

British Railways
1825 - 1925

By
A. Emil Davies

R.N.S. Pamphlet No. 1. N.S.

**BRITISH RAILWAYS,
1825-1924**

**WHY NATIONALISATION IS
INEVITABLE.**

By

A. EMIL DAVIES, L.C.C.,
Chairman, Railway Nationalisation Society.

Published by the Railway Nationalisation Society,
25 Tothill Street, London, S.W. 1.

July, 1924.

Price 6d.

BRITISH RAILWAYS, 1825-1924.

Why Nationalisation is Inevitable.

The first railway, the Stockton and Darlington, was opened in the year 1825. This was 61 years after the opening of the Bridgewater Canal, the first artificial waterway created in this country, and when the railway era began, heavy goods traffic was largely carried on the canals, of which there were some three thousand miles in use, while as regards passenger traffic, statistics collected in the year 1838, when the London and Birmingham Railway was opened, showed that there were 3,026 stage coaches, 544 horse and 49 pair horse mail coaches, engaged in this service. Neither the canals (owned by companies) nor the roads (owned by the turnpike trusts) were monopolies, for they were open to vessels or vehicles under any ownership. Similarly, it was not originally intended that the railway companies should themselves have any monopoly of transporting goods or passengers on the lines they constructed, but that these should be available to anyone, in the same way as the canals and roads; but considerations of safety and the difficulty of operating trains under different proprietorship soon made clear the impossibility of anyone but the owners of the track carrying on the traffic.

It is noteworthy that practically all the roads have become publicly owned; there are now less than 100 roads remaining in the country on which tolls have to be paid, and only a year or two ago a Conference of users of commercial motor cars was held in Nottingham for the purpose of demanding the abolition of private ownership in this connection. As to canals, these are publicly owned in every country in the world, including the United States of America, with one exception, viz.: Great Britain, and it is unnecessary to draw attention to their deplorable condition in these isles.

A Monopoly Necessary.

With the development of our complex modern civilisation (to which they have largely contributed) the railways have become the real highways of the country. Without the continuous transport of coal, foodstuffs and materials of everyday life—let alone passengers—to which we have become accustomed, but which is rendered possible only by the existence of railways, the conditions of our life to-day would be altogether different. And yet this network of

communications, upon which the whole fabric of our present-day life is founded, has been, and is still, a monopoly owned by and operated in the interests of a small number of people.

It was soon realised that, contrary to the original idea based upon the analogy of the roads and canals, railway transport had to be a monopoly, and it was not long before certain enlightened people advocated that, if monopoly of this form of transport was necessary, it should at least be a publicly-owned monopoly, otherwise it would ultimately act as a stranglehold over the life of the nation. But vested interests are more rapidly created than abolished, and while most other countries organised their railway systems upon the basis of public ownership (sometimes, however, granting companies concessions for a term of years to operate the government-owned railways) our governments found themselves driven to the method of controlling and checking the corporations or companies which had been allowed to own these nerves of the modern material world. Not that there was any thought-out scheme about this. Railways were just allowed to spring up anyhow, and when abuses became apparent, Parliament, more or less reluctantly, and in the teeth of opposition from people who did not want their profits interfered with (and soon secured numerous representatives in Parliament for the purpose), passed certain measures designed to place some check upon the companies and to bring some order out of chaos.

Government Regulation.

This did not however occur until 1840-2, when two short Acts were passed regulating railways, and introducing a modest instalment of supervision by the Board of Trade. This marked the beginning of government intervention, which has gone on to the present day. Up to the year 1842 only about 2,000 miles (present mileage, about 24,000) of railway had been authorised and constructed, but this comprised some of the principal main lines as we know them to-day. In 1844, Mr. Gladstone (then a Conservative) served as Chairman on a committee on railway questions and brought in a Bill which aimed not only at giving the State considerable control over the railways, but also at conferring upon it the right to purchase them. This measure was strongly opposed by the railway interests, and was modified in many respects, but became law, and has never been repealed. Its importance, however, is very much more historical than otherwise, for as long ago as 1872 a Joint Select Committee on Amalgamations reported that "its terms do not appear suited to the present conditions of railway property, or likely to be adopted by Parliament in case it intends at any future time to purchase the railways." It shows, however, that so penetrative a brain as that of Gladstone realised that public ownership of the railways would become inevitable, and he endeavoured to pave the way for their eventual acquisition by the State.

Railway Attitude to Government Regulation.

In the same year (1844) Mr. Gladstone introduced and carried through the " Cheap Trains " Act. It is worth while relating what happened, for the attitude adopted by the railway companies to this measure illustrates the attitude they have always assumed towards any reforms that Parliament has endeavoured to impose upon them. In this, as in every subsequent measure of railway reform, the numerous railway directors in Parliament did their utmost to prevent the passage of the Bill, and when that was not successful, to get it so altered in committee and subsequent stages as to weaken it from the point of view of the public. Mr. Gladstone's Cheap Trains Act of 1844 compelled the railway companies to give third-class passengers covered vehicles, a seat, and a minimum speed of twelve miles an hour, inclusive of stops, at a penny per mile ; but the Act compelled the running of only one such train in each direction daily, and for many years the companies, which have always had to have reforms forced upon them by Parliament, refused to do more than this. In fact, special efforts were taken that the speed should be kept down to the legal minimum, the cheap trains being purposely shunted for long intervals at junctions. One would have thought that meanness could hardly go further, but it did, for passengers travelling by these Parliamentary trains were not allowed to enter the refreshment rooms. During the waits that the companies enforced upon third-class passengers, the latter usually adjourned to an adjacent public-house under the leadership of the guard of the train who earned a commission on the custom he brought.

Traders and Post Office Charges.

This opposition to reforms in the interest of the community is inseparable from the private ownership, by an interest strongly entrenched in Parliament, of a vital monopoly, with the natural result that instead of the guiding principle being " What is good for the nation ? " it is, " How would this affect our dividends *now* ? This conflict of motives prevails to the present day, and so powerful is the railway interest that even the commercial sections of the community attack it very rarely, and then only half-heartedly. You will for example get Chambers of Commerce and other trade organisations urging the government in the strongest possible terms to restore the penny post—in other words to go back to the pre-war charge—and they use all sorts of arguments to prove how desirable this is for the country's trade, and that increased use of the post would probably almost immediately compensate for the initial loss of revenue. But it would never occur to them to urge the railway companies to go back to *their* pre-war charges, for although precisely the same arguments could be used, they feel it would be a ridiculous request. This difference in the attitude of the business community to the privately-owned railways and the publicly-owned Post Office,

is significant, and shows a subconscious recognition of the superiority from the national point of view, of a State-owned undertaking to private corporations, on the part of people who themselves, in so far as they are capable of thinking out these matters, for the most part express themselves as strong opponents of nationalisation in any shape or form. Both the railways and the Post Office are subject to the same influences of increased cost of material and wages. Both make profits. But one is run for the benefit of a small number of individual proprietors, and the other is run with the main object of service to the community.

Railways and Post Office.—A Comparison.

Advocates of public ownership do not consider that the Post Office is run as well as it might be, and as well as it should be; here also vested interests block the path of progress by restricting Post Office services in many directions, and the Union of Post Office Workers is constantly pointing out the extensions of service that the Post Office should undertake—an excellent example of the functions that workers' organisations can perform, in addition to agitating for better conditions for themselves; but even with these limitations imposed by a governing class which does not desire State competition with the undertakings owned by itself and its friends, the Post Office affords an excellent opportunity of comparing a nationalised service of vital importance with another run simply for private profit. In the first place, there is the safeguard of publicity. The Post Office, being publicly owned, is in the limelight, and it is in the power of any person having a grievance or complaint and not getting redress, to have a question asked in Parliament, when the Minister responsible to the nation for the conduct of the Post Office has to reply. This, indeed, repeatedly happens. A Member of Parliament will ask if the Postmaster General is aware that telegraphic, or telephone facilities in a certain place are wholly inadequate, that it took so many hours for a telegram to be delivered, and so on. The Postmaster General has to have the matter looked into and gives an explanation, and usually is able to give the assurance that the cause for complaint is being remedied; moreover, the Post Office Vote comes before Parliament once every year, and is the occasion for an animated debate, in which the representatives of the people are able to point out defects in the service, and to urge reductions in charges, improvements in facilities, and whatever else they think to the interest of the community. The accounts of the Post Office are publicly audited and published, and there is not one item of expenditure which cannot be fully investigated and details obtained through a question in Parliament if satisfactory information is not forthcoming from the officials. Indeed, the salary and emoluments of each person employed by the Post Office, from the Postmaster General himself to the humblest rural postman, are known to the world, or can

easily be obtained. Is there one reader of this booklet who can state the salary of the general manager of any one of the railway groups, let alone the hundreds of higher officials? And let him endeavour to obtain this information. Let him try a question in Parliament, and see the result. If trains are repeatedly late, or if there is an inadequate service, the average member of the public does not think of applying to his M.P. who, as likely as not, is a director or large shareholder of the railway company concerned. If he does, and as a result a question is asked in Parliament, the Minister almost invariably has to answer that he has no power, and at the most, promises to convey the complaint to the railway company. The Post Office being free from the incentive of squeezing out annually the maximum amount of profit possible, maintains a steady profit balance year by year, and directly this shows a tendency to increase, public pressure is sufficient to prevent profiteering, and brings about an immediate reduction in the price charged for some service. Thus, telephone charges are continually being reduced, and in the fact that 2 oz. of printed matter may be sent through the post for $\frac{1}{4}$ d. we have a service essential to business-getting that is actually provided at the same cost as before the war. I do not know of any other important service in the whole range of our everyday life of which this can be said; the very newspapers that criticise the Post Office so severely, themselves charge 100 per cent. more per copy than before the war.

Railways and Trade Unionism.

The fight of the railway companies against Government control in the public interest persists right up to the present day. In the autumn of 1923, in preparing a schedule of charges which they are to be permitted to make to ensure themselves a continuance of their pre-war profits (thus tenderly do governments treat them), the railway companies actually put forward the contention that they were not obliged to get season or contract ticket rates confirmed by the tribunal as, they urged, they were not under any legal compulsion to issue such tickets at all. Fortunately the tribunal decided otherwise, but the episode illustrates the attitude of mind referred to. Nor is this limited to their treatment of the public. The railways were the only great industry in this country which right up to the War refused to recognise trade unions. The story of the victimisation and ruin of hundreds of men for belonging to, in many cases, the most innocent organisations, told in "Trade Unionism on the Railways," by G. D. H. Cole and Page Arnot,* is as astounding as it is depressing, and here again I have to remark that this is not merely ancient history, but that the same attitude has been continued all the way along. By a series of victimisations, often leading up to wholesale dismissals of men who had been in

*Geo. Allen & Unwin Ltd., 1917. 3/6.

their employment for twenty or thirty years, and were at an age when they could not hope to get work elsewhere, the managements of the British railways have worked up a body of men, probably more stolid and less revolutionary in character than any other body of workmen in the whole kingdom, to a pitch of exasperation that at last found expression in the "All Grades" movement of 1906 and in the strike of 1911. As an example of the way in which some of the companies have goaded their men into sheer desperation, the case of the Barry railway dispute may be cited. In 1910 the persecutions of those men who were known to be members of the Amalgamated Society of Railway Servants reached such a stage that not a week passed without some of them being dismissed suspended or reduced, and eventually the men decided to strike in order to obtain justice. The executive of the Union visited Barry, and resolved unanimously to support the men. Within three hours of the resolution to cease work being carried, no less than 96 *out of every* hundred of the workers in every grade employed by the Barry Railway Company signed notice papers. It may be mentioned that the result of the Company's action was that the members of the Amalgamated Society of Railway Servants were restored to their former positions and obtained their back wages, but that this course should have been necessary in the year 1910 speaks volumes.

The Press and Nationalisation.

Naturally, the railway interest has always been opposed to the idea of nationalisation or public ownership, and where it could, it used much the same weapons as towards its workers. The editor of a great Scottish newspaper told me that he once inserted an article in favour of nationalisation of railways, and a day or two after was hauled before the principal proprietor, who inquired if he was aware that a certain railway company was their second largest advertiser, and warning him not to let it occur again. Through the Press the railway interest does its utmost to discredit the idea of nationalisation in the mind of the public. Anything that could operate to the detriment of State-owned undertakings is published, anything in its favour omitted. Who would dream from reading the comments of the Press on railway matters that State ownership of railways is the rule rather than the exception throughout the whole British Empire, apart from the mother country? Yet, as will be shown further on, this is the case. A small incident sometimes serves as well as a big one to illustrate a tendency. In August, 1923, the newspapers contained an interesting article on the opening of the Otira Tunnel in New Zealand, which we were told is the longest tunnel in the Empire, and a triumph of British engineering, British labour and British materials. It certainly was a great engineering feat to construct this tunnel of $5\frac{1}{2}$ miles, ascending 850 feet through a mountain range, but while every newspaper mentioned the fact that the electrical equipment for the running of

the trains was supplied by the English Electric Company, only one among all the newspapers I saw happened to mention that the work was actually carried out by the New Zealand State Railways, through the Public Works Department. As a matter of fact the work was originally started by a company, the Midland Railway Company of New Zealand, which tackled the job between 1886 and 1895, but, when part of the line had been completed, abandoned the undertaking on account of the physical difficulties. The State Railways then undertook the job of crossing this difficult range of mountains, made its own surveys and gave out the contract. The contractors failed to complete, and the Government, seeing that no private contractor would undertake the task, gave the job to its own Public Works Department, which finished it. So that this, like the Panama Canal, is a triumph of nationalisation, but the majority of readers of the British Press were not made acquainted with the fact.

The " Competition " Argument.

The railway interest used to the utmost the argument of the benefits of competition. Competition was essential to efficiency. If you had all the railways nationalised you would have no competition, and this would result in no improvements, and so on. Whilst the railway companies were using this argument, they were themselves steadily eliminating competition ; first, by amalgamation, and then by more devious methods. From the opening of the Stockton and Darlington Railway in 1825 down to 1914, over 1,000 railway companies disappeared by this process. In 1875 there were 247 companies, and the 1921 Railways Act constituting the grouping system now in force deals with 120 companies ; but in reality these had dwindled to fourteen great companies which controlled the railway system of the country. It is obvious that if one company absorbs others, genuine competition between such companies must cease ; but even where there was apparent competition, numerous agreements were entered into which nullified it. For instance, the London and South Western and the London, Brighton and South Coast competed with each other and advertised largely for the London-Portsmouth traffic ; there never was any competition in price (so that the supreme element of competition fell away), but might have been in service. Yet the two companies had an agreement whereby neither should perform the journey in less than two hours ! Still, so wastefully have our railways been carried on that both companies advertised freely through the country. I recollect, shortly before the war, standing on Darlington railway station and studying a coloured poster which exhorted me to travel to Portsmouth via the London and South Western. A little further down the platform was another coloured poster urging me to travel to Portsmouth by the Brighton Company's route. I doubt if very many people frequenting Darlington station have occasion to travel to Portsmouth anyway, and all these advertisements which

were designed, be it noted, not to extol the merits of Portsmouth as a health resort, but merely to urge people to travel to it by one particular route, were sheer economic waste. The Post Office does not find it necessary to advertise in Darlington and thousands of other places inviting people to send any letters they have for Portsmouth by the British Post Office, for it is a nationalised monopoly. The irony of the position is that now the Government having at last compelled the railways to group themselves into fewer units, this unnecessary and wasteful competition in advertising has automatically ceased, for the two rival companies have now coalesced and, together with the South Eastern, constitute the Southern Railway. So this particular item of waste has been eliminated by Government action.

Between a few centres such as London and Birmingham and Manchester, competition for the traffic may have resulted in better services than would have been the case had one company enjoyed the monopoly; but this means merely that passengers between these particular centres have benefited at the expense of the major portion of the community covered by the same company where they had a monopoly, and the number of towns between which such competition is still possible has now been reduced much further.

Millions Wasted to Avoid "Competition."

But the results of competition have been much more serious than this. For the railway companies have in the course of time expended many millions on opposing one another's schemes of extension, and on duplicating certain facilities offered by their rivals, whilst neglecting the development of the territory over which they had a monopoly.* Some years ago the London and South Western promoted a Bill for the construction of a tunnel between the mainland and the Isle of Wight. This was immediately opposed by the Brighton Railway, and the scheme was ultimately dropped. The opposition was not based upon the question of service—whether such a tunnel would be a boon to the island, as indeed it would—but solely on the ground that it would damage the other company. Promotion of and opposition to Bills of this description are a very costly process, Counsel being briefed and general managers having to spend their time at Westminster instead of looking after their proper jobs, and in this manner (for this is merely one of thousands of instances) millions are spent unnecessarily. Now that the two companies concerned in this case have combined, this particular motive for opposition has disappeared. But they still impinge on the Great Western at other points, and the old game will still go on in less degree. The importance of all these items of waste is that their results are with us to-day and, as will be shown subsequently,

* The Labour Research Department Booklet—"Labour and Capital on the Railways," estimates the cost of Parliamentary and Law expenses to the Railways at nearly 300 millions sterling up to 1898 only.

every time the reader travels by train or consumes goods that have been transported on the railways, he is paying his toll to provide dividends on such wasteful expenditure. This applies to every item of waste in the long history of the companies. They were fleeced right and left in the early days, often with the connivance of the promoters or directors or their relatives, when it was a case of selling land to the companies, this being often acquired at ridiculously high prices, and subject to all sorts of restrictions that had *ultimately to be removed by purchase*.* As time went on dissatisfaction with the railways grew on all sides, and it began to be felt that things could not go on as they were. Mr. Lloyd George said on 13th December, 1906, when he was President of the Board of Trade: "I have been very much impressed since I came to the Board of Trade with the great and growing discontent with the whole railway system. This is a great contrast to the feeling in Germany, where the traders consider that the railway system gives the greatest possible satisfaction."

New Ideas and Vested Interests.

One frequently encounters the argument that under Nationalisation things would be stereotyped and new ideas would never receive a hearing. In face of a statement like this, one would be justified in asking how it comes that with private enterprise owning the railways, railway speeds are no greater now than they were thirty years ago; and it would be difficult to conceive a State-owned system putting up a stiffer front than do the railway companies against such new ideas as the Kearney High Speed Railway and the New Transport System of a Central Goods Clearing House, associated with the name of Mr. A. W. Gattie. Both these engineers can prove the enormous advantages of their systems, and have been able to gain influential support, but cannot get any railway company to take an interest in the matter, for the reason that in many cases the economies that would be effected would be at the expense of business interests in which some of the leading personalities on the railways are privately interested.

A Railway Scandal.

A scandal that would disappear only by the adoption of complete public ownership of the railroads is that whereby prominent officials, whose duty it is to exercise supervision over the railway companies in the interests of the public, not only receive favours from the companies in the shape of free travelling, but the knowledge that directly their term of office for the Government is over they will be given railway directorships or other posts with fat emoluments. This may not technically be corruption, but it is, to

* The Labour Research Department Booklet—"Labour and Capital on the Railways," estimates the cost of Land for Railways at 120 millions sterling—probably four or five times its real value for any other purpose.

put it mildly, undesirable. The statement made here can be substantiated by a series of names. You cannot serve two masters honestly, and by nationalisation you remove the one master who proved too strong for such powerful persons among British statesmen as Mr. Gladstone and Mr. Joseph Chamberlain, who had to confess that they were beaten by the railway interest. It is the same in every country where you have privately owned railways. From their nature they have to be subject to some sort of control, and on the character of the control and their relationship with the Government depends whether they shall make large or moderate profits. As a result, wherever you have private ownership of the railways, you have more lobbying, and less open methods of persuading members of the legislature to vote in the interests of—well, not the persons they are supposed to represent. In the House of Commons it is quite an ordinary thing for a Member of Parliament to speak of "The company I represent," or "We," meaning the railway company of which he is a director.

Death of the "Competition" Theory.

Some of the big companies began to make pooling arrangements in regard to competitive traffic, and thus, in fact, although not in form, abandoned altogether the competitive theory. The South Eastern and the London Chatham and Dover Railways, two fierce competitors who had practically ruined themselves in the process, formed a working union, which was followed by a similar arrangement between the Great Northern, the Great Eastern and the Great Central Railways. These last, however, found that their common interests pointed to a closer union than could be secured by a working agreement, and they applied to Parliament for what would practically become an amalgamation. A departmental committee was constituted by the Board of Trade to deal with the question of railway agreements and amalgamations. This Committee reported in 1911 that the very limited competition still existing between the railway companies was not necessarily to the public advantage, and that both the railways and the public would gain by a properly regulated system of co-operation rather than a revival of competition, even were such revival possible. This marks the death of the competitive theory in British railways.

Railways During the War.

When war broke out, the railways were immediately taken over by the Government under the provisions of the Regulation of the Forces Act of 1871. The actual control was exercised on behalf of the Government by a Railways Executive Committee acting under the nominal chairmanship of the President of the Board of Trade, and under the actual chairmanship of Sir Herbert Walker, General Manager of the London and South Western Railway. The other members of this Committee were railway managers also. It

appeared to be generally recognised that in a time of national emergency co-ordination and centralisation of management were necessary. In the course of their control over the whole railway system of the country, this Board of General Managers must have gained some valuable experience, but it must also be remembered that they were still identified with their separate interests, and had to envisage the fact that after the end of the war they would probably continue to be the servants of the directors. Their aims would, therefore, naturally be to do their utmost to assist the country in a military sense, but not to pave the way for a nationalised system of transport after the war. As conditions became more and more difficult, these gentlemen had also to take drastic measures to restrict both passenger and goods traffic, which was done by reducing services and raising charges. This is what some people point to as a result of "nationalisation of the railways during the war," overlooking the fact that such restrictions of services was done purposely* in the national interest.

Unification Declared Essential.

The railways were never really "nationalised," but the lessons learned by the partial centralisation effected in this manner were such as to make it clear that the railways could never revert to their pre-war conditions, and in August, 1918, the Government appointed a select committee to consider the steps it was desirable to take to improve transport facilities within the United Kingdom. In their preliminary conclusions presented in November, 1918, this committee reported :—

- (1) That the organisation of the transport agencies of the country—and particularly of the railways—cannot be allowed to return to its pre-war position.
- (2) That the temporary arrangements for the control of railways and canals during the war would not be satisfactory as a permanent settlement.
- (3) That unification of the railway system is desirable under suitable safeguards, whether the ownership be in public or private hands.

Any one of the following courses would be consistent with the conclusions stated in the preceding paragraph, but without further evidence your Committee is not in a position to recommend which of these methods should be adopted in the first instance :—

- (1) Further amalgamation of railway companies as a step towards unification.
- (2) Unification accompanied by private ownership and commercial management.
- (3) Unification by means of nationalisation followed by :—
 - (a) establishment of a Government Department to manage the railways ;
 - (b) constitution of a Board of Management not directly represented in Parliament ;
 - (c) leasing of the system to one or more commercial companies.

* See page 12.

Nationalisation Promised—and Dropped.

In the following month Mr. Winston Churchill, just before the General Election of 1918, in a speech at Dundee announced that the Government had decided upon the nationalisation of the railways. It was known that a majority of the important members of the outgoing Government were in favour of such a measure,* but something happened; the vested interests got to work and Mr. Churchill's announcement was disavowed by deeds if not by words. For when Mr. Lloyd George, as a result of that memorable election was returned to power nothing more was said in the matter, but a Ministry of Transport was set up, with Sir Eric Geddes, formerly Deputy General Manager of the North Eastern Railway, as the first Minister of Transport. This Ministry was active in many directions which do not concern us here, and in June, 1920, it issued a White Paper containing an outline of proposals as to the future organisation of the railways, which provided for the grouping of the various railways into seven systems on a geographical basis.

Railway Grouping.

Eleven months later Sir Eric Geddes introduced the Railways Bill, the interval having been utilised to confer with the interests concerned, which insisted on a number of modifications, and finally the railways were formed into four groups as we have them to-day, viz. :

- (1) *The London Midland and Scottish Railway*.—London and North Western, Midland, Lancashire and Yorkshire, North Staffordshire, Furness, Caledonian, Glasgow and South Western and Highland companies.
- (2) *The Great Western Railway*.—Great Western, Barry, Cambrian, Cardiff, Rhymney, Taff Vale, and the Alexandra (Newport and South Wales) Docks and Railway Company.
- (3) *The London and North Eastern Railway*.—North Eastern, Great Central, Great Eastern, Great Northern, Hull and Barnsley, North British, and Great North of Scotland companies.
- (4) *The Southern Railway*.—London and South Western, London, Brighton and South Coast, South Eastern, London, Chatham and Dover, and South Eastern and Chatham Managing Committee.

Government Generosity to the Companies.

Before dealing with the grouping system, a word should be said as to the compensation paid to the railway companies. When they were taken over, the State undertook to pay the companies such a

* See Mr. Lloyd George's assurances to the Parliamentary Committee of the Trades Union Congress, on page 34.

sum as would equal their net profits in 1913, which was a bumper year for them. The question arose as to compensation for extra wear and tear on the lines, as well as for maintenance work which could not be done during that period, and various agreements appear to have been entered into between the Government and the companies in a somewhat perfunctory manner, and at one period the Minister making such arrangements on behalf of the nation was actually himself a railway chairman. After the war the railway companies' claims were considered excessive by even the Coalition Government, and a Committee known as the Colwyn Committee was set up to investigate them. As a result, in addition to receiving net profits equivalent to their high water mark during recent years, the companies were given out of national funds, no less a sum than £60,000,000, although a mere fraction of this gigantic sum would cover any special damage or deferred maintenance of the lines, as is proved by the fact that only a very small proportion of it has since been expended for that purpose, whilst on the other hand the reserves of the railway companies which in 1913 were £17,500,000, at the end of 1922 amounted to £121,000,000. Small wonder, therefore, that in his Presidential address to the Ministry of Transport in October, 1922, Sir Sam Fay, the General Manager of the Great Central Railway should say, "Never since railways were started has the financial situation proved so sound." They have, in fact, successfully claimed compensation for the war itself—not merely for having been taken over during the war.

Grouping Finance.

Now let us turn to the finances of the four railway groups as at present constituted, for this is what affects every member of the community. The various railway companies were compelled by the Railways Act of 1921 to group themselves as set out, and to agree among themselves as to the compensation to be given by the absorbing company, failing which, this would be settled for them by a Tribunal; with hardly an exception the companies did settle these terms among themselves, payment being of course made in the various stocks of the newly constituted company, thereby answering the foolish objection to nationalisation "Where is the money coming from?" In this grouping of the four railway trusts, no watering of capital has occurred—in fact, on the whole, there has been some reduction in the amount of nominal capital. But the explanation is that, henceforth the companies' charges are to be on the basis not of capital, but of the net amount of the profits in 1913, plus an allowance for subsequent additional capital expended. It is important that this should be understood. The State, in forcing upon the companies the aforesaid grouping, practically said to them, "We will allow you to charge such passenger fares and such goods rates as will produce for you in every year the same profit that you made in 1913, plus such adjustments as might be necessary to remunerate the capital laid out on works not bearing full fruit by then, and

additional capital that you have expended on your system since then. The combination of a large number of different undertakings, with the elimination of competition, and the advantages of centralisation, will enable you to make big economies (Sir Eric Geddes tells us that these should be at least twenty millions a year) so you ought to do better than what we have allowed you, and to encourage you to carry on your systems efficiently, you will be allowed to retain one-fifth of any profits you make over and above the 1913 level, the other four-fifths being utilised to reduce your charges to the public."

Stabilising Profits.

We may leave out of account this sharing of profits between the companies and the public as it is more hypothetical than real. The fault of the scheme is that it stabilises a certain profit, and indeed starts off from that as a basis, showing that that is naturally the first consideration of a railway system, the transport of passengers and goods being secondary. It has been the complaint of all reformers—and many people who do not claim that title—that our railway charges have been excessive and hamper British trade and agriculture. They have been excessive because of the hundreds of millions that have in the past been wasted and been added to the amount of railway stock in the shape of watered capital (this in the year 1913 was given by the Board of Trade as £198,000,000) and a variety of other operations. Millions may have been wasted, the things they purchased may have disappeared, they may have been fictitious capital in the sense that they were given as bonus shares—but as dividends had to be earned on the sum total, the public has to provide them in the shape of high fares and goods rates. By fixing the 1913 profits as the starting point for the earnings of the new groups or trusts Mr. Lloyd George's Government perpetuated all the old evils.

Manufacturing Profits.

It is worth while seeing how some of these profits have been manufactured. I have before me the South Eastern Railway Company's accounts for the year 1920. On the receipts side appears the item "Eastbourne Traffic, £38,017." Several years ago the South Eastern Railway obtained running powers into Eastbourne, a town served only by the Brighton Railway. To obtain these powers the South Eastern had to expend a large sum of money on legal and other fees. When it succeeded in obtaining these powers, the Brighton Company agreed to pay the South Eastern Company £38,017 every year *not* to run into Eastbourne. This illustrates the delightful manner in which the railway service of this country has been conducted (what an example of the advantages of private enterprise over nationalisation)! But the point to be observed is that the British public now has to pay this sum twice over, for in calculating the 1913 profits of the South Eastern Railway, it would of course

be included, and in the case of the Brighton Company, *that sum would be deducted as a working expense* before the company arrived at its profit! Under the grouping system these two companies are now merged, but the fares and rates they are permitted to charge, being on the basis of the 1913 profits of each, every time a passenger travels or goods are carried on that system, a certain percentage of the cost goes to perpetuate this nice little bit of tribute. The history of the railways is full of this sort of thing, the financial effects of which are now perpetuated. Furthermore, various companies in their original Acts, were empowered to charge extra for certain bits of line the construction of which was more than ordinarily expensive. Thus a certain tunnel or bridge (Charing Cross Bridge is a case in point) might be, say, one-third of a mile long, but in fixing the fares and goods rates the company was allowed to count that stretch as, say, two miles. This "dead hand," dating back perhaps 60 years or more, is perpetuated, and it does not appear possible to sweep away these excrescences except by combining the four groups under public ownership, for while the group system is an improvement upon that which preceded it, in the sense that it is better to have four companies than 120, the creation of four trusts, still privately owned, has done nothing to remove the conflict between private interest and the public good. It is merely logical to say that if it is going to result in large economies to amalgamate 120 companies into four, still greater savings and efficiency would result from amalgamating them into one, and this would be true even if that one were a privately owned trust.

Privately-owned Waggons.

As it is, the Government was only permitted to enforce upon the companies some of the reforms that it envisaged. In the second reading debate upon the Government Bill for the establishment of a Ministry of Transport, which took place on 17th March, 1919, Sir Eric Geddes, dealing with the evil of privately owned wagons, said :—

The trader, if he does not want to have 70 or 80 per cent. increase in the rates, has got to help and to get his wagons away quicker, and to learn that storage on wheels is too expensive for the country to afford. He has got to store in a cheaper way, and then, with improved terminals, larger wagons, and empty haulage eliminated, we can make great economies. The empty haulage of this country before the War was colossal. The railways were independent; they each had their own wagons, and those wagons had only a very limited possibility of being back loaded. There was empty haulage everywhere with a great deal of increased shunting. That has been stopped with enormous benefits, but the railway-owned wagons of the country are only half of the whole; the rest are privately owned. There are 700,000 privately owned wagons in this country, and those wagons go about the country all over the place empty, because of the conditions under which they work, and they have got to be shunted out and sorted out on the return journey. They cannot be used for back loading, and even with agreement it is very difficult to do it. They are of a poor type and are not designed for economy in transportation, but to suit the particular private needs of the user. In every way

they are hampering us. The percentage of saving in empty haulage and in reduced shunting will be very great indeed. I am told that there is no doubt that it will exceed 20 per cent., and if this Bill passes, one of the first acts which the Government will take will be to acquire on fair terms the private wagons of the country, with a few exceptions in the case of special wagons for acids and liquids and that kind of thing which are special to a trade.

Note the confident assertion as to "one of the first acts which the Government will take." As usual, however, vested interests made their influence felt, and the question of privately owned wagons remains where it did, with the result that the economies that would come from a complete pooling of railway stock will not be realised.

Inefficiency of Present Ownership.

In 1919 a book was published by E. & F. N. Spon (6s. 6d. net), entitled "Railway Reorganisation; a Study of Possibilities of Staff Reorganisation," by A Railway Officer. The author declares that the entire British railway system is, from the standpoint of organisation and staffing, in a state of extraordinary and reprehensible inefficiency; that "blind ignorance or indifference to the cost of value of work done is universal"; that the whole service is dominated by "that pernicious thing termed 'influence,' with its bedfellows, nepotism and favouritism"; and that "absolutely unwarranted and wanton extravagance in ordinary maintenance" prevails. He finds, successively, all the departments of the railways, devoid of system, oblivious to modern improvements, and wasteful in their expenditure in comparison with results. One company has so much staff that it gets only £293 a year in gross receipts per man employed, whilst the most economical has only one man to £611. "The cost of shunting empty and other unremunerative mileage in 1913 exceeded £8,600,000 for locomotive power alone." The cost of working, even if we take together all the railways in England, Scotland and Ireland respectively, varies from eleven-pence to sixteen-pence per train mile, from £250 to £1,411 per open mile, from £183 to £541 per track mile, from £879 to £1,127 per engine. There is one salaried official for each mile of open track on some lines; and one to every forty miles on others. What is even more remarkable is that every salaried official on the Lancashire and Yorkshire Railway looked after ten men on an average, but the Great Northern would get along with no more than one salaried official to every forty-two men, and in two companies there was only one salaried official to just upon a hundred men. Is it the men who are superfluous in the latter cases or the salaried officials in the others? Why did it cost £338 per annum on the North Eastern to keep each of its locomotives in repair and only £236 on the Midland and the North Western? Why did the operating of each locomotive on the South Eastern and Chatham cost £1,023 per annum and that on the Lancashire and Yorkshire only £606? Why did the average cost of repairing the passenger coaches come to £68 a year on the North Eastern and only

£37 a year on the North Western ; whilst that of wagons costs £10 on some Irish lines and only a third as much on others ? Finally, why did it cost that precious gem of railway administration, the Isle of Wight Central, as much as £138 a year in salaried supervision for each man employed ? It goes without saying that " A Railway Official " corroborates Mr. Gattie's assertions of the waste of passenger coaches and wagons. He declares that the existing rolling stock is capable of carrying " forty-two times the actual average volume of traffic," and " twenty-eight times the actual average volume of goods traffic."

At the meeting of J. Lyons & Co. Ltd., held in June, 1924, the Chairman announced that they had given notice during the year to terminate their contract as managers of the catering department of the London, Chatham and Dover Section of the Southern Railway, as they were not satisfied with the premises generally ; and he added :—

" The refreshment rooms down the line needed considerable expenditure to bring them up-to-date. The railway company was not prepared to expend any money on them, for they were bound in honesty to say that in our opinion such expenditure would not be remunerative, and as we did not consider that catering in such premises was consistent with the reputation of our company, we gave notice to the railway company to terminate as at 31st December last."

As a criticism by one very efficient company upon the accommodation supplied by another (without the adjective), this statement is interesting ; as is also the reflection that in the circumstances the refreshment department of at least one portion of the Southern Railway Company's system will have to continue to be carried on in unsatisfactory premises, as it would not pay to improve them. One can guess the prominence that would be given to this episode as an example of inefficiency and inferiority of service if this railway were state-owned.

Anomalies of Grouping.

A serious flaw in the grouping of the railways is that it has been done on a purely financial basis, the interests of capital coming first, instead of on a geographical basis, which would be obviously the only sound justification of pooling. The working of the railways therefore is full of anomalies. In the outer suburban area of Essex, for instance, you have the bulk of the districts served (as they should be, under a grouping system) by the London North Eastern ; but you also have many places, a couple of miles from those served by that company, on a railway operated by the London, Midland and Scottish, through the sheer accident that some years ago the Midland Railway bought the London, Tilbury and Southend line. Thus are perpetuated the evils of overlapping in some parts and no co-ordination in others in the same district. If the Post Office

were carried on on similar lines, the wastefulness and inefficiency of such arrangements would be ridiculed in the entire Press.

Then there are some 600 miles of jointly-owned lines throughout the country, such as the Cheshire Lines which, owing to difficulties of joint ownership, have not been included in the grouping system, and are therefore worked separately. Here, again, complete pooling under national ownership would at once sweep away these difficulties with their additional expense, waste and inconvenience.

Nationalisation Inevitable.

There can be no doubt that nationalisation of the British railways is not far distant. The grouping system, carried out hastily before the already discernible drift towards the Left occurred in politics, represents the last trench constructed by vested interests to defend themselves against public ownership. They have won a victory in securing such an allocation of public funds as would in the United States create a first-class scandal, and in getting a charter, as it were, securing to them a continuance of high profits. But they have probably over-reached themselves, for the war has left this country in an impoverished condition, and while a Parliament composed largely of "hard-faced" business men may have authorised the companies to make such charges as would secure them their dividends, it cannot compel traders to send sufficient quantities of goods or passengers to travel in sufficient numbers at the requisite rates. Suppose the country were to experience some years of bad trade, and railway revenues to diminish until they fell to half what the companies are authorised to get. Under the 1921 Railways Act, the solution is simple! The companies would be entitled to double their charges! Which would, of course, merely throttle trade and industry still further. On 17th June, 1924, the railway companies issued a statement giving their reasons for opposing the Motorways Bill, which included the following:—"Any partial success which might be attained by the scheme would be mainly secured by traffic diverted from contiguous railways. Such traffic would be principally that carried by the railway companies at the higher rates, as the road carrier does not cater for the transport of lower-grade traffics, such as coal, iron ore, &c. It has, therefore, to be recognised that, if the railway undertakings are to lose revenue by the diversion to the roads of any substantial proportion of their more remunerative traffics, or forced to reduce the rates on such traffics, the charges for the lower-classed traffics, which consist mainly of raw materials for the basic industries, will have to be raised in order to secure to the railway companies the revenue to which they are entitled under the provisions of the Railways Act, 1921." When they have exhausted the 60 millions of the nation's money that was paid to them (and for last year's dividends they already dipped into this to the extent of 1½ millions), the companies may be hard put to it to maintain their dividends, and

there is going to be a big conflict between them and motor transport—not to speak of aerial competition, and possible developments by the State of inland waterways. If it were merely a question of two competing companies, that one which desired to acquire the other, might urge with some show of reason, that it had merely to wait, for the railways to fall like ripe fruit into its mouth ; but during the intervening years, trade and industry will be handicapped at precisely the time when they most need assistance, and it will not be long before it is generally recognised that the national interest requires the railways to be run as a public service. Reasonable compensation can be paid to the shareholders and yet leave a profit to the nation, by reason of the economies that would be effected by complete unification, and by reason of the fact that the State can secure capital more cheaply than companies. Apart from other expenditure, some hundreds of millions will require to be expended during the next decade or two on electrification alone. We are a long way behind other countries in this respect.*

The State enjoys a tremendous financial advantage over the companies in that it can raise capital more cheaply by virtue of its superior credit, and furthermore, that it raises it all on debenture terms. A company can only secure part of the capital it needs at the low rates payable on debentures ; for the remainder it has to pay higher rates. For example, taking Stock Exchange quotations at the end of June, 1924, while £36 millions of the Great Western Railway capital raised by debenture stocks yielded between £4 11s. and £4 12s. 6d. per cent. (showing the excellent credit of the Company *as regards its debenture stock*), £42½ millions of its ordinary stock, paying 7 per cent. dividend, yielded £7 7s. 6d. per cent. If, therefore, the Great Western had to raise some millions for electrification, it would have to offer about 7½ per cent. on part of it, whilst the State could obtain the lot on "debenture terms," for it does not need to issue ordinary stock.

* In this connection it is interesting to note that the Hon. R. H. Brand, writing in the *Nation*, of 31st May, 1924, against Socialism, said :—

" It may be that, for some reason or other, private enterprise is not so well organised in this as in some other countries to carry out great schemes of development which, while extremely to be desired in the interests of the community, do not offer an opportunity of being immediately profitable. It is possible that a National scheme for the transmission of electrical energy may be one of the cases in point which private enterprise should tackle but does not. We are certainly lamentably behindhand in the development of electrical power in this country, although that in itself is due largely to earlier legislation restricting the freedom of private enterprise.

It has always seemed to me paradoxical that we should sit in the City developing electrical schemes in Chile, Poland and all sorts of other places in the world, and then go to our homes from Liverpool Street Station, which is clearly the one place in the world which is crying out for electrification."

The Financial Side of Nationalisation.

The technical side of nationalisation of the railways will not present any insuperable difficulties, and it must be admitted that the grouping paved the way admirably, for the absorbing companies have had to perform a good deal of the elimination and compulsory retirements that would fall to be done. It is easier to squeeze the superfluous high officials out of four systems than 210. But how can the State acquire the railways on terms that would be fair to the shareholders and not too burdensome to the nation? I have always stood for compulsory purchase on the basis of existing Stock Exchange prices, assuming that the latter have not been inflated by foreknowledge of purchase. My reason for advocating this method is the not generally understood importance of the fact mentioned on page 21, that the State can borrow all the capital it needs for a revenue producing asset *on debenture terms*, whereas a company can do this only for part of its capital, and has to offer much higher rates for the balance. The question of how payment is to be made presents no more difficulty to the State than it did to the four companies which absorbed all the others under the grouping scheme; they paid in certificates of their own stock, and the State would do the same. As is shown on page 24, the nominal amount of railway debenture and share capital in their various forms are now a little over £1,000 millions, but as most of the ordinary and deferred stocks are quoted below par—some of them considerably so—the actual market value would be some fifty millions less than the nominal total. The State could pay for the lot by giving holders a Railways Conversion Stock equivalent to the market value of their holdings, and bearing interest at the current rate afforded by a purchase on the Stock Exchange of British Government 3½ per cent. Conversion Loan. This is taken as being the longest-dated of the Government loans created since the war, and at its quotation at the end of June of £78 10s. od. per £100 of Stock, it yields £4 9s. od. per cent. Let us say 4½ per cent. The lowest-yielding of all the railway debenture stocks is Great Western 4 per cent., which at the end of June, 1924, at £88 per £100, yields £4 11s. od. per cent. London and North Eastern 4 per cent. at 86 yielded £4 13s. od. per cent. When we come to the preference stocks, these at the same date were quoted to yield from £4 17s. 9d. (Great Western) to £4 16s. 6d. (London, Midland and Scottish), and if the State were to acquire these with its own 4½ per cent. stock, giving for instance, £82 of such stock for £100 of London, Midland and Scottish 4 per cent. preference, that being the quotation referred to above, at which it yields £4 16s. 6d., it is clear that the State would make an immediate large annual saving by virtue of its superior credit, while the shareholder would have a security enjoying the same market value as that given up, which he could sell if he did not care to keep it with the somewhat lower yield. But such saving would be nothing compared with that gained by the acquisition of the ordinary stocks.

As mentioned on page 21, these yield over 7 per cent., and the State by acquiring a 7 per cent. stock for $4\frac{1}{2}$ per cent., expressed in terms of income to the holder, would effect an enormous saving annually. To simplify the proposition, let us suppose that it was decided to leave the railway stocks which are Trustee Securities (the debentures and preference stocks) as they are—and this could be done—and the State buy out only the holders of the ordinary stocks. The market value of these at end of June, 1924, was £204 millions, and, after allowing for those which have been divided into preferred ordinary and deferred ordinary (a stock-jobbing device) the average yield on that sum was £6 15s. od. per cent. The State would save £2 5s. od. per £100 per annum on these £204,000,000 of capital, which means that there would be available at once £4,590,000 per annum by virtue of a financial operation, without counting one penny from the economies that would be effected by unification, which would of course run into many millions.

It may be that, in purchasing on this basis, the State would be paying more than the actual assets were worth. But when you are repurchasing a perpetual concession that your forefathers were foolish enough to grant, part of the price must be looked upon as ransom; and the value to the nation of its railroads being run for service instead of individual profit is so enormous that, compared with it, a few millions more or less do not count. The capitalised value of an annual saving of one million is nearly twenty millions, and it will be surprising if complete unification does not result in a further yearly saving of twenty millions. But, as I have already said, the immediate cash saving is much less important than that the railways should become a real public service.

Co-operation of the Workers.

Under the present system of management for profit only—perpetuated, alas, by the grouping—the companies do not desire their workers to take an interest in the operation of the systems, and snub any attempts on their part to make more than suggestions on matters of minor detail. The workers themselves are anxious to place their practical knowledge at the service of the community, and the Railway Nationalisation Bill prepared by the Railway Nationalisation Society, provides for the establishment of a Standing Administrative Council for Transport and Communications, consisting of seven members—the Minister of Transport, one member appointed by the Board of Trade, one by the Treasury, and four by the Minister of Transport. Of these four one would be the Secretary for Transport and three would be elected by the Trade Unions representing the workers in the service. Subject to the control of Parliament through the responsible Minister, this Council (with local councils functioning under it in a number of districts) would be charged with the whole business of operating the national railways. The fundamental thing is that the railways are recognised as a

communal and not a private enterprise, and the function of the workers as administrators and not merely servants in the enterprise.

The Groups.

The following table shows the salient features of the four railway groups :—

	Mileage.	Debentures and Loans.	Share Capital.
		£	£
London, Midland & Scottish	7,018 (a)	101,791,069	297,138,106
London & North Eastern ..	6,306 (b)	107,584,317	251,311,577
Great Western	3,647 (c)	35,927,107	103,414,659
Southern	2,133 (d)	39,012,378	110,374,819
		<hr/>	<hr/>
		284,314,871	762,239,161
		<hr/>	<hr/>

(a)	Also leases or works jointly	507 miles.
(b)	"	" 408 "
(c)	"	" 148 "
(d)	"	" 65 "

It will be observed that the old anomalies are perpetuated, for the Southern Railway with 2,133 miles of route has a share capital greater than that of the Great Western with 3,647 miles.

At the end of 1913, the total nominal loan and share capital of the railway companies of Great Britain was £1,071,667,409, and the total receipts for that year were £119,808,270. The total receipts for 1923 were £205,900,000, and expenditure £166,100,000.

The number of railway employees at 24th March, 1923, was 681,778. The number of shareholders is often given as 700,000 (*Daily Mail*, 1,000,000 l) but, eliminating duplicates, for one person may hold several stocks, the number is less than 300,000.

Railway Nationalisation Abroad.

In a Board of Trade return dated 12th August, 1913, it was stated that out of forty-two states covered by the enquiry, there were thirty-two in which the railways were owned, wholly or in part, by the respective governments.

The ten countries in which the State did not own any portion of the railway system were Bolivia, Ecuador, Greece, Guatemala, Haiti, Luxemburg, Montenegro, Paraguay, Spain, and Uruguay. The only country of importance not included in this Return is the U.S.A., where all the railways are privately owned and operated. Indeed the U.S.A. and the United Kingdom were the only countries of primary importance which had not made a commencement in the State ownership of railways. In almost every other instance the State is steadily augmenting, by purchase of existing systems or by fresh construction, the proportion of the railway system owned and operated by it. Based upon the figures given in this Return in 1912 :

Egypt		owned 100 per cent.	of the railway mileage	within its borders.
New Zealand	99	"	"	"
United S. Africa	93	"	"	"
Newfoundland	93	"	"	"
Australia	89	"	"	"
Canada	7	"	"	"
Roumania		owned 100 per cent.	at the date to which the Return	was made up.
Italy	99	"	"	"
Germany	93	"	"	"
Belgium	87	"	"	"
Switzerland	58	"	"	"
Austria	57	"	"	"
Holland	55	"	"	"
Denmark	51	"	"	"
Hungary	39	"	"	"
Sweden	32	"	"	"
France	21	"	"	"

The table printed in the introduction to the Board of Trade Return referred to, which table includes the United States, showed a total of 134,403 miles of railway operated by State railway administrations, and 367,675 miles operated by private enterprise. As it is sometimes urged as an argument against State ownership that there is still a greater mileage operated by private enterprise than by the State, it may be desirable to point out that the preponderance of privately owned mileage is due to the United States, which was responsible for no less than 68 per cent. of the total (249,902 miles), and that, measured by population, the European countries alone which have adopted the principle of State ownership consisted of 403,000,000, whilst the joint populations of the United States and the United Kingdom aggregated 138,000,000. By including those parts of the British Empire and other important countries which have adopted the principle of State ownership, it can easily be shown that the majority of the human race have chosen through their governments to operate a system of State ownership.

1923 Statistics.

No official return giving later figures exists, but towards the end of 1923 the *Trade Record* of the National City Bank of New York, published the following:—

“ The total length of the world railways, according to the latest figures of accepted authorities, now approximates 750,000 miles against about 700,000 miles in 1913, 500,000 in 1900, 400,000 in 1890, 250,000 in 1880, and 25,000 in 1850, these figures being of course in very round terms.

“ The share of the world’s railways owned by governments, according to high authorities of the railroad world, is in 1923 about

35 per cent. against approximately 33 per cent. in 1913, 28 per cent. in 1906, and 24 per cent. in 1896. Governmental ownership, however, differs widely in the various countries and continents. In Europe as a whole about 50 per cent. of the railroads are governmentally owned, in South America approximately 33 per cent., in Africa 50 per cent., in Asia 70 per cent., in Australasia 90 per cent. and in North America exclusive of the United States about 49 per cent. In the United States and Great Britain, as is well known, governmental ownership of railways does not exist and this is true also of Spain. On the other hand, in the newly erected country of Poland all railways are owned by the Government, in Germany about 92 per cent., Italy approximately 73 per cent., Belgium 59 per cent. and France about 22 per cent. Outside of Europe conditions also differ widely. In India, including the native States, the share owned or controlled by the Government is about 85 per cent., Japan 67 per cent., Canada approximately 50 per cent., British South Africa 82 per cent. and British Australasia 98 per cent."

All subsequent developments have been in the direction of increasing public ownership of railways throughout the world. This may surprise some readers who, from their daily reading, may be pardoned for having concluded that the principle of State ownership has been damaged by post-war developments, but this belief will on investigation prove to be founded on statements they have read, with a slight twist, indicating that certain State railway administrations have been commercialised. This does not mean that they have been handed over to private ownership, but that the administration has been changed so as to render it more self-contained than formerly. Sometimes this has taken the shape of a company, the whole of the shares in which are owned by the government, *e.g.*, Canadian National Railways. The tendency towards giving more autonomy, or self-government, to the railway administration is to be welcomed.

The fall of the value of money caused by the War brought the railways into difficulties, and where they were privately owned governments have had to help them—although not in the extravagant fashion adopted in this country; and as a consequence, in practically every country in the world the railway administrations have been overhauled and attempts made to improve them.

Italy.

It has been freely stated that in Italy Senor Mussolini proposed to hand over the State-owned railways to private enterprise. If this proves to be the case (which is by no means certain) it will be an interesting repetition, for about sixty years ago most of the Italian railways were nationalised, and then in 1885 were leased to three private companies, but dissatisfaction with their exploitation became so rife that in 1905 they were again nationalised.

Spain.

On the other hand, the present government of Spain, which in a sense corresponds to the Fascist Government of Italy, has announced its intention to nationalise the railways of that country.

The German Railways.

It is indeed possible that the German State railways may have to be handed over to a company, but if this does occur, it will be because it is forced upon the German Government and the German people against their desire, as a part of the reparations policy, the German Government holding a large portion of the share capital. On the whole, the German State railway system was probably the best in the world from the point of view of rendering service to the community. In the matter of enterprise they were far ahead of our own railways, and in electrification, for example, they were not only far ahead of us in practice, but it is noteworthy that it was the Prussian State Railways which, shortly before the War, made the experiments with electrically propelled trains which resulted in the greatest speeds that have ever been achieved by wheeled vehicles, which have taught the engineers of the world the strengthening of tracks required in connection with such high speeds. These State Railways keep going a great railway museum and publish what is recognised as far and away the most authoritative journal in existence on railway theory and practice.

The Belgian State Railways.

It is strange how circumstances alter arguments. In my cuttings for years I have received, and still receive—more frequently than ever—clippings from the London *Daily Telegraph* attacking nationalisation and giving as examples of failure the Belgian State railways. Then came the War and the allies had to make use of the Belgian railways. Suddenly, the *Daily Telegraph* in its leading article (13th August, 1914) discovered the truth about the Belgian State railways, and wrote:—"The Belgian State system is one of the best organised and best equipped in the world."

The Swiss State Railways.

In Switzerland the State railways have made huge strides in electrification, as have also those of Sweden and Norway. In this matter Britain, with its privately owned railways, lags behind most of the State railways of the world.

Nationalisers refuse to accept financial results as the sole criterion of efficiency, for if this is the standard adopted, the most usurious money-lender in a town is more efficient than its most eminent doctor or manufacturer; but for the benefit of those who cannot think in terms other than profits it may be mentioned that the Swiss State railways' accounts for 1923 showed a profit for the first

time since the outbreak of War. In this connection it may be remarked, that it is obvious that if you increase fares and rates high enough, any railway system, whether privately or publicly owned, can be made to show profits. The question is whether the incentive to raise charges is greater in the one than in the other. The question hardly requires an answer. The incentive of the management of a company is naturally and properly to earn the biggest possible dividends for its employers, whereas the administration of a publicly owned system of railways can always pay regard to the interests of the entire community, and may deliberately run certain services, *e.g.*, those helpful to agriculture and of housing and public health, at a loss, which is made good by profits from other services.

Canada.

Few people realise that throughout the Empire the railways are almost entirely State owned. From the table given on page 25, it will be seen that Canada was the only Dominion to which this did not apply, only seven per cent. of the railways there being State owned at the date of the return, namely 1913; but since then the Canadian Government has taken over the lines of the Canadian Northern railway, the Grand Trunk and the Grand Trunk Pacific, all of which under private ownership broke down, and in connection with some of which some very unsavoury details of corruption and fraudulent book-keeping have emerged as the result of a Canadian Government enquiry. Owing to the complete final breakdown of these companies the Canadian Government had to choose between (1) allowing them to go into liquidation, (2) making large subventions to the companies, which were not paying and could not pay for some years on their inflated capitalisation, or (3) taking them over themselves. They chose the last, although it was fully recognised that for a long time to come the system could not possibly pay. The Canadian Government felt that a new and growing country could not have some of its areas deprived of existing means of communication. It could of course have followed the British example and presented millions of national money to the companies, but chose the path of nationalisation with the resolve to do away with the wasteful and extravagant methods that had grown up under private enterprise. It left the management of the railways out of politics, and set up a purely business organisation in the shape of a National Railway Board with a President, Vice-Presidents and Directors. These have full powers over the management of the undertaking, the Government concerning itself with policy alone. The Board, instead of representing a few thousand shareholders, represents the whole Canadian people. The railways now being operated in this manner by the Canadian Government, have a total mileage of 22,375 miles, which constitutes it the second largest railway in the world under one management, the German railways occupying pride of place in this respect. The Canadian National

Railways run hotels, dining-cars, express parcels services, telegraph lines, and a magnificent series of grain elevators—all in the interests of the nation. They appointed to the post of President, Sir Henry Thornton, one of the ablest railway managers in the world, who had had experience in the United States and in this country, he having given up the post of General Manager to the Great Eastern Railway in order to take the Canadian position. Within a couple of years of his appointment he has largely cleared up the mess left by the companies, and has already brought the railways to a state of financial equilibrium, operating receipts for 1923 having shown a surplus over working expenses of \$13,364,000. Before the full interest on the capital involved is earned, this surplus will have to rise to \$25,000,000, but when the railways were nationalised there was a huge deficiency, even allowing for the faked figures of some of the companies, and in 1922 the surplus was only \$1,439,000. The report of the Canadian National Railways for 1923 states that their freight charges "are and have been for many years the lowest in the world," the average rates in 1923 being only 32 per cent. above pre-war level, although costs were 90 per cent. above pre-war scale. For the first time the Canadian railways are being run with a view to the interests of every section of the community, and it looks as though within a year or two they may under their present unified and purified administration actually be brought up to a paying basis.

The United States and Railways.

Apart from Great Britain, the one important country in which the State does not own at least part of the railway system, is the United States. In that country the railways are in a state of transition, and the Government is extending its control over them and encouraging them also to amalgamate into a smaller number of groups. In spite of the stories of undoubted corruption of which we hear so much in America, the Government of that country does not handle the railways nearly so tenderly as previous governments have done in this country, and it is the opinion of many observers that the United States is heading for nationalisation of its railroads. It is significant that when it was decided that railroads should be constructed in Alaska, America's great possession North of Canada, the concession was not granted to any company, or companies, as was mooted, but the Federal Government itself is constructing and operating the railroads there. Mr. Henry Ford occupies so important a rôle in the eyes of the public, that it is not without interest to observe, that in an interview in *The Christian Science Monitor*, of 23rd July, 1923, he said:—"The people have recognised the need for better transportation, that is why they are buying so many automobiles. But the big thing is the railways. To-day they are hopelessly inefficient. They must be co-ordinated into one system under government ownership. That is bound to come. I see it coming."

SUMMARY.

The General argument for State Ownership and Operation of Railways may be summarised as follows :—

There are some services which, from their nature, have come to be regarded throughout the world as being distinct from ordinary commercial undertakings in that, being essential to every branch of trade and commercial activity—sometimes also to the social life of the community—they should be operated primarily to serve those needs, and only secondarily (if at all) for revenue producing purposes. This applies particularly to communications, as is instanced by the highroads (formerly subject to tolls), drainage systems, the collection and delivery of correspondence, and subsequently of small parcels, then the telegraphs, and, more recently, the telephones. Railways, being the main arteries of transport in the modern world, belong to this category, and just as it is recognised that it is in the interest of the national well-being to render road transport as cheap as possible and to carry correspondence and parcels at the minimum rates, so it is in the national interest to facilitate to the utmost the exchange of commodities between different parts of the country and with foreign countries, to open up backward districts, to facilitate the obtaining of employment, and to promote social intercourse, by providing the cheapest possible transport of persons, goods and produce of all kinds.

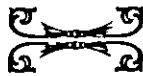
Railways are the highways of the modern world, and as such should be administered with a single eye to the benefit of the whole community—a thing no concern organised primarily for profit can do. Is there anyone living who would suggest that our main roads should be placed under the control of companies operating them for a profit? Reminders of the time when the high roads were thus used is given by the existence of old toll houses, but the man who suggested that these conditions or anything approaching them should be re-established would be deemed a lunatic. It is quite evident that, with the best will in the world, the general manager of a railway company is forced to think more of the interests of the shareholders than the public. He is between the devil and the deep blue sea. If the public complains too much he, naturally enough, does not find it pleasant; on the other hand, if he does not squeeze sufficient profits out of the system, the shareholders or their representatives, the directors, express *their* dissatisfaction. Consequently the public interest suffers. Suppose the Post Office belonged to a limited company. Imagine the outcry there would be on the part of the shareholders every time a fresh concession to the public was proposed.

Another point is that the power to make or mar the prosperity of a certain town should not be in the hands of a private concern. A railway company, by giving one town better and cheaper facilities than another, has it in its power to make the one prosperous and to restrain the development of the other.

Most of our ports belong to the railway companies—a thing that no self-respecting country should tolerate for a moment. In fact even our Chambers of Commerce have protested time and again against things so vital to the life of an island country as ports and harbours being under the control of companies.

The last paragraph of the Railway Nationalisation Society's case presented to the Royal Commission on Railways in May, 1914 (which never reported, owing to the War) sums up the case as follows :—

In conclusion, we think it right to add that, in our opinion, it would be wrong to raise any extravagant hopes of huge profits from nationalisation. It is not reasonable to assume that rates and fares can be reduced, and the conditions of the workers improved, as will, in our opinion, inevitably result from nationalisation, *and at the same time* produce huge profits. It is, however, our considered opinion that the large financial saving to be effected by utilising the better credit of the State not only to purchase existing systems, but also to provide the capital necessary for extensions, electrification, &c., at a considerably lower rate than that which has to be borne by the railway undertakings under the present company system, combined with general good financial methods and the large savings to be effected by a reorganisation of general management, will provide a considerable margin to meet the cost of the price reductions and improvements in the conditions of labour referred to ; and that such additional facilities would largely stimulate traffics and be beneficial to the whole country without throwing any burden upon the community. In short, that trade, industry, agriculture, labour, and the national life generally, would benefit enormously, not only without the general community having to pay more for transport either directly or indirectly, but eventually with appreciable reductions in charges ; and that these larger considerations of the general good must inevitably lead to the railway system of this country becoming a national service, run with a single eye to the benefit of the community.



WHAT OTHERS SAY.—A COMPENDIUM.

The following various pronouncements by authorities have a direct bearing upon the question of Railway Nationalisation.

A Chairman's View.

If on all hands it is admitted that the public must interfere by legislation with the rights of property, whose working is so valuable to them as to be no longer private enterprise; and if finally it can be shown that legislative interference, to be of any use, must be arbitrary and inquisitorial, it follows that the only course left for the nation to pursue is to make legislative interference real, by being managers of the railways themselves—that is, that the State should purchase the railways.

R. PRICE, M.P., Chairman of Midland Railway, *Journal of the Statistical Society*, 1873.

A Great Steelmaker's View.

The cost of new construction would be reduced, since the State could raise money on better terms than any private company, while the security offered to investors would be greatly improved. That the strictest attention both to fostering commerce and to strategical requirements is compatible with sound finance may be seen from the fact that in the year ending March 31st, 1914, the German railways showed a profit of 5.7 per cent. The percentage of total net earnings to capital of the British railways in the five years 1906-1910 was 3.45 per cent. It was calculated in 1910 that the German State Railways, capitalised at twenty-five years' purchase of their net profits, would amount to considerably more than the whole National Debt of all the German States.

Is it not time that the railways of Great Britain were run for the benefit of the British people, and become a support and not a handicap to British trade?

SIR ROBERT HADFIELD, F.R.S., Chairman, Hadfields Limited, Steelmakers.

When Private Enterprise Breaks Down.

It is futile to denounce as Socialism every manifestation of the modern tendency to consolidate business of all kinds under a centralised management. In this case private management has broken down under the diversity and complexity of modern conditions. There are no means of improving the docks or of deepening the water way, or of introducing better methods of handling goods or, in short, of keeping the Port of London abreast of its rivals. Every attempt in that direction is blocked in one way or another, and by one interest or another.

The Times (leading article on the Municipalisation of the Port of London).

German Railways.—Official Report.

In Prussia the State receives a considerable surplus from the working of the railways, by which the general burden of taxation is relieved. . . . As far as the comfort of the public, the punctuality of the working and the consideration of wishes expressed in connection with traffic arrangements are concerned, the State Railway System has in Germany gradually met with entire approval, and the desire for a return to private ownership is never expressed by the public.

H. M. CONSUL-GENERAL'S REPORT ON GERMANY, 1910-11

Control Unsatisfactory.

For many years past both my studies on railway subjects and my practical experience have led me to a convinced belief in the advantages of well-regulated monopoly in which I believe, even although it should come in the guise of State ownership.

Competition, in my judgment, creates more evils than it cures, especially the half-hearted and imperfect competition which exists in England so far as the railways are concerned, which cannot be regarded as free competition on a commercial basis. . . . It is impracticable to secure unification or any very extensive or far-reaching combinations of railways under private management, and I doubt whether any form of control which has yet been devised, or is likely to be devised, combined with partial competition, can give entirely satisfactory results.

SIR GEORGE S. GIBB, formerly General Manager,
North Eastern Railway.

A South African View.

It is difficult to resist the view that the State railways of Germany have done more to foster agriculture, industry and exports than any private railways. Germany's railway policy was framed to assist to the fullest extent in the achievement of her national ambitions. By means of very low rates, some of which have been criticised (wrongly) as unpayable, the railways of South Africa have developed a relatively large trade in shipment of coal, export grain and fruit. The considerations which lead me to support the principle of State railways in South Africa do not necessarily apply to State enterprise in mining or other industries. Railways are a primary necessity for the exploitation of the resources of a country, and railway tariffs and facilities vitally affect every section and interest, and almost every individual in a community. It is true that the community are also affected by coal and gold mining, inasmuch as cheap coal lies at the root of success in many industries, and the production of gold affords employment, directly or indirectly, to a large proportion of

South Africa's inhabitants. There are, however, many inherent differences between railways and other industries to account for the fact that the community has a more intimate concern in the conduct of railways than in the method of administration of other industries. A State railway might be less economically operated than a private concern, and yet play a far more useful part in developing the resources of the country.

SIR WILLIAM HOY, General Manager of Railways and Harbours, Union of South Africa, at Capetown, December, 1916.

State Railways and Canals.

MR. LLOYD GEORGE'S SUPPORT.

The reply of the Prime Minister to the private deputation from the Trades Union Congress Parliamentary Committee, which waited on him on March 20th and presented resolutions passed at the Blackpool Trades Union Congress, was issued yesterday.

Mr. LLOYD GEORGE, referring to the nationalisation of railways and canals, said that he was in complete sympathy with the general character of the proposals put forward. The credit of the State would enable them to pay lower interest for borrowed capital, to pay better wages to railway workers, and to provide better facilities to the travelling and the trading public. Under the old system they had had an excess of trains serving one district on account of competition, but in another district they had been entirely in the hands of one railway, and there had been a dearth of facilities. He was certain that they could not go back to the old system. He had not met any railwayman who thought it possible to do so. Canals had been steadily discouraged, and that had been largely due to railway competition. He was not sure whether anything would make them fit for motor transport, but that was an engineering question on which he could not express an opinion. It was a question of reconstruction so far as the canals of this country were concerned. At the present moment we were fighting the canals of Germany. They were part of the weapons with which we were confronted, but luckily we had the fine canal system of France.

The primary question relating to the settling not only of soldiers and sailors on the land, but also of the people generally, in a way that had never been done before, was one of transport, and the Government had appointed two Committees of experienced men to consider the problem. They would have, as a result of the war, thousands of motor-lorries and many miles of light railway material and trucks, which would be used to develop traffic in rural areas.

The Times, 12th April, 1918.

Grouping System Criticised.

The second reading of the Railways Bill was carried on Monday night by 259 votes to 65, and the Bill was referred to a Grand Committee. If the Bill be carried, trade and private users in England and Wales will be more or less at the mercy of four big corporations, whose created capital will be 159 millions, 159 millions, 228 millions and 442 millions respectively, and whose gigantic business is to be administered by a board of twenty-one directors for each company. What is worse, these four corporations are each to be allowed to make such charges as will ensure to them a sum equal to the net receipts of the 105 companies they absorb for the year 1913—the best on record—with a further sum in payment of capital works opened or under construction since that year, and for works not then fully developed. It is true that these charges are to be fixed by a Railway Rates Tribunal, and that the interests of the traders and public are to be carefully safeguarded; but what will happen if the proposed charges are more than the traffic can bear?

The Engineer, 3rd June, 1921.

No Nationalisation During the War.

Many evidences have appeared recently of the existence of an impression in the minds of large numbers of people that the railways of this country were actually nationalised in the early days of the war, and that every defect or discomfort experienced in connection with the passenger and goods services during the last few years can be attributed to nationalisation. The facts of the case are quite otherwise. True, the railways were brought under State control at midnight on August 4th, 1914, but that was merely a military measure carried out under the Regulation of the Forces Act, 1871, to enable the State to have unrestricted use of the railways as far as it might require them for the rapid movement of troops and munitions of war. All the companies were left in charge of their respective lines, and the whole of the railway business was carried on not by "bureaucrats in Whitehall," but by the same managers, superintendents, and staff who had charge of it before the war.

Thus "State control" did not involve either public ownership or State management. It allowed the companies to continue to conduct their business themselves as common carriers, but gave them a guarantee of their net earnings on the 1913 basis in return for the stipulation that they were to give preference to the transportation needs of the War Office and the Admiralty. Soon afterwards some scores of thousands of the employees relinquished their railway work to serve in H.M. Forces, and, at a later stage, hundreds of engines and thousands of vehicles were taken from the railways and shipped across to the Continent for use in the military operations there. The subsequent restrictions of train service and other inconveniences which have had to be endured by the public were due to those facts—not to nationalisation.

The case for the complete nationalisation of our railways is stronger to-day than ever, in view of our wartime experiences, and it has been further strengthened by the passing of the present very inadequate Railways Act, for that measure recognises and half-heartedly attempts to deal with the moral and financial bankruptcy of the policy hitherto pursued in this country with regard to railways. That policy encouraged and developed competition until, before the war, it became so costly that the companies themselves sought to escape from it. They did so by forming provisional "combines," such as the Great Northern, Great Central, and Great Eastern, and the London and North Western, Midland, and Lancashire and Yorkshire—both agreed upon in 1908. They also utilised the Railway Companies' Association as a means of developing a new policy of group amalgamation and co-operation in connection with their Parliamentary work and other matters, including the question of rates and charges. They succeeded in getting the latter increased under the Railway Rates Act of 1913, which resulted in their net revenue for that year reaching the record total of £52,000,000. In short, the companies departed from their nineteenth-century traditions and adopted the methods of the modern American "combines," aided by their numerous directors and shareholders in both Houses of Parliament.

With nationalisation the whole of the railways would be unified under a central public authority with regional administrative organisation. Competition would be abolished, as it has been for many years inside the efficiently-managed region between the Humber and the Tweed. The business would not be handed over to inexperienced civil servants, but would be entrusted to executive officers chosen from amongst those of the existing managers and superintendents who possess the highest qualifications. A small directorate of experts would probably be appointed, representing the State and the railway employees, to act in conjunction with the Minister in considering questions of general policy and finance. National, regional, and local joint committees of representatives of the executive and the staff would doubtless be established on a system amplified from that which is already authorised in Part IV. of the Railways Act, to deal with questions affecting all grades of employees, and would provide channels for considering their co-operative suggestions for the improved working of the services. National advisory committees and regional conferences of users of the railways would be consulted on questions regarding rates and charges. The managers would be freed from the Stock Exchange considerations which dominate railway policy to-day, and would be enabled to devote themselves exclusively to the efficient organisation and development of the new public enterprise.

In this they would be assisted by willing workers who, from the highest to the lowest, would be conscious of a new motive in their railway tasks—the motive of National Service. The unworthy

suspicion that the 700,000 railway employees would endeavour unduly to exercise their political rights to exploit the State and the community usually emanates from political ultra-puritans or from persons and classes who, in the past, have themselves utilised political opportunities for the promotion of private interests.

A. G. WALKDEN, General Secretary, Railway Clerks' Association, in *The Times*, 15th August, 1921.

Nationalisation in Japan.

A Japanese Government report on ten years' experience of nationalisation shows that nationalisation has, in that country, produced economy and efficiency in railway management.

Nationalisation was introduced because "the result (of the previous mixed system) was an unwarrantable waste of money . . . the cost of the service was unreasonably high, and delay in delivery became a serious grievance." In ten years "the general expenses, which, under divergent ownership, claimed 8.3 per cent. of the total expenses, diminished to 2.6 per cent." Passenger traffic increased 81 per cent. and goods traffic 190 per cent., and this was handled with increases of only 56 per cent. and 85 per cent. in coach and waggon stock respectively. "The figures are eloquent," says the report, and "nothing could have enabled the management to realise such a result but . . . consolidation under unified control." Time taken in repair of vehicles was reduced from an average of 33.9 days to 19.7. Percentage of empty car miles travelled by goods waggons decreased from 26.4 to 23. "The locomotives with an increase of only 55 per cent. in number ran a mileage of 77 per cent. more, and performed a task greater by 132 per cent." Under unified control accidents went down from 92 per million train miles to 19. Unity of control "reduced the percentage of empty haul from 26.4 in 1908 to 23 per cent. in 1917, and has been an invaluable factor in regulating the relations between the supply and demand of vehicles and ensuring regularity and despatch of goods services."

HUGH BYAS, Editor of the *Japan Advertiser*, in the *Manchester Guardian*, 1st November, 1922.

If Grouping Breaks Down.

Sir Henry Thornton, the new head of the Canadian National Railways, left Southampton yesterday for New York by the White Star liner "Olympic."

Interviewed on board Sir Henry said: "The only alternative if the railway grouping system is not successful is nationalisation. You cannot unscramble eggs when they are scrambled, but in this case there is the remedy which lies in nationalisation."

The Financier, 23rd November, 1922.

The Lost Opportunity."

Against those arguments the advocates of steam traction have practically nothing to advance beyond the fact that the re-organisation of the whole railway system of Britain on this new and more efficient principle (electrification) would require such an enormous capital expenditure that the railway administration would never be able to find it. It is obvious, however, that a very considerable proportion of the main railway lines could have been electrified before now if the immense reserves left to the railways at the conclusion of the war had been devoted to electrification, and had not been held up to meet the possibility of receipts not being sufficient to yield a dividend on the capital invested. As it is, we can see the process already in operation where those reserves are being gradually drawn away in dividends and in unproductive expenditure, while the whole transport system of the country suffers.

The Observer, 20th July, 1924.*

BIBLIOGRAPHY.

- ACWORTH, W. M. *Railways of England*. 1900, Murray, 10s. 6d. O.P.
 ACWORTH, W. M. *Historical Sketch of State Railway Management*. 1920, Murray, 3s. 6d.
 ARNOLD, WHATELEY C., LL.B. *Royal Railways with Uniform Rates*. Simpkin Marshall, Hamilton Kent & Co. 1914, 6d.
 BOLLAND, W. *Railways and the Nation: Problems and Possibilities*. 1909, Unwin, 1s.
 BROMLEY, JOHN. *Engines and Men*. 1924, Suddick, 8s. 6d. net.
 CLEVELAND-STEVENS, E. *English Railways: Their Development and their Relation to the State*. 1915, Routledge, 6s.
 COLE, G. D. H. AND R. PAGE ARNOT. *Trade Unionism on the Railways*. 1917, Allen, 2s. 6d.
 CUNNINGHAM, W. *Railway Nationalisation*. 1906, Romanes, 2s. 6d. O.P.
 DAVIES, A. EMIL. *Case for Nationalisation*. 1920, Allen, 2s. 6d.
 DAVIES, A. EMIL. *Case for Railway Nationalisation*. 1913, Collins, 1s.
 DAVIES, A. EMIL. *The Nationalisation of the Railways*. 1908, Black, 1s. 6d.
 EDWARDS, CLEMENT. *Railway Nationalisation*. 1906, Methuen, 3s. 6d.
 FABIAN SOCIETY. *A Public Service of Railway and Canal Transport*. 1916, Fabian Society, 1s.
 HOLE, J. *National Railways*. Cassell, 1895.
 JAGTIANI, H. M. *The Rôle of the State in the Provision of Railways*. King, 1924, 10s. 6d.
 KENNY, R. *Men and Rails*. 1913, Unwin.
 LABOUR RESEARCH DEPT. *Labour and Capital on the Railways*. 1923, Labour Publishing Co., 1s. and 2s. 6d.
 LEWIN, H. G. *The British Railway System*. 1914, Bell, 2s. 6d.
 MEYER, HUGO R. *Government Regulation of Railway Rates*. 1909, Macmillan, 6s. 6d.

- MONKSWELL, LORD. Railways of Great Britain. 1913, Elder, 6s.
- PALMER, J. E. British Canals: Problems and Possibilities. 1919, Unwin, 5s.
- PHIM, F. W. Railways and the State. 1912, Unwin, 5s.
- PRATT, EDWIN A. Railways and their Rates, with an Appendix on the British Canal Problem. 1905, Murray, 5s. O.P.
- PRATT, EDWIN A. State Railways: Object Lessons from Other Lands. 1907, King, 1s.
- PRATT, EDWIN A. Canals and Traders. The argument pictorial as applied to the Royal Commission on Canals and Waterways. 1910, King, 2s. 6d.
- PRATT, EDWIN A. The Case Against Railway Nationalisation. 1913, Collins, 1s.
- "RAILWAY OFFICER," A. Railway Reorganisation: A Study of Possibilities of Staff Reorganisation. 1919, E. & F. N. Spon, 6s. 6d.
- Railway Groups Completed. Mathieson, 1923, 1s.
- Reorganisation of British Railways. Railway Act, 1921. Gray's Inn Press, 6d. O.P.
- ROBERTSON, W. A. Combination Among Railway Companies. 1912, Constable, 1s. 6d.
- ROYAL ECONOMIC SOCIETY. The State in Relation to Railways: six papers. 1912, King, 1s. 6d.
- SIMNETT, W. E., M.B.E. Railway Amalgamation in Great Britain. Railway Gazette. 1923, 15s. net.
- THOMAS, RT. HON. J. H., M.P. Red Light on the Railways. 1921, Cassell, 2s. 6d.
- TRAVIS, C. Railway Rates and Traffic. 1914, Bell.

PARLIAMENTARY PAPERS.

- Railways: Capital, Traffic, Receipts and Expenditure. Preliminary Returns for 1923. Cmd. 1924. 2s. net.
- Railways: Capital, Traffic, Receipts and Working Expenditure, &c. Returns for 1922 (complete), 21s. net.
- Railway and Canal Commission. Annual Report for 1922. C. 2006. 6d. net.
- Railways: Capital, Traffic, Receipts and Working Expenses. Returns for 1922. 21s.
- Railway Accidents. General Report and Statistics for 1922. C. 1926. 6d.
- Railways: Number of persons employed by the Railway Companies of Great Britain, March, 1922; and a comparison of rates of pay of certain grades at 1st January, 1921, and 1st January, 1922. 1s.

PUBLICATIONS BY THE RAILWAY NATIONALISATION SOCIETY.

- State Railways. Quarterly, 1d.; postage ½d.
- Nationalisation of Railways Bill, 1920, 1d.; postage ½d.
- A list of others will be sent on application to the Secretary, R.N.S., 25 Tothill Street, Westminster, London, S.W. 1.