I have recently received a deputation from the four amalgamated railway companies who desire to put before me the seriousness of their position as a result of road competition which they regard as, in part, unfair.

With my consent they have also made their views public.

I therefore think it right to place the position in a preliminary way before the Cabinet.

The railway companies stated emphatically that if nothing were done to alleviate their position they would have no alternative but to apply to the Railway Rates Tribunal for an increase in rates on the heavier classes of traffic which is not exposed to road competition and which, however unfortunate the results to industry, would in their opinion bear some increase in railway charges.

The main matters to which they directed attention were these:

(1) They stated that the existing speed limits both for motor coaches and goods vehicles, and also regulations in regard to maximum weights, were being habitually ignored, contrary to the intention of Parliament as recently expressed in the Road Traffic Act, 1930. Apart from any effect that this may have upon the railway companies, we cannot ignore either the safety of the public (and the recent accident returns present many disturbing features) or the complaints which are so frequent against the vibration and noise caused by heavy traffic travelling at unreasonable speeds and often perhaps in overloaded vehicles.

While the Home Office have on more than one occasion drawn the attention of the Chief Officers of Police to the matter, I have suggested to the Home Secretary that there may be a case for further instructions, especially in view of the existence of the mobile police — the cost of which is partly met from the Road Fund.
The railway companies drew attention to the fact that no effect had been given to the unanimous recommendation of the Royal Commission on Transport in favour of some increase in taxation on the heaviest goods vehicles.

This matter was brought to the attention of the Chancellor of the Exchequer in the late Government by my predecessor and is now before the Treasury.

The railway companies reserve their right to make further representations in regard to the scheme for controlling passenger road transport embodied in the Road Traffic Act, 1930 and urged very strongly that it was the duty of the Government to administer that Act in full accord with the intentions of Parliament in spite of any temporary political or other clamour that might be raised against it.

They asked that a scheme of licensing goods vehicles should be introduced by public legislation on lines which were recommended by the Royal Commission and are being increasingly adopted in other countries. This is a matter upon which I shall have to hear the views of representative bodies concerned with road transport and trading interests generally. Even on its merits, it presents many difficulties and I felt bound to remind the railway companies that at the moment the atmosphere for any such step was not in any case very favourable.

I asked whether the railway companies still regarded the passage of the London Passenger Transport Bill as a first and immediate step towards protection of their position. They replied, unless the scheme embodied in the Bill is passed, they will be quite unable to develop their suburban services around London, or even indefinitely to maintain existing services in a proper state of efficiency. They were unanimous in stating that they attached the utmost importance to the passage of this Bill, without which their position must go from bad to worse.

I then felt it necessary at this stage to remind the general managers that the atmosphere in the House of Commons regarding the Bill was being rendered difficult by the energy and determination with which the opponents of the Bill were pressing their views and that in the case of the Metropolitan Railway Company a circular had been distributed to all their shareholders urging them to use their influence against the passage of the Bill on the grounds that their interest would be damaged in the event of the London Passenger Transport Bill becoming law. I asked whether, in view of the unanimous opinion of the general managers that the passage of this Bill was vital to the interests of their railways, they were not prepared to bring before their boards the proposal that some explanatory circular should be issued to their shareholders urging the critical necessity for the immediate passage of this measure into law in order
to prevent their capital as shareholders (over £1,000 million) being seriously jeopardised. Three of the four general managers at once expressed the view that such a proposal was impossible as some of the directors objected on political grounds to certain features of the existing Bill. I felt that was an illogical and disturbing situation. I suggested that the Government had a right to expect a larger measure of support for the Bill, which from the point of view of the railway shareholder was the deciding factor as to whether the main line railways could maintain and extend their suburban traffic.

I feel that in the course of the next year or two we may be faced with a serious economic problem in connection with the main line railways, even allowing for a marked improvement in our industrial position, and that our whole policy in regard to transport must have due regard to this fact. That, of course, is not to say that road development or road transport is to be harassed or hampered by any restrictions merely imposed to bolster up the railway companies, or which cannot be justified on a sound view of the needs and development of transport as a whole.

(Intld.) P.J.P.

30th January, 1932.