



MINISTRY OF TRANSPORT

# Charges (Railway Control) Consultative Committee

Report, dated 29th May, 1940, as to increase  
of fares upon services of the London  
Passenger Transport Board

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## CHARGES (RAILWAY CONTROL) CONSULTATIVE COMMITTEE.

To the Rt. Hon. Sir John C. W. REITH, G.C.V.O., G.B.E.,  
M.P., Minister of Transport.

SIR,

We, the Charges (Railway Control) Consultative Committee, appointed by the Minister of Transport on the 22nd April, 1940, to advise upon any reference to us as to the method to be adopted in adjusting rates, fares and charges in accordance with the financial arrangements between the Government, the four Amalgamated Railway Companies and the London Passenger Transport Board, received your letter dated 22nd April, 1940, requesting us to advise you as to the best means of increasing the fares charged in respect of the road services of the Board so as to obtain a sum equal as nearly as may be to 10 per cent. of the receipts from those road services and that you wished us to hold a public Inquiry. You further requested us to state our views as to any adjustments we might consider necessary in the fares for the traffic on the Board's railways if our recommendations in relation to the road services had any reactions upon the traffic of the Board's railways.

The letter above referred to further stated that you had invited the Railway Executive Committee to submit to us their proposals for such increase.

We, accordingly, on the 24th April, 1940, wrote to the Secretary of the Railway Executive Committee inquiring when the receipt of the proposals referred to might be expected. By letter dated 2nd May, 1940, the Secretary of the Railway Executive Committee informed us that in accordance with the Statement of the Machinery agreed by the Minister of Transport with the four Amalgamated Railway Companies and the London Passenger Transport Board for the adjustment of charges during the period of control, the Railway Executive Committee had submitted certain proposals to you which you would doubtless transmit to us. A copy of this letter was forwarded to you on the 3rd May, 1940, and on the 4th May, four copies of the proposals referred to were forwarded to us by your Ministry with a covering letter which stated that you had been informed by the Railway Executive Committee that, "they did not find it possible to submit any alternative proposal which they could regard as practicable."

We caused a notice to be inserted in certain of the London morning papers on the 8th May, 1940, setting out the terms of reference to us and stating that a public Inquiry in respect thereof would be held at the Brooklyn Hall, Bush House, Aldwych, W.C.2, on Wednesday, 22nd May, 1940, at 10.30 a.m., and that any body or person desiring to be heard

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The total expenditure incurred by the Committee is estimated at £168 19s. 8d., of which £8 12s. 6d. represents the estimated cost of printing and publishing this Report.

at the Inquiry must forward their or his full name and address with a statement of the interest represented, to our Secretary, at this office, on or before the 20th May. The notice further stated that the proposals submitted by the Railway Executive Committee, might be inspected at our office from Thursday, 9th, to Saturday, 18th May, during office hours.

In accordance with the public notice, the following expressed their desire to be heard—

- The London County Council.
- The Middlesex County Council.
- The Boroughs of Barking, Ilford and Wembley.
- The Romford Parliamentary Division Traffic Advisory Committee.
- The Ramblers' Association.
- The Federation of Tenants' and Residents' Association.
- The London Transport Passengers' Alliance.
- Mr. L. G. Clayton.
- Mr. Philip H. Weller.

The Railway Executive Committee also gave notice that they desired to be heard.

We opened the public Inquiry at the Brooklyn Hall, at 10.30 a.m. on the 22nd May, 1940. The various parties interested were represented as follows:—

Mr. A. T. Miller, K.C., and Mr. N. R. Fox-Andrews (instructed by Mr. I. Buchanan Pritchard) appeared on behalf of the Railway Executive Committee.

Mr. R. Moelwyn-Hughes (instructed by the Solicitor to the London County Council and the Town Clerks of Barking, Ilford and Wembley) appeared for the London County Council and the Boroughs of Barking, Ilford and Wembley and for the Romford Parliamentary Division Traffic Advisory Committee.

Mr. H. Clark (instructed by the Solicitor to the Middlesex County Council) appeared on behalf of the Middlesex County Council.

Mr. A. E. Fruitnight represented the London Transport Passengers' Alliance.

Mr. Jim Borders represented the Federation of Tenants' and Residents' Associations.

Mr. L. G. Clayton and Mr. P. H. Weller also appeared.

The proposals before us were those submitted to the Minister by the Railway Executive Committee for the increase and adjustment of the railway and road fares of the Board and estimated upon submission to the Minister to produce £4,688,000 additional revenue, but now estimated to produce £3,834,500. The reason for the difference between these two estimates was explained to us and we think this latter estimate is likely to be more correct than the former.

At the opening of the Inquiry a statement of case in support of these proposals (modified in certain respects in consequence

of the increase of rail fares already in force under the Order of 17th April) was laid before the Committee by the Railway Executive Committee and copies of this case were provided for all persons present who had given notice of intention to appear.

The proposals were explained and elaborated in the statement of case and Mr. Frank Pick, until a recent date Vice-Chairman of the Board, appeared as witness and was subjected to examination and cross-examination upon the proposals and the statement of case for the greater part of the first two days of the Inquiry. In order to give those appearing at the Inquiry adequate time to consider the proposals of the Railway Executive Committee, as elaborated in the statement of case and explained by Mr. Pick in evidence, we adjourned at the conclusion of Mr. Pick's examination in chief for one day.

The first matter to which we directed our attention was the ascertainment of the sum representing 10 per cent. of the receipts from the road services of the Board. The interpretation we put upon the reference was that we were desired to advise as to the best means of increasing fares so as to secure 10 per cent. more revenue than existing fares would secure. This was in fact the interpretation adopted by the Railway Executive Committee and no party sought to controvert it.

The estimate of the Railway Executive Committee of the receipts from the Road Services of the Board for a current year based upon the period 1st January to 20th April, 1940, was 11.3 per cent. less than such receipts for the year ended 30th June, 1939, that is—£20,528,000. There was no criticism of this estimate and throughout the Inquiry all parties accepted 10 per cent. of this sum or "about £2,000,000" as the amount of additional revenue to be aimed at. In order that account might be taken of the result of the revision of fares carried out on and subsequent to 11th June, 1939, and of any redistribution of traffic occasioned by the war a detailed analysis of the Board's traffic receipts under current conditions was made for two weeks in March last. Based upon this analysis the distribution of the above estimated receipts of £20,528,000 from the road services is as follows:—

From passengers travelling on—

*Central and Country Buses, Trams and Trolleybuses—*

	£	<i>Per cent. of total.</i>
At ordinary single fares ... ..	18,314,407	89.2
At workmen's fares ... ..	1,015,682	5.0
At other fares ... ..	727,911	3.5

*Coaches—*

At all types of fares ... ..	470,000	2.3
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Total ... ..	<u>£20,528,000</u>	<u>100.0</u>
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As passengers at ordinary single fares provide 89 per cent. of the total road receipts, the additional £2,000,000 required must mainly be provided by an increase of such fares.

The estimated distribution by fare values of the above traffic at ordinary single fares, representing in value 89.2 per cent. of the total, based on the same analysis, is as follows:—

*Central and Country Buses, Trams and Trolleybuses*

*Estimated Analysis of Traffic by Fare Values for a Current Year*

<i>Ordinary Single Fare d.</i>	<i>Passengers Number</i>	<i>Per cent. of total</i>	<i>Receipts £</i>	<i>Per cent. of total</i>
1	1,580,269,440	59.9	6,584,456	35.9
1½	31,396,640	1.2	196,229	1.1
2	633,867,480	24.0	5,282,229	28.8
2½	8,299,104	.3	86,449	.5
3	217,825,600	8.2	2,722,820	14.9
3½	—	—	—	—
4	89,230,320	3.4	1,487,172	8.1
4½	6,133	—	115	—
5 and over	78,962,857	3.0	1,954,937	10.7
Total: all fares above 1d.	1,059,588,134	40.1	11,729,951	64.1
Total: all fares	2,639,857,574	100.0	18,314,407	100.0

The general basis of ordinary single fares on all the Board's road services, with the exception of coaches, is that the routes are divided up into stages of approximately equal length averaging rather more than half-a-mile on central buses, trams and trolleybuses and about .4 of a mile on country buses, and two stages are covered by each penny, whatever the fare. Thus on central buses, for example, a 1d. fare normally covers two stages or about 1 mile, a 2d. fare four stages or two 1d. fares and 2 miles, a 3d. fare six stages or three 1d. fares and 3 miles, and so on. That is to say, the great bulk of the fares are compiled arithmetically by the addition of 1d. fares. This being the structure of the ordinary single road fares it is not possible to obtain any substantial additional revenue by an increase of ordinary single fares unless the 1d. single fares are first increased. If, for example, the 2d. fare for four stages were increased to 2½d. and the 1d. fare for two stages were left unchanged, the increase in the 2d. fare would be avoided and legitimately avoided by the passenger first taking a 1d. ticket for two stages and then another 1d. ticket for the next two stages.

In considering the matter before us there appears to be no escape from the necessity of increasing the 1d. fares either indirectly by the alteration or shortening of the distance, involving a revision and rearrangement of fare stages, or directly by increasing the 1d. charged for the present journey. The adoption of the indirect method was not urged upon us by any party and we are satisfied that it should be rejected, not only because of uncertainty as to the amount of additional revenue to be secured thereby, but also because it would act unevenly and unfairly in its incidence, would tend to public inconvenience and loss of traffic and would we believe be likely to be resented by the public.

The simplest and most convenient way of making a direct increase in the 1d. fare is to increase the price to be paid upon taking the ticket for each journey. The smallest increase that can thus be made is determined by the coinage. An increase of one farthing is not feasible because of the small number in circulation, the greater frequency and difficulty of giving change causing delay in the collection of fares, the complexity of accounting and the impossibility of securing harmony in road fares and railway fares when over 60 per cent. of 1d. tickets on the railways of the Board are and must, to save labour and for rapidity of issue especially at peak periods, be sold through automatic machines. Some of the objections to fares of farthing denominations apply, but less forcibly, to fares of halfpenny denominations and the Board has been gradually eliminating as many of the latter fares as possible.

We considered very carefully suggestions made to sell blocks of tickets at a discount to enable persons to mitigate the severity of the 50 per cent. increase in all 1d. fares as proposed by the Railway Executive Committee or to issue to the passenger upon the purchase of a ticket for one journey at the increased price, a number of vouchers each of which would entitle him to a ticket for a similar journey upon payment of the fare in force prior to the increase and thereby reduce the percentage increase, but in our view neither of these suggestions is practicable in the circumstances in which passengers are carried in London and we cannot recommend either for adoption.

The proposals submitted by the Railway Executive Committee and their estimate of the additional revenue to be secured may be summarised as follows:—

	<i>Additional Revenue.</i>
	£
1. To increase all 1d. fares to 1½d. ... ..	1,315,000
2. To shorten by one stage the distance covered by each fare over 1d. the effect of which would be to increase by 1d. the cost of all journeys for an even number of stages beyond two stages and to leave unaltered the present cost of all journeys for an odd number of stages beyond two stages.	
Above 2d. there would be no fares with halfpence and the limit of increase would be: Central buses, trams and trolleybuses—1d.	
Country buses—	
On fares up to 1s. 2d.—1d.	
On fares up to 2s.—2d.	
On fares over 2s.—3d.	1,548,000
3. To increase coach return fares by 10 per cent. (fractions of 3d. if less than 1½d. dropped and if 1½d. or over charged as 3d.) excepting certain exceptional return fares of 9d., mainly in East London to be increased by 1d. only.	
Coach single fares to be similarly increased and also coach season ticket rates except that in the latter case fractions rule C applied by the Minister in the case of ordinary season tickets in his Order of 17th April, 1940, would be used...	47,000
4. Workmen's return fares, issued under statutory requirements on trams and trolleybuses but also issued on certain bus routes when trams abandoned and no trolleybuses provided—	
Present basis, ordinary single fare for a return journey with a minimum fare of 2d.	
The 2d. fares rise by 1d. increments for each additional two stages on the single journey except in the case of the extensive system formerly owned by the London County Council where the workmen's	

return fares are 2d., 4d., 6d. and 7d. (maximum) covering respectively 4, 8, 12 and over 12 single fare stages. There are at present no 3d. and 5d. workmen's return fares on the former system of the London County Council, such fares would be introduced involving some loss of revenue but it would put all workmen's fares on a uniform basis—

Proposal—to maintain the existing basis of ordinary single fare for the return journey with the result that, if the proposals referred to in paras. 1 and 2 above were adopted—

(a) the present minimum workmen's fare of 2d. would be increased to 3d. ....	152,000
(b) Journeys at present workmen's fares would be shortened by one stage. Gain from (b) after deducting loss from introduction of 3d. and 5d. return fares on former system of London County Council... ..	42,000
5. Miscellaneous fares, such as—	
9d. return tickets on certain tram and bus routes.	
1s. all-day tickets on certain trams and trolleybuses.	
6d. evening tickets on certain trams and trolleybuses.	
Road-Rail Season Tickets—	
Season tickets on certain bus routes.	
Weekly tickets on country bus routes in certain circumstances.	
Return tickets on certain country bus and trolleybus routes.	
A separate statement of these miscellaneous fares was prepared and handed in at our request. This statement shows the proposed method of increase and a proposal to withdraw certain of the fares for reasons stated.	
The proposals under this head (some were not included in the proposals submitted to the Minister) are broadly as follows :—	
Fares based on the ordinary single fare, to be adjusted to correspond with revised ordinary fare and where not so based an addition to be made not exceeding—	
1d. on fares up to 1s. 2d.	
2d. on fares over 1s. 2d.	
3d. on fares over 2s.	38,000
Estimated additional revenue if effect given to proposals outlined in above paras. 1 to 5 ... ..	3,142,000

The Railway Executive Committee were of course fully alive to the fact that these were proposals which, having regard to the terms of our reference and the recognition by all parties that £2,000,000 was the amount of the additional revenue now to be aimed at, we would not be able to recommend to you. But nevertheless they considered it desirable to lay before us this complete revision of fares because, as they asserted (a) any incomplete revision would produce anomalies and appear unfair to passengers, (b) it is impossible to deal with fares of London Transport by a series of percentage surcharges adapted to meet the immediate needs of the moment and (c) it would be exceedingly damaging to the smooth flow of traffic in London if the fares were to be constantly subject to change with all the irritation and readjustment which change brings about.

The Railway Executive Committee, however, addressed themselves to the question of producing a sum of additional revenue nearest to that which we are required to secure (viz.: £2,000,000) by bringing into force such of the complete proposals as might be adopted without impairing the general system of fares in use or diverting traffic from one class of fare to another or from one type of transport to another while retaining for future consideration, should the necessity arise, the remainder of the complete proposals outlined above.

Accordingly the Railway Executive Committee suggested that the full proposals should be held in suspense and that effect should be given now to the following—

*Additional Revenue.*

	£
1. Increase all 1d. fares to 1½d. ... ..	1,315,000
2. Increase the minimum workmen's fare of 2d. to 3d. (see para. 4 above) ... ..	152,000
3. Increase coach fares as outlined in para. 3 above	47,000
4. Increase certain of the miscellaneous fares (consequential upon the increases proposed in 1, 2 and 3) as outlined in para. 5 above ...	10,000
Estimated additional revenue if effect given to these four proposals ... ..	1,524,000

Upon the conclusion of Mr. Pick's evidence in chief we indicated our anxiety to get much nearer than £1,500,000 to the required sum of £2,000,000 and we suggested to Mr. Pick that the difference between these figures would be secured if, in addition to a modification of the existing 1d. fare, all 2d. single fares for four stages were increased to 2½d. for four stages. We estimated that such an increase might be expected to realise a further sum of £495,000 based upon the traffic estimated for a current year and on the assumption that 25 per cent. of the passengers estimated to travel four stages for 2d. would, upon the introduction of a fare of 2½d. for four stages, walk one stage and so not pay the ½d. increase. Mr. Pick did not dissent from the suggestion that by this means the figure of £2,000,000 could be reached but he stressed the point that they were not wholly concerned with what might happen upon the present alteration of fares but were looking to the future in view of the known increases of cost that had occurred and he pointed out or contended that putting in a fare of 2½d. for four stages would be to adopt a different means of increasing fares than that which the Board would wish to adopt if later they had to carry their full scheme through; that the Board wished to keep their whole scheme intact, that the 2½d. fare would have to be withdrawn if the whole scheme had to be given effect to hereafter, and that the withdrawing of fares was disturbing to the public and to the ticket system. Mr. Pick further contended that the introduction of the 2½d. fare on the roads would necessitate a similar fare upon the railways, that that would put them in a difficulty with every machine now issuing 2d. tickets.

In response to our invitation to consider further a proposal (already considered and rejected by the Board) to retain the 1d. fare for one stage and increase to 1½d. the fare for two stages, Mr. Pick stated that in his view it was not practicable and he dealt with the matter fully. He estimated that the additional revenue from this proposal would be about £100,000 less than if all 1d. fares were increased to 1½d.

On behalf of the London County Council, the Wembley and Barking Corporations, the Ilford Borough Council and the Romford Parliamentary Division Traffic Advisory Committee it was submitted—

(a) That the 1d. fare should not be increased for one stage.

(b) That inasmuch as it was estimated by the Board that the increase of all 1d. fares to 1½d. would result in two-thirds of the passengers now travelling one stage only, not



travelling at all (a loss of about 316 million passengers a year), the public would be deprived of a facility having great social value which could be retained by sacrificing, on Mr. Pick's estimate, £100,000 of the £1,315,000 additional revenue which the increase of all 1d. fares to 1½d. was estimated to yield.

(c) That it was a matter of at least some doubt whether the retention of the 1d. fare for one stage would in fact produce less and that it might produce more additional revenue than if it were abolished and 1½d. substituted.

(d) That if the Committee were not satisfied that the modified proposals incorporating the retention of the 1d. fare for one stage would not produce the required additional revenue and took the view that it was their duty to secure other additional revenue, the fare of 2½d. for four stages should also be introduced.

(e) That blocks of 1½d. tickets should be sold at a discount.

(f) That, if the 1d. fare for one stage is retained, the minimum fare for Workmen's tickets should be increased to 2½d. and not to 3d.

On behalf of the Federation of Tenants' and Residents' Associations criticisms were levelled at the estimate laid before us of the additional revenue to be obtained from the increases of fares proposed and it was submitted—

(a) That the proposed increases would not provide additional revenue.

(b) That additional revenue should be obtained by increasing all single fares by ½d. coupled with free transport or half-price tickets for all soldiers, soldiers' wives, pensioners, school children and persons unemployed as a result of the war. (No data were laid before us to enable us to judge of the financial result of adopting such a proposal.)

(c) That workmen's fares should not be increased.

(d) That the issue of books of tickets at a discount would afford no solution of the problem.

(e) That if the proposals of Mr. Pick were adopted the 1d. fare for one stage should be retained.

On behalf of the Transport Passengers' Alliance it was submitted—

(a) That the minimum workmen's fare should be increased from 2d. to 2½d. and not from 2d. to 3d.

(b) That a return ticket at 2½d. should be issued for the present 1d. fare if that is increased to 1½d.

Mr. Clayton, who informed us that he represented the interest of people who do not realise the extent to which their fares would be increased if the proposals of the Board were carried out, drew our attention to a number of cases in which under the proposals passengers taking a number of short bus journeys daily would be involved in material additional expenditure, and to the recent reduction from five to three years in the age of a child to be carried free and he submitted that children below the age of five (instead of three) should be carried free, that ½d. tickets

for two stages should be introduced for children under 14 and that books of tickets (ten 1d. tickets for 11d.) should be issued.

### CONCLUSIONS.

Our conclusions are—

1. The additional revenue required cannot be obtained without increasing 1d. fares.

2. After considering all possible alternatives occurring to us and to those appearing before us we find that the smallest increase which it is practicable to make in a 1d. fare is  $\frac{1}{2}$ d.

3. We have striven to find that the suggestion made to retain the 1d. fare for one stage and increase it to  $1\frac{1}{2}$ d. for two stages is one that it is practicable to adopt but the evidence forces us to the conclusion that the operating difficulties that would arise from the retention of a 1d. fare for one stage are likely to be so great that it ought not to be retained and that all 1d. fares must be increased to  $1\frac{1}{2}$ d.

The consideration which impels us to reject the retention of a 1d. fare for one stage and but for which we should have recommended the proposal, is—

(a) a bus on the streets takes about three minutes to travel one stage (half mile) and in a bus reasonably well loaded the Conductor requires  $4\frac{1}{2}$  to 6 minutes to collect the fares.

(b) Counts and observations indicate that 30 per cent. of the passengers paying 1d. fares travel one stage only. That is 474 million in the current year or about  $1\frac{1}{2}$  million per working day. The Conductor's task to-day of collecting fares from one stage passengers before the end of the stage is a very difficult one, especially at peak periods.

(c) It is estimated that if 1d. be charged for one stage and  $1\frac{1}{2}$ d. for two stages some 300 million passengers or about 1 million per working day will, by walking a few hundred yards at one end or the other or at both ends of the journey take a one instead of a two stage journey, thus increasing the number of one stage passengers to about  $2\frac{1}{2}$  million per working day. This would place too great a burden on the present expert Conductors. They would not be able to collect all the fares.

(d) The Board is losing many of its experienced Conductors and it will not be easy to replace them by equally competent Conductors.

4. There are a few  $1\frac{1}{2}$ d. fares for three stages, these we think should be increased to 2d.

5. We think that the present 2d. fare for four stages should be increased to  $2\frac{1}{2}$ d. for four stages. We have earlier in this report indicated the objections of the Board to this alteration but we do not consider they are of sufficient weight to justify us in not recommending it. It appears (and none other has been suggested) the only practicable means of securing the additional sum of about £500,000 necessary to enable the £2,000,000 at which we are aiming, to be reached.

6. With regard to Workmen's fares we do not think that at the present moment there is sufficient justification for making any increase except an increase of  $\frac{1}{2}$ d. in the existing minimum fare of 2d. We do not think that any material number of passengers now paying ordinary fares would in future take Workmen's tickets and travel at times probably not convenient in order to save  $\frac{1}{2}$ d. on two single journeys each of two stages.

7. Coach return fares at which the bulk of the traffic is carried are generally subject to a minimum of 1s. 6d. and are designed to agree as closely as possible with corresponding Main Line cheap fares. The latter were increased by 10 per cent. on 1st May. Coach return fares and season ticket rates should be increased by 10 per cent. and single fares should also be increased.

8. Any miscellaneous fare now based on an ordinary single fare should be increased where the fare upon which it is based is increased.

### RECOMMENDATIONS.

In accordance with the above conclusions, we advise that the best means of increasing the fares charged in respect of the road services of the London Passenger Transport Board so as to obtain a sum equal as nearly as may be to 10 per cent. of the receipts from those services is as follows:—

	<i>Estimate of Additional Revenue.</i>
	£
(a) <i>Ordinary Single Fares</i> —	
1d. fares to be increased to $1\frac{1}{2}$ d. . . . .	1,315,000
$1\frac{1}{2}$ d. fares to be increased to 2d. . . . .	46,000
2d. fares (for three stages) to remain at 2d.	
2d. fares (for four stages) to be increased to $2\frac{1}{2}$ d. . . . .	495,000
(b) <i>Workmen's Fares</i> —	
Minimum fare of 2d. to be increased to $2\frac{1}{2}$ d. . . . .	68,000
(c) <i>Coaches</i> —	
Return fares (of 1s. 3d. and upwards) to be increased by 10 per cent.—fractions of 3d. if less than $1\frac{1}{2}$ d. not to be charged, if $1\frac{1}{2}$ d. or over to be charged 3d.	•
Return fares of less than 1s. 3d. to be increased by 10 per cent.—fractions of 1d. if less than $\frac{1}{2}$ d. not to be charged, if $\frac{1}{2}$ d. or over to be charged as 1d. . . . .	31,000
Single fares up to 1s. 2d. to be increased by 1d. and exceeding 1s. 2d. to be increased by 10 per cent.—fractions of a penny if less than $\frac{1}{2}$ d. not to be charged, and if $\frac{1}{2}$ d. or over to be charged 1d. . . . .	13,000
Season Ticket rates to be increased by 10 per cent. subject to the Fractions Rule C in para. 3 of the Minister's Order of 17th April (S.R. & O. 1940, No. 586) . . . . .	3,000
(d) <i>Miscellaneous Fares</i> —	
Any miscellaneous fare now based on an ordinary single fare to be increased where the fare upon which it is based is increased, except that bus season tickets and the Road portion of Road-Rail season tickets to be increased by 10 per cent. subject to Fractions Rule C . . . . .	10,000
Total estimated additional revenue . . . . .	£1,981,000

**CHECKED****200000**EFFECT OF RECOMMENDATIONS ON BOARD'S  
RAILWAY TRAFFIC.

We have considered the effect which the adoption of the above recommendations is likely to have upon the traffic of the Board's railways and our views are as follows:—

1. The effect of increasing all 1d. fares to 1½d. will be to divert traffic from the roads to the railways of the Board with detriment to the operation of the rail services and to the increased revenue which we have estimated from road services, unless the 1d. fares now in force on the railways of the Board are increased to 1½d. We therefore consider that the said railway 1d. fares should be increased to 1½d. We were informed that the Automatic Machines now used for the issue of 1d. tickets on the Board's railways can be adapted to sell 1½d. tickets.

The additional revenue estimated to accrue from the increase of railway fares from 1d. to 1½d. is £44,500.

2. There is a comparatively small number of 1½d. fares on the Board's railways and by the adoption of our recommendation to increase the 1½d. road fares (also a comparatively small number) to 2d. some traffic may be diverted to the railways of the Board and the additional revenue estimated to accrue from the increase of the road fares will not be fully realised. This reaction can be avoided by increasing the 1½d. rail fares to 2d. and there do not appear to be any operational difficulties in effecting this increase.

3. The effect of increasing the 2d. road fares for four stages to 2½d. will be to divert some traffic from the roads to the railways of the Board with consequences similar to those mentioned in para. 1 above unless the 2d. fares now in force for corresponding distances on the railways are increased to 2½d.

We are informed that there will be difficulties mainly in connection with the issue of tickets, in bringing into force on the railways a new fare of 2½d. for distances corresponding to the distances for which the road fares are increased from 2d. to 2½d. We think these difficulties can be overcome and we recommend that the 2d. fares now in force on the Board's railways for distances corresponding to the distances for which the road fare of 2d. is increased to 2½d., be increased to 2½d.

We estimate the additional revenue to accrue from the increase of railway fares from 2d. to 2½d. at £45,000.

Except as stated above we do not think that our recommendations react upon the railways of the Board.

29th May, 1940.

T. J. D. ATKINSON,  
Secretary.

(Sgd.)

BRUCE THOMAS.  
HERBERT E. PARKES.  
JOHN QUIREY.