban areas there should be experiments with services like commuter coach services; Jitneys; car pools. Legislation will be necessary here to relax the operating regulations while preserving safety standards.

Pidgeon
(c) Freight: The private enterprise road haulage industry neither depends on subsidy nor is overmanned. We reject Labour plans for further nationalisation and any proposals for directing freight from road to rail. The Government's function should be to decide on fair track cost and allow fair competition. The National Freight Corporation and National Carriers (which has been the persistent and greatest loss maker) should be separated. We should seek means of achieving private investment in the N.F.C. to provide a corporation similar in make-up to British Petroleum.

Oil related matter
(d) Road Construction: Progress here will depend upon public expenditure restraints. In road construction first priority should be given to economic routes like routes to the ports and next to environmental routes like by-passes. The position of road maintenance should also be examined. Road investment and maintenance has been the area of transport expenditure cut back by the present Government. Nevertheless, although there is now substantially less work to do Road Construction Units have remained at about the same staffing level and cost. We would want to see a reduction in the RCUs and more work being contracted out to private firms of consulting engineers.

(e) The Motorist/Road Safety: Over the last two years the Conservative Party has campaigned to protect the legitimate interests of motorists - nationally on issues like speed limits and the Swansea licensing office, locally on issues like unfair parking restrictions. Currently we are examining the motoring laws to see whether a new simplified procedure could be employed for minor traffic offences as it is in Europe and some parts of the United States. We propose a Government review of the traffic laws. On road safety our emphasis should be on seeking to prevent accidents - better training for motorcyclists for example - rather than passing ever more new restrictions.

(f) The Ports: The present varied organisation of the industry tends to competition between ports. Nationalisation would eliminate competition and reduce local control. It was for these reasons that we successfully opposed the effective nationalisation of Felixstowe. It should be an aim of policy that all the major ports should achieve an adequate financial return.

N.F.

Conservative Research Department,
24 Old Queen Street,
LONDON, S.W.1.

NF/JMH
22nd July 1977

THE RIGHT TRACK

BY NORMAN FOWLER M.P.

Acknowledgements and thanks to the Members of the Conservative Party's Transport Advisory Committee including:-

Working Party Chairmen

Peter Fry M.P.
Roger Moate M.P.
Peter Temple Morris M.P.
Peter Viggers M.P.

and to:-

Timothy Raison M.P.
Nigel Foreman M.P.
Robert Adley M.P.
Robert Boscawen M.P.
Mr. Michael Jack
Mr. Michael Jones

B.R.

Roads.

- 1. Useful.
- 2. Pondering.
- 3. Transport Correspondent.

SECTION 1 - PUTTING THE USER FIRST

The problems of transport today may look formidable but when they are appropriately broken down they become far less daunting. A very great deal can be achieved without either legislation or massive reorganisations. A first step is to distinguish those functions which inevitably belong to government from those which do not. Essentially a government must be responsible for infrastructure and for necessary policies to protect the environment. A subsidiary government function is regulating the public utilities like the railways. If government perform these functions effectively, the movement over the infrastructure can be left predominantly to the decision and good sense of users and operators.

Although the rival lobbies frequently dominate the transport debate it is not their interests which are paramount. The proper starting point for policy is the user of transport. What policies best suit the passenger or the customer with goods to move? How can the interests of the user best be reconciled with the demands of public expenditure? No transport policy can be regarded as satisfactory which simply places an ever-increasing burden on the taxpayer.

Expenditure today by the user of transport is massive. After food, transport is the biggest item in many family budgets. Nationally the public are spending £11,000 million a year on passenger transport. This breaks down into:

Expenditure on motoring	- £9,000 million
Fares on buses and coaches	- £1,000 million
Fares on British Rail	- £527 million
Fares on Taxis	- £220 million
Fares on London Underground	- £127 million

Expenditure on the transport of freight - including parcels - amounts to another £10,000 million a year. This breaks down into:

Expenditure on freight transport by road	- £9,750 million
Expenditure on freight transport by rail	- £414 million

In addition, the public as taxpayers are spending out £600 million in passenger subsidies and a further £1,600 million in investment. The main details of this expenditure are:-

Operating subsidies for rail	- £365 million
Operating subsidies for buses	- £150 million
Investment by surface transport nationalised industries	- £332 million
Investment in new road construction and improvement	- £632 million
Expenditure on road maintenance	- £662 million

It is against this background and with the aim of meeting the needs of the user of transport that we advance seven principles of transport policy:

First

Central objectives of transport policy must be to achieve value for money and to assist in economic recovery. In the case of nationalised industries (some of which are protected from competition), public accountability should be improved by requiring disclosure in clear accounts of the maximum possible financial and operating information.

Second

Efficiency is best secured by giving the user maximum choice and allowing the maximum of competition. The aim of transport policy should be that, as far as possible, decisions between different modes of transport should be taken by, and for, the user - rather than by and for the providers. The role of government should not extend to seeking to direct traffic but to ensuring that competition is fair.

Third

Transport policy should aim to remove unnecessary restrictions which prevent new services developing to meet public needs.

Fourth

Transport policy must recognise that nearly everyone needs access to public transport at some time. Over 40 per cent of households do not own cars and public transport is necessary for mobility. Higher productivity can significantly reduce the subsidy element but where support is necessary it must be for specifically identified needs of services.

Fifth

Transport policy must recognise personal transport needs. Over 21 million people in Britain hold driving licences and over 80% of all passenger journeys are by car. We reject deliberately anti-motorist policies.

Sixth

Transport policy must recognise vital environmental interests and seek to prevent damage to local communities. Account must also be taken of the need to conserve energy. It does not serve the transport user's wider interests if these questions are ignored.

Seventh

Transport policy must recognise the interests of those employed in the transport industries. More productive transport industries will be to the benefit of the customer and to the long term advantage of those employed in the industries. The best way of achieving the future of the transport industries (public or private) is by the provision of efficient services at the lowest possible price for the customer.

SECTION 2 - MAKING SENSE OF THE RAILWAYS

The "railways problem" often appears intractable. Government review has followed Government review, but, by financial standards at least, the position seems only to have become worse. In the last 20 years current and capital subsidies and capital write-offs have totalled over £3,000 million. Over the last three years the operating subsidy alone added up to over £1,000 million and the Government have provided public money to support the carriage of freight and parcels, as well as passenger services.

Yet it is not just as taxpayers that the public have been paid out. Over the last three years there have been the biggest series of fare increases in the history of the railways. Rail fares have doubled - hitting hardest the commuters who travel to work by rail. The rise in the price of a number of commuter monthly season tickets makes the points:

TABLE A

<u>LONDON TO:</u>	(23.6.74) <u>1974</u>	(27.7.77) <u>1977</u>	<u>% INCREASE</u>
Bishops Stortford -	£230.40	£456.00	97.9%
Brighton	£303.60	£565.20	86.2%
Southend	£242.40	£476.80	97.5%

Such fare increases have had to be paid out of incomes strictly limited by pay policy.

The figures of public subsidy and fare increases speak for themselves. The central aim of policy must be to seek for the passenger and the taxpayer a railway running at maximum efficiency and lowest possible cost. The context of such a policy must be provided by a government determined to control inflation. When the current Labour Government decided to stoke up inflation in 1974 and 1975 they provided the conditions for the fares explosion. Given the Government's policy no one should be surprised at what has happened. No transport policy can insulate the railways from the general economy.

①

Given a sensible economic policy, the next essential must be an improvement in productivity. Railwaymen often feel that they have been given insufficient credit for the improvements achieved in the last fifteen years and sometimes regard further calls for productivity as an attack on the industry. This is not our intention. There have been very significant manpower reductions - the total work force fell from 477,000 to 231,000 between 1963 and 1976 - and both the rail workforce and the rail Unions should be given credit for that improvement. As for the industry we want - not slashing cuts in the railway system but a real and important future for the industry. It should be added that many British Rail services are good and stand comparison with the best overseas.

The fact remains, however, that the importance of high productivity cannot be over-emphasised in an industry where almost 70% of costs come from wages and salaries. As Peter Parker, the Chairman of the British Railways Board, has said: "Productivity is the rock on which we must build the future of railways." All evidence points to the conclusion that further substantial improvements are possible. Crucially the evidence includes a policy statement by the British Railways Board themselves that it would be possible to secure a manpower reduction of 43,000 by 1981 - not by massive redundancy but predominantly by wastage and control of recruitment. That opportunity should be taken.

At the same time it must be the aim of British Rail to eliminate the need for support on all their freight services and Inter-City services. In neither case can subsidy be justified. Clearly the need to reduce public expenditure and to reduce the burden of direct taxation also means that the aim with all other services must be to reduce the losses. In some cases this will take time.

Commuter services into London are a case in point. The financial problems of running commuter services are bound up with the two "peaks" of demand in the morning and evening. The peaks are short - in London they last no longer than 90 minutes - but the demand for labour and equipment at those times vastly exceeds the demand for the rest of the day. Inflation has multiplied these problems and costs have escalated. The result has been that over the last three years the London commuter has faced a quite exceptional increase in fares and a quite exceptional reduction in his living standards. He must be given time to adjust.

However any decision to support specific rail services brings a Government smack up against a major difficulty; the necessary information about the costs of these different services. The concept of the Government entering into a contract with British Rail to provide a service which cannot be totally financed by fares is only acceptable provided that the contract is as specific as possible. We should move away from blanket subsidies.

It is also important that British Rail should be made publicly accountable. Both the rail passenger and the taxpayer has an interest in seeing that the maximum of information is published. No one would pretend that such is the case at present. British Rail's accounts conceal as much as they reveal. Separate information is not published on the costs of the main passenger businesses - let alone the major services - nor is there even a division between the freight and parcels businesses. So how could such information be provided?

We pay tribute to the great efforts which have taken place at British Rail over the last twelve months to meet our case. (Two pages are given to the argument in the 1976 annual report.) There is common ground between us on two major points:

First

The sensible way of dividing costs is on the basis of the different businesses of British Rail. These British Rail define as:

- (1) Inter-City passenger services
- (2) London and South East passenger services
- (3) Passenger Transport Executive passenger services
- (4) County passenger services
- (5) Freight services
- (6) Parcels services

Following this major division it is possible to go into greater detail and show the results of the major individual services with these groupings.

Second

There is no difficulty in accurately dividing the majority of the direct costs of these businesses.

The difficulty comes when seeking to apportion the costs of administration and the costs of track and signalling to the different businesses. The current view at British Rail is that the difficulties make it necessary to seek a new approach. They have thus developed the "avoidable cost" concept. Basically this seeks to answer the question "what costs would be avoided if an activity were to cease - all others continuing?". At present only freight operations are costed in this way and it will take several years for all other services to be incorporated. After careful consideration we have come to the conclusion that, although this may be helpful for British Rail as a management tool, it does not satisfy the public need for straight-forward profit and loss accounts for each main business.

Continued/.....

We believe that it is possible to divide costs on a fair and reasonable basis between the different businesses of British Rail. Every major company (rail or non-rail) must divide its administration costs, while evidence from overseas also suggests that it is possible to fairly apportion track costs. As Dr. Joy, the former British Railways chief economist, has pointed out "If Ford or the British Steel Corporation can find the costs of their products so can railways and many other railway systems have developed reliable systems." We will therefore discuss with British Rail ways in which the costs of the different businesses can be made available to the passenger, the taxpayer and the Government.

One further point should be made here. In their White Paper the Government propose that local authorities should take over some of the financial responsibility for some local railway services. We are currently consulting with Conservative Councils on this and will make a later statement on this and other parts of the White Paper, as a result of those consultations. It is, however, worth making two points at this stage:

First - although we support the principle of local decision making, this is a far cry from seeking to saddle local Councils with the blame for any unpopular decisions affecting local railway services. It is clear from a letter sent by the Secretary of State's political adviser to Labour Group Leaders that this is the aim of the Government.

Second - any change which puts a burden on local authorities to pay for specific services again underlines the need for reliable financial information on costs.

Clearly many decisions about railway policy - for example the level of investment - must wait until we have taken office. We would emphasise, however, that our approach is to seek a good future for the railway industry. There is no reason why British Rail should be the inevitable sick man of the transport world. We pay tribute to the efforts which are now going on to correct the position and we will support them.

SECTION 3 - CATCHING THE BUS.

The years since the war have seen a steep decline in bus passengers. During that period bus operators have lost half their custom. Bus journeys on scheduled stage services have dropped by 15% over the last ten years. A major reason for this fall (although not the only reason) has been the rise in car ownership. The car gives a personal flexibility which the bus on fixed service lines cannot match, and, as the price of the car has increased, owners have sought to maximise their investment.

Nevertheless, the importance of the bus should not be underestimated. Even to-day 60 per cent of public transport is by bus. For millions without cars - in particular the elderly, the young and the housewife - the bus is essential for mobility. The bus also has important energy advantages over the car, and means in terms of land resources that unnecessary expenditure on roads and car parks is saved. It is therefore vital that we should achieve reliable and economical services and, if possible, attract more of the public back on to the buses.

Much of the bus industry is in the public sector. The giant National Bus Company has a labour force of 68,000; a fleet of almost 20,000 buses and coaches, and an annual revenue of £358 million. Its 30 subsidiary companies operate over a third of all coach and bus mileage in England and Wales. In Scotland the Scottish Transport Group provided the major stage carriage services outside the cities. Other major bus undertakings are run by the seven Passenger Transport Executives and by the different municipalities. While London Transport run probably the largest urban public transport system in the world. Some of the problems faced by these undertakings, particularly the larger ones, are similar to those of British Rail.

The bus industry is labour intensive; over 70% of costs are wages and salaries. The peaks of morning and evening demand provide problems in all the major cities. For example, the peak demand of the West Midlands Passenger Transport Executive is 800 buses, whereas off-peak only 200 are required. Bus subsidies have risen steeply and now amount to £150 million a year, while extra aid goes in the form of the new bus grant (£49 million a year) and fuel rebate (£51 million a year). A combination of inflation and inept policymaking by Labour Local

Authorities has almost wrecked the finances of some of the big local undertakings. In London, for example, the Labour G.L.C. came to power on a pledge to work towards free fares; presided over a 146% increase in fares in two years, and transformed the finances of London Transport from profit to heavy loss.

Faced with this position high productivity must remain a goal in the industry and the aim should be to achieve economy and value for money. The bus industry generally raises more from the fare box than does rail - 85% to 90% of the National Bus Company's revenue comes from fares - but where support is given it should be as specific as possible. County Councils have a statutory duty placed upon them to co-ordinate local transport and it is therefore vital that they should be provided with accurate information on the cost of services. Local Authority concessionary fare schemes for the elderly, blind and disabled make a valuable contribution to the mobility of many without access to cars. Currently such schemes are costing Local Authorities £80 million a year, and given the present public expenditure position we agree with the Government that it would be impossible to introduce a national scheme. In the case of the National Bus Company, more financial information should be made generally available to the public and the results of the different NBC subsidiaries should be published. It is absurd that the financial accounts do not show, for example, the results of National Travel. Rather than structural reorganisation, we see the first priority in all parts of the bus industry as recovery from the last three disastrous years.

We also believe that greater progress can be made in marketing bus services and in attracting off-peak business. We agree with the Young Conservatives' policy document that better bus routing - a willingness to abandon the view that the right route is the one that has always been there - and better quality standards would also make a contribution. Such steps would reinforce our policy to improve public transport by bus.

It would be a profound mistake, however, to believe that better bus services and other road passenger transport services are solely a question for the big public undertakings. There is already a highly efficient private sector bus and coach industry. It would be our aim to provide the conditions whereby they could expand to serve public needs which are to-day either inadequately met, or not met at all. Here the reform of the Traffic Commissioner licensing system is essential.

The present law dates from proposals made in the Royal Commission on Transport in 1928. The proposals were included in the 1930 Road Traffic Act and the restrictions have remained largely unchanged ever since. Basically there are two forms of control. First the law requires minimum safety standards and these we support. Second, the law requires a road service licence to be issued by the Traffic Commissioners for the vast majority of passenger services (there is an exception for contract services). We believe that it is this part of the law which could be reformed to the benefit of the public.

Our first aim will be to improve transport in rural areas. On rural transport the Government have a particularly discreditable record. In 1973, John Peyton, the then Conservative Minister of Transport, introduced measures which would have achieved moderate reforms of the licensing system and allowed, for example, mini-bus services to develop. Although accepting the case for reform when they were in Opposition, on coming to power in February 1974 Labour scrapped these proposals. For the next three years the Labour Government did nothing. Then, in 1977, they introduced a Bill which permitted experiments in new services in four limited areas of Britain. Finally, in their White Paper the Government position changed once again when they admitted that there was a case for "modifications to the licensing law." Thus in an act of death-bed repentance Labour have now accepted the Conservative case. Although we welcome the conversion, we deplore the Government's delay in recognising the needs of country areas.

The fact is that over the last 3½ years the Conservatives in Opposition have done more to help the transport needs of those living in rural areas than a whole succession of Labour Ministers in Government. The Conservatives can point to three major achievements:

First The Minibus Bill which allows more freedom to voluntary organisations and schools to run mini-buses was a Conservative measure, introduced by the Conservative M.P. for the Wirral, David Hunt.

Second The Conservatives successfully amended the Passenger Vehicles (Experimental Areas) Bill so that, rather than confining experiments to four areas, the Bill now enables any Local Authority to run experiments. This legislation will be waiting when the Conservative Government takes office.

Third The Government decided to abandon its proposal for an extra 5 p. on petrol (which would have hit hardest the country areas) after narrowly surviving a Conservative censure motion on their rural transport policy.

Much more, however, needs to be done. In rural areas we want to see new services allowed to develop to supplement the major structure routes between towns served by conventional bus services. Clearly care must be taken not to undermine existing profitable services and there is no reason why many new services should not connect up with the bus routes. In rural areas there is a potential for commercial mini bus services (specifically excluded in the Government's Experimental Areas Bill), shared cars and vans (which are notably successful in Scotland), post buses, and greater general use of school transport. In the legislation which we will introduce, more power will be given to the Local Authorities in deciding their own local needs.

Rural areas should not be alone in benefitting from new schemes and experiments. We would like to make progress in urban areas also. Jitney services (vehicles which run on fixed routes making stops on demand) and shared taxis would undoubtedly serve a public need. The taxi is an often neglected option in urban transport and we would want to consult with the licensed trade on advances here. There is no reason why there should not be experiments in car pools (organised car sharing) for people entering the major cities; on energy and

congestion grounds it is clearly better to have three or four people sharing one car rather than three or four separate vehicles. While experiments should be permitted with commuter coach services (or commuter clubs).

Necessarily we will consult closely with the interested organisations and Unions on such schemes and experiments. It is, however, somewhat less than revolutionary to suggest that a law fashioned in the decade after the First World War may not meet all the modern requirements of the travelling public.

SECTION 4 - CARRYING FREIGHT

In contrast to passenger transport, most of the freight transport industry is already in the private sector. Road haulage is a prime example. The industry ranges from 80,000 one vehicle operators up to major public companies with fleets of several hundred vehicles. In addition there are many companies whose own need for transport is so large and consistent that they run their own fleets of vehicles. These include the supermarket chains, the food suppliers and the major manufacturers.

By common consent, competition in road haulage is keen and the service to the customer good. A liberal licensing system means that new men can enter the industry and that existing firms cannot rest on their laurels. Road haulage has been notably successful in expanding its business at home and overseas; one of the undoubted successes of recent years has been the way that the industry has developed its trade to the Middle East. In addition the private sector receives no direct subsidy from the taxpayer. The only disputed area is whether the heaviest lorries now cover their full track cost.

The results from the public sector are not as good. British Rail Freight operations have been losing money for several years, although it is fair to add the losses have now been reduced and should be eliminated by 1978. The National Freight Corporation (a mixture of road-based and rail-linked companies) has also been losing heavily over the last few years, mainly because of the continuing losses of National Carrier. While a further area for concern is the losses of publicly owned parcels carriers. The latest accounts show that each public carrier is losing money - National Carriers (£4,000,000 loss) Roadline (£1,000,000 loss), the Post Office (£43,000,000 loss), British Rail Express Parcels (loss unpublished but believed to be between £10 and £15 million).

There are some who would argue that these financial results are only part of the story. They claim that if freight was diverted from road to rail this would help the finances of British Rail and bring environmental benefits. The case against this is well - and significantly - stated by the current Government in their 1976 Consultation Document on Transport, and in their 1977 White Paper.

Considering the case for a massive shift from road to rail, the Consultation Document remarked "Alas, it is a pipe dream" and pointed out that often there would be no environmental advantage when freight needs collection or delivery by lorry from terminals in city centres. The White Paper (written by a different Labour Minister) found that a substantial diversion of freight from road to rail was not possible. It added:

"Nor is it a sensible long term aim. It could only be achieved by detailed direction of traffic to the railways. But requiring industry to get approval before moving its goods would hinder its efficiency and mean extra cost to consumers. It would be an unwelcome extension of officialdom."

The significance of these two statements is that in both 1974 General Elections the Labour Party made Manifesto pledges to secure a massive shift of freight from road to rail.

If direction is rejected, what then should be the role of government? Our belief is that both road and rail have natural advantages. Rail has advantages in carrying bulk cargoes over long distances; road has a natural flexibility and an advantage over shorter distances. Government has a role in ensuring that environmental interests are protected and safety standards observed. It should not, however, seek to interfere with the free choice of the customer who is in the best position to make decision between modes. Fair competition between road and rail should be the aim of policy and this will entail government action in two areas:

First Government should decide the fair track cost to be paid by the users of road and rail. There are important questions to be resolved here. The supporters of rail claim that the heavy lorries do not pay a fair price for the use of the roads; the supporters of road say that British Rail freight operations operate under a favourable accounting system and do not pay a fair price for the use of the railways.

Government's role here is to reach an objective solution to enable fair competition to take place.

Second

Direct Government freight subsidies should be eliminated. Fair competition is impossible as long as subsidies continue. For example, the £12 million losses of the National Freight Corporation sustained in seeking to expand trade in France would have bankrupted many private companies.

The elimination of the freight deficit requires that the problem of the National Freight Corporation is tackled. The N.F.C. was established by the 1968 Transport Act. It took over a number of general and specialist road haulage services previously run by the Transport Holding Company, including British Road Services, B.R.S. Parcels (now renamed Roadline) and the Pickfords Group of companies. In addition it took over the Freight Sundries Division of British Railways which was renamed National Carriers, and the majority control of Freightliner.

Since establishment the N.F.C. has received substantial government support amounting to some £100 million. However it would be a mistake to believe that this showed a poor performance by all the companies in the Group. Some companies, like B.R.S. and Pickfords, have been consistent profit makers. Others, like Roadline have usually made profits. The losses have almost all come from National Carriers. We believe that there is now a case for separating N.F.C. and National Carriers. This not only fits in with our general view that the big corporations should be broken down into more manageable units but also recognizes the different business histories of the two parts.

Our approach would then be:

National Carriers Work on the financial reconstruction of the Corporation which is now taking place centres upon National Carriers. The aim is (and should be) to free the company from its pension liabilities inherited from British Rail and to put it into a competitive position. We reject the view of those who argue that the company should be regarded as an inevitable loss maker, and so we believe do many of the senior staff. Having removed the unfair burden of National Carriers it will be for the management of National Carriers to achieve a profitable business, and we pay tribute to the current efforts being made to achieve this.

National Freight Corporation Once National Carriers is run as a separate business we see no reason why the N.F.C. should not advance rapidly to a position where it is not only profitable but achieving a good rate of return on capital employed. Given this position, we would aim to achieve substantial private investment in the corporation. This could be achieved by N.F.C. and private companies joining together in joint venture projects. That is a useful advance. However, we want to go further than this and seek means of achieving private investment in the N.F.C. to provide a corporation similar in make-up to British Petroleum.

On the future of Freightliner, we believe that this would be best achieved by allowing it to remain under the majority control of N.F.C. with its devolved structure. We recognise, however, the strong feelings of British Rail on this and we will consult with all interested parties before reaching a final decision.

Clearly we reject the Labour Party promise to extend nationalisation in the road haulage industry and in contrast will do our best to help the industry. On the export trade, we will explore with our Common Market partners the possibilities of making more international permits available for foreign trips.

We would add this on two other important areas:-

Water An important part of freight transport policy should concern the inland waterway system. This part of policy has been disgracefully neglected by the current Government. An example of their lack of interest was the failure of the Barge Aboard Catamaran System (BACAT). Operating on the waterways leading from the Humber, one ship was capable of carrying 13 barges at one time across the North Sea to the European Waterways. Much loading/unloading work was avoided; costs were kept to a minimum and the European waterways were opened up to British barges. Although great care was taken over negotiations an unofficial Shop Stewards' Committee at Hull blacked the ship - in spite of the fact that their action affected other members of the same Union. After 18 months unofficial action the ship was finally withdrawn at the end of 1975. At no stage did any Government Minister seek to intervene to help settle the dispute and the result has been that an outstanding chance of putting freight on to water was thrown away.

We will want to undertake a thorough review of policy in this area with the aim of realising the potential for the inland waterways in carrying freight.

Ports At present there are 400 Ports in Britain under a wide variety of ownership. British Transport Docks Board (a nationalised industry) owns 19 ports which account for about 25% of business. The Port of London Authority (a public trust) accounts for a further 15% of business. In the private sector one of the most successful ports is at Felixstowe, which was saved from nationalisation after a hard fought fight in Parliament. Other ports are run by British Rail, Local Authorities and other public trusts, while some of the largest ports by turnover are oil terminals managed by the owning oil company.

We agree with those in the ports industry who say that the immediate priority is stability. The present organisation gives choice to the user and this would only be reduced if the British Transport Docks Board had been allowed to take over Felixstowe - or if Labour's plans for ports nationalisation were ever implemented. Local control is of prime importance. So, too, is the need to get value for money out of our existing investments. As Philip Chappell, the retiring Chairman of the National Ports Council, has said "The real problem for the United Kingdom ports to-day is not what more to build, but to get real value and throughput out of what we have."

As for the British Transport Docks Board, the results have been good and they are one of the few nationalised industries to produce an adequate return on capital. As with other nationalised industries, we would like to see more detailed accounts and each port shown as a different profit centre. Transport planning should take account of the need of through communication from and to the ports - and this area we deal with in the section on roads.

In Scotland Aberdeen, Montrose, Dundee and the Forth ports have responded well to the changes of the last few years. Peterhead has been greatly extended thanks to the 1973 Act of the last Conservative Government.

Continued/.....

SECTION 5 - ROADS AND THE ENVIRONMENT

The first priority of general policy must be economic recovery. In this roads have an important part to play. Predominantly freight goes by road, including goods for export. The ease with which such goods can reach their destination is of obvious importance, and, in parts of the country like Wales, roads are an important factor in industrial location. Clearly, however, a balance has to be achieved between the needs of the economy and environmental needs.

It should be stressed that roads do not automatically have environmental disadvantages. A by-pass which eases the flow of traffic also brings benefit to the local community who are spared the noise and congestion of lorries on roads which were never intended for them. Better roads can also be an important aid to safety. About three quarters of all road casualties occur in urban areas and there is considerable scope for minor road improvements to reduce this toll. Nevertheless, it remains that there will be conflicts of interest over new road schemes and it is a matter of national importance that there should be an agreed and accepted method of resolving such differences.

The current Government's general approach on roads has been very simple. It has consisted of shifting expenditure away from road investment to subsidy, including (as we have seen) freight subsidy. Such a shift has a quick popularity but it does not amount to a policy. For it does nothing to tackle the basic causes of the loss-making leading to the need for subsidy. Nor can it be continued indefinitely unless the Government are content to leave needs un-met and roads in disrepair. As the Government White Paper concedes "Many towns and villages will have to endure the intrusion of traffic for years to come".

Clearly progress to our goals will depend upon the public expenditure position, but against that background we would mark out three major priorities:

- First The economic route-ways, the roads and road schemes which will aid in economic recovery and the development of exports. Roads to the ports is an example of what is needed here. Of the 15 ports mentioned in the last Conservative Government's plans for 1970 and 1971, only Bristol has got not only good trunk road links, but also satisfactory access to the docks area.
- Second Roads with important environmental benefits. By-passes are probably the clearest example. It will be our aim as far as possible to keep heavy traffic away from residential areas, although this depends upon the existence of suitable roads. Powers exist under the 1973 Dykes Act for Local Authorities to draw up local plans. In Scotland Labour has failed to realise the importance of the oil related routes and progress has fallen behind.
- Third Road Maintenance. Whatever dispute there may be about the need for new roads, there must surely be agreement that existing roads should not fall into disrepair. Many local authorities believe that this is what is now happening under current Government policy. We support the suggestion of the County Councils Association that there should be a major evaluation of the effects which have resulted from the cut-back in money for road maintenance.

Much of the feeling against roads centres on the lorry. There are further steps which can be taken to help us live successfully with the lorry. The last Conservative Government set up a research programme with the aim of developing a quieter, heavy, lorry. We will continue with this work. Equally it is important that environmental and safety standards are observed. We will examine the enforcement of the law here.

There is an additional point concerning the Road Construction Units. These were set up to design and supervise major trunk roads in 1967 in view of "the expansion of the road programme." Ten years later, and in very different circumstances, the road construction units directly employ 2,765 staff compared with 2,711 in 1975. The latest Government estimate of their annual cost is £12.7 million (compared with £11.1 million in 1974/75). Thus, although the road programme has been cut the R.C.U.s continue at more or less the same level. We will examine the present arrangements to see whether it would not be possible to return more work to the Local Authorities under agency arrangements, and, equally important, to private firms

of consulting engineers. Many firms of consulting engineers now do a great deal of work overseas; this brings direct benefits in overseas earnings and indirect benefits to British construction companies who are also now increasingly looking overseas for work. Civil engineers, however, need the base of a firm home market. This they do not now have and, because of the importance of their export contribution, we would wish to see more work going to them.

As far as road schemes are concerned, it is a matter of importance that planning procedures are accepted as fair by the public. There is an unquestionable right of local objectors to have their voices heard. There is no right to disrupt Inquiries. The whole purpose of the Inquiries is to provide the responsible Ministers with the maximum of information before decisions are made. Equally, the local public should also be provided with the maximum of information, for example, Departmental calculations. Several attempts have been made to improve the planning procedure. The most recent was the 1971 legislation of the last Conservative Government. Currently a review of the rules followed by Inquiries is being conducted by the Council on Tribunals; while the Leitch committee is examining trunk road assessment. We will wait for their reports before deciding how the procedure can be further improved.

In any discussion of the planning procedure it should be recognised that the decision on whether or not there is to be a road is not a judicial decision but a Ministerial decision. The Inquiry advises the relevant Ministers on what the objections to the scheme are, but the decision rests with the Ministers - currently the Secretary of State for Transport in consultation with the Secretary of State for the Environment. It is difficult to see how that arrangement can be altered. What, however, would be possible is to make the general policy subject to better Parliamentary check, by an annual roads debate or by some other procedure.

Clearly it is not going to be possible to satisfy everyone, those who want a road and those who are adversely affected by its construction. The aim should be to achieve as much agreement, in and outside the Commons, on the procedure to be followed and then to subject decisions to more adequate Parliamentary scrutiny. At the same time it should be an aim of policy to seek to reduce the delays and uncertainty which cause blight to too many householders in Britain to-day.

SECTION 6 - PERSONAL TRANSPORT

The car is now the dominant form of personal transport. Almost 60 per cent of households now own cars and in rural areas the average figures are even higher. In East Anglia there is an average of 86 cars per 100 households and in the South West the figure is 84. In both Wales (an average of 70 cars per household) and Scotland (an average of 60) the figures are highest in rural areas.

In addition Britain has a major motor-car manufacturing industry producing around 1½ million cars a year - over 40 per cent going for export - and employing an estimated one million people making vehicles and components. Policy towards the car has an important effect on their future.

The door-to-door convenience of the car is an advantage which the motorist appreciates - and for which he pays dear. Current estimates suggest he pays more than double in taxation what he receives back in road investment and maintenance. No other form of passenger transport can provide for him the flexibility which the car offers. However, it is also clear that there must be reasonable checks on the use of cars. Unrestricted parking in city centres would lead to chaos: if there were no legal restrictions there would almost certainly be a rise in the already appalling toll of road accidents.

Continued/.....

Traffic Restraint:

This is properly a matter for local decision. A wide range of powers already exist and the policy is best decided by local authorities who know the local conditions rather than from Whitehall. We would, however, make this point. Reasonable restrictions to prevent congestion are obviously necessary. It should be remembered, however, that many city centre businesses depend upon access for the shopper. The policy objective of bringing back life to the city centres will not be served by driving businesses to the more accessible suburbs. Nor do we believe that restrictions on motorists are the automatic salvation of public transport. As the group of London Conservative M.P.s have stated:

"The key to a successful transport policy is improved public transport*."

Without this 'carrot' the 'stick' of traffic restraint will never be sufficient."

The Motorist and the Law

As car use has increased so the task of enforcing traffic laws has become more difficult. The burden on the police and the courts is now very heavy. Last year the magistrates' courts in England and Wales had to deal with over 2 million traffic offences. Relations between police and motorist are now one of the most important areas of police/public relations. As the 1962 Royal Commission on the Police remarked:

"It is probably as motorists that ordinary men and women most often have dealings with the police".

We believe that it would be of considerable benefit to the police, the courts and the motorist if the law could be simplified. Over the last 12 months a working party of the Society of Conservative Lawyers has been examining this question. Evidence has been taken

from organisations representing the police, the magistrates and the motorists. We have also studied the position in other European countries and the United States. Some important ground-work has been done and some of the important areas of decision identified. These are:

- (i) There is general agreement with our view that it would be possible to divide motoring offences into "serious" and "less serious" categories.
- (ii) There is general support for a simplified procedure being available for motorists who commit minor offences.
- (iii) Most support is for making these offences "ticket" offences where the liability can be discharged by payment by post without going to court. An alternative is the "stamp" system used in France. We do not support 'on the spot' fines where money passes - nor do most of the police.
- (iv) Any change in the law would entail a review of the totting-up procedure. This could be replaced either by the "points" system used in Germany where disqualification becomes automatic if a certain points total is reached. Alternatively (and more simply) discretion can be returned to the courts to disqualify persistent offenders.
- (v) No change in the law would affect the right of the motorist to go to court if that was his wish.
- (vi) Undoubtedly serious offences would go to court automatically. Dangerous driving and drunken driving are prime examples of offences which put other road users at risk. Such offences would always be dealt with by courts and we would hope that one effect of a change in the law would be to increase public awareness of the undoubtedly serious traffic offence.

Problems remain - not least the collection of fines. (This is a problem which should be tackled whether there was a change in the law or not). However, we do not believe these problems are insuperable. Valuable groundwork has been done and in Government we would want to institute an immediate review of the traffic laws.

Road Safety:

The accident toll in Britain is unacceptable. Over 6,000 people are killed each year in road accidents and a further 75,000 seriously injured. Many of the dead and injured are teenagers and schoolchildren. It is vital that greater efforts are made - particularly with the young. In the main our approach will be through better training, safety teaching, persuasion and publicity. The disadvantage of making ever more legal restrictions is that it places an extra burden on an already overworked police. However, we recognise that new laws may be necessary to enable the enforcement of present restrictions (such as on drunken driving) or if persuasion fails.

We place our emphasis, however, firmly on prevention of accidents. A first priority will be child casualties. The road accident is now the most common killer of schoolchildren. 40 per cent of all those killed on the roads are pedestrians and about half of all pedestrian casualties are under 15. Better teaching material should be provided in the schools and more effort devoted to road safety education. The possibility of recruiting retired policemen as instructors should be investigated. New research should be started for evaluating methods of teaching road safety.

We would also wish to encourage better driving standards and actively support the work of organisations like the Institute of Advanced Motorists and the League of Safe Drivers.

Motor Cycling:

Motorcycling provides a further example of our road safety approach. Last year there were just over 1,000 deaths and 18,000 serious injuries affecting motorcyclists - almost half the fatal and serious casualties were 16 and 17 years old. We believe it is a matter of the utmost importance that wider training facilities should be made available for young riders: at present far too many new riders have no training whatsoever. Quite apart from the road safety aspect we want to develop better links between the Transport Department and motorcyclists than have hitherto been achieved. New registrations of motorcycles, mopeds and scooters is now about 300,000 a year.

Cyclists:

Cycling is becoming increasingly popular with adults and is the predominant form of transport for the under 16s. It has clear advantages - health, economy, energy conservation - and the Transport Department should do all it can to encourage cities and towns to make provision for the cyclist. In some cities and towns cycle lanes and paths are possible: the provision of adequate parking facilities would also help. We will seek to encourage better exchange of information between areas and will promote a national conference on the needs of the cyclist.

Pedestrians:

We again stress the heavy accident rate among pedestrians: a particularly distressing example being the 6,000 children under 10 who are killed or seriously injured crossing the road. Local road improvements: better training: greater publicity all have a part to play in seeking to reduce this total.

The Disabled

It is important that the needs of the handicapped are taken into account in transport policy - national and local. Many cannot use public transport and thus mobility depends on using their own cars or being driven. Parking policies therefore must take account of their needs. It is important that good links should exist between the Transport Department and organisations like the Joint Committee on Mobility for the Disabled.

Guid. - Parking.

Representing the User:

We started this pamphlet by stressing the importance of the user of transport. National and local policy should be about meeting his demands. There is an important part to be played here by the Transport Users Consultative Committee in expressing the views of the user. We are disturbed at the way the current Government have sought to make appointments on party political grounds. We will review the arrangements here to give the transport user a clear and independent voice.