

COMMITTEE OF INQUIRY INTO INTERNAL TRANSPORT,
1957.

REPORT.

Houses of the Oireachtas

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COMMITTEE OF INQUIRY INTO INTERNAL TRANSPORT

R E P O R T

To:

THE MINISTER FOR INDUSTRY AND COMMERCE.

1. On the 14th July, 1956, we were appointed as a Committee with the following terms of reference:

"To inquire into and review the developments in internal transport in recent years as they affect public transport undertakings; to consider what measures are necessary, in the light of those developments, to ensure the provision of the transport requirements of the country on a basis which will best serve the public interests; and to report thereon to the Minister for Industry and Commerce on or before 1st November, 1956."

2. In the course of his address to us on the occasion of our first meeting on 24th July, 1956, your predecessor referred to the magnitude of the task entrusted to us but stressed the urgency of the inquiry and the need to complete it at the earliest possible date. We have carried out the inquiry as expeditiously as possible but have been unable to complete it by the date mentioned in our terms of reference. Internal transport covers a wide field and presents many complex problems with far reaching effects. Our study of the problems involved much research and detailed consideration of the many and varied representations made to us. Despite our best endeavours these considerations made it impossible for us to present our report earlier.

3. By advertisement in the public press on 25th, 27th and 30th July, 1956, and by radio announcement on the same dates we invited all interested bodies and persons to submit representations on matters relevant to our terms of reference not later than 25th August, 1956. Interested parties were asked to ensure that their representations were as comprehensive as possible as the time available for the completion of the inquiry did not permit of oral hearings except where considered necessary by us. Córas Iompair Éireann and the Great Northern Railway Board who provide the major part of public transport were specially invited to submit their views. Appendix I contains a list of organisations and individuals from whom submissions were received and those from whom oral evidence was taken. Memoranda were also received from the following Government Departments:

Department of Agriculture,
Department of Finance, and
Department of Local Government.

4. We held a total of forty meetings of which thirty-seven were full day meetings. Seven meetings were devoted to the hearing of oral evidence and the remainder to the study of statistical and financial information, deliberation and formulation of our findings.

PART I - GENERAL SURVEY OF INTERNAL TRANSPORTPRESENT TRANSPORT STRUCTURE

5. We have interpreted the phrase "internal transport" in our terms of reference to exclude air services and coastwise traffic.

6. Internal transport may be divided into two broad divisions which may be generally styled public and private transport. In this context, "public transport" means the carriage of passengers or goods for reward. "Private transport" is used to describe the carriage of persons or goods, in vehicles operated privately and not for reward.

7. Facilities for public transport by rail and road are at present provided by the following:

(a) For the carriage of passengers:

- (i) Rail and road services operated by public transport undertakings;
- (ii) Passenger road services licensed under the Road Transport Acts, other than those at (i) above;
- (iii) Small public service motor vehicles of six seats and under which are not required to be licensed under the Road Transport Acts (e.g. taxis, etc.)

(b) For the carriage of merchandise:

- (i) Rail and road services operated by public transport undertakings;
- (ii) Road hauliers licensed under the Road Transport Acts other than those at (i) above;
- (iii) Road hauliers operating in exempted areas and not required to be licensed under the Road Transport Acts. ^x

^x Note: The exempted areas are the areas within a radius of 15 miles of the principal post offices in Dublin and Cork, and within a radius of 10 miles of the principal post offices in Limerick, Waterford and Galway.

8. The following are the principal undertakings providing public transport services:

Córas Iompair Éireann	(Rail, Road, Canal and River Services and a Steamer Service to the Aran Islands)
Great Northern Railway Board	(Rail and Road Services)
Londonderry and Lough Swilly Railway Company	(Road Services only)
Sligo, Leitrim and Northern Counties Railway Company	(Rail and Road Services)
Co. Donegal Railways Joint Committee.	(Rail and Road Freight Services).

In addition public transport services are provided by persons in groups - (a) (ii) and (iii); (b) (ii) and (iii) above. Córas Iompair Éireann operates wholly within the State; the other principal undertakings provide cross-Border services.

9. A general picture of the scope of the operations of the five public transport undertakings and other licensed operators is given in Table 1.

10. While it is not possible to present a similar picture of private transport general particulars are given in Table 2.

TABLE 2

NUMBERS OF PRIVATE CARS, COMMERCIAL GOODS VEHICLES
AND TRACTORS LICENSED IN AUGUST, 1956.

Private Cars		Commercial Goods Vehicles				Tractors
Description	Number	Unladen weight	Carriers (a)	Others	Total	(b)
Not exceeding 10 h.p.	108,672	Not exceeding 12 cwts	104	7,269	7,373	
		12 - 16 cwts.	46	4,470	4,516	
		16 - 20 "	303	14,217	14,520	
Exceeding 10 h.p. but not exceeding 16 h.p.	22,152	1 - 2 tons	537	2,900	3,437	
		2 - 3 "	2,262	6,031	8,293	
		3 - 4 "	619	1,745	2,364	
		4 - 5 "	283	319	602	
Exceeding 16 h.p.	5,137	5 - 6 "	87	152	239	
		6 - 7 "	30	39	69	
		7 - 8 "	24	41	65	
		8 - 9 "	15	76	91	
		Over 9 "	5	23	28	
TOTAL:	135,961	-	4,315	37,282	41,597	16,335

- (a) This column shows the numbers of commercial goods vehicles licensed by persons describing themselves as "carriers" and includes the main public transport concerns, licensed hauliers, hauliers operating within the exempted areas and hauliers engaging in the transport of commodities, (e.g. turf) which are exempted from the restrictions imposed by the Road Transport Acts.
- (b) This column shows the number of tractors taxed for haulage on the public roads. In addition there are 12,253 agricultural tractors not used on the public roads for the haulage of anything but their own equipment as well as about 3,000 tractors used solely on the land.

INTRODUCTORY HISTORICAL SURVEY OF PUBLIC TRANSPORT

11. In the period preceding and during the 1914-18 war dividends of up to 5 $\frac{1}{2}$ % were paid on ordinary share capital by the principal railway companies in Ireland. Difficulties may be said to have commenced during the period of the 1914-18 war, when salaries and wages were increased by amounts varying from 80% to 275%, and conditions of service were improved and working hours reduced. Despite such increases in rates and fares as the railway companies were able to impose and maintain, net revenues proved insufficient to meet the increased charges and to leave a satisfactory balance for the payment of dividends.

12. On the establishment of the State in 1922 there were 46 railway companies operating in the 32 Counties having an aggregate capital of £47 million and a total mileage of railway line of 3,478 miles. Their revenue position, particularly that of the smaller companies, continued to deteriorate. With a view to effecting economies in management and operation and securing the continuation of railway facilities over areas served by the smaller undertakings, 26 separate railway concerns operating exclusively within the State were amalgamated under the Railways Act, 1924 in a new company, viz. the Great Southern Railways Company. The total issued capital of the 26 concerns amalgamated amounted to £27.3 million. The capital, including debenture stock, of the newly established Great Southern Railways Company was £26 million. Five operating companies, viz. the Great Northern Railway Company (Ireland), the Londonderry & Lough Swilly Railway

Co., the Co. Donegal Railways Joint Committee, the Sligo, Leitrim and Northern Counties Railway Co. and the Dundalk, Newry & Greenore Railway Co., whose lines were situated partly within and partly without the State, were not included in the new Company. The Railways Act, 1924, imposed on the Company an obligation to compensate employees rendered redundant consequent on the amalgamation. Under the Act, railway rates and fares were subject to control by the Railway Tribunal. The Act also imposed an obligation on railway companies to fix rates of pay and conditions of service of employees in agreement with trade unions. This obligation was later extended to road transport employees of railway companies by the Railways Act, 1933.

13. Prior to 1927, the railways were precluded from undertaking road motor services to meet the competition of private operators who, subject to no legislative or administrative restrictions in respect of routes or charges, were capturing short distance traffic, especially in the conveyance of passengers, with adverse effects on the revenues of the railway concerns. In 1927, the Railways (Road Motor Services) Act, 1927, was passed to enable the railway companies to enter the field of road motor transport. This Act authorised railway companies to operate road motor services subject to certain controls by the Minister for Industry and Commerce. Availing itself of this legislation the Great Southern Railways Company entered into an agreement in 1927 under which the Irish Omnibus Co. Ltd., then the principal road passenger undertaking, operated numerous road passenger services on

behalf of the Railway Company. In addition, the Company acquired in 1931 a controlling interest in John Wallis & Sons Ltd., who were engaged in a considerable way in road merchandise transport. The Great Northern Railway Company acquired in 1929 a number of road passenger concerns and commenced to operate road merchandise services from some of its principal railway stations. In 1931, the Londonderry and Lough Swilly Railway Company inaugurated road passenger services over a large portion of its area.

14. Further legislation was found necessary in 1932 owing to the continued expansion of private road passenger services which had brought about a serious decline in railway passenger receipts. Up to that year, it was open to any person to operate road passenger services and with the increasing popularity of motor transport a number of omnibus services were established. The Road Transport Act, 1932, imposed on all road passenger services a measure of control by means of a system of licensing designed to limit new entrants and to secure improved standards of operation. This Act repealed the Railways (Road Motor Services) Act, 1927, but granted additional powers to railway, tramway and canal companies to engage in road transport, both passenger and merchandise, to acquire by agreement undertakings engaged in such transport and to raise money for these purposes. Simultaneously, having regard to alternative transport facilities available, the Railways (Miscellaneous) Act, 1932, provided for the discontinuance or reduction of train services in respect of railway lines which had been constructed or operated partly out of public moneys.

15. The Road Transport Act, 1932, and the Railways (Miscellaneous) Act, 1932, were not availed of to any great extent by the railway companies to extend their road motor transport operations or to limit their operations on uneconomic railway lines. The Great Southern Railways Company confined its road operations to the arrangements with the Irish Omnibus Co. Ltd., for passengers and John Wallis & Sons Ltd., for merchandise. The Great Northern Railway Co. acquired some further passenger services and extended railhead road merchandise services inaugurated in 1929.

16. In 1933 two important Acts were passed, namely, the Road Transport Act, 1933, and the Railways Act, 1933. The Road Transport Act, 1933, restricted the operation of road merchandise transport for reward, outside certain exempted areas at the principal ports, to railway, canal and shipping companies and to persons who were operating road merchandise services prior to the passing of the Act. Under this Act which, subject to some amendments, is still in operation, a licensing system was introduced under which existing road merchandise carriers, except those operating within the exempted areas, were restricted as regards the area of operation, the classes of merchandise carried and the weight of the vehicles used. This Act also provided for the acquisition by the statutory transport companies, by compulsory purchase, if necessary, of the passenger and merchandise road transport businesses of other licensees.

17. Under the Railways Act, 1933, the capital of the Great Southern Railways Company was reduced from £26 million to £12.3 million - a sum of £13.7 million being written off.

The reduction in capital was effected as follows:

Stock	Reduction	Reduced Capital
4% Debenture	15%	£ 7,076,972
4% Guaranteed Preference	50%	1,943,167
4% Preference	65%	1,776,224
Ordinary	90%	777,927
		<u>11,574,290</u> X
Subsidiary Stocks and Loans		<u>772,230</u>
		12,346,520

X The slight difference between this figure and that in the First Schedule to the Railways Act, 1933, is accounted for by fractional differences which arose in the application of the percentages.

Under the Act debts to the capital value of £285,900 due to the State by the Great Southern Railways Company were written off. Provision was also made in the Act whereby, on the application of a railway company, the Minister for Industry and Commerce, could, by Order, sanction the discontinuance or reduction of train services over any railway line provided adequate alternative road services were substituted.

18. These legislative provisions did not prevent the continuance of the financial deterioration of the railway companies. By 1938, net rail receipts reached their lowest level since 1922. Even the road merchandise services of the railway companies were operating at a loss while the road passenger services, although still operating at a profit, had also become less remunerative.

19. In 1938 a Tribunal was set up pursuant to resolutions of both Houses of the Oireachtas to inquire into the position of public transport in general and in particular into the circumstances contributing to the financial difficulties of the Great Southern Railways Company. The Tribunal reported in 1939 but the outbreak of war prevented the implementation of the many recommendations made, the most important of which dealt with the direction and management of the Great Southern Railways Company, the provision of additional capital under State guarantee, and increased duties on motor vehicles other than those operated by the statutory transport companies.

20. The emergency period following the outbreak of war in 1939 brought about an improvement in the financial position of the railway companies. During this period stringent restrictions were imposed on the use of private transport. Railway rates and fares were increased while wage increases were restricted by the control operating during the Emergency. The railway companies also enjoyed heavy traffic in the transport of turf to the cities and large towns and other special war-time traffics.

21. It was obvious that on the return of normal conditions after the War, railway operation would soon revert to the unsatisfactory position of pre-war years. To provide for this situation the Government decided that the Great Southern Railways Company should be replaced by a new organisation which would have the necessary capital to re-equip the undertaking, and that the new organisation should also take over the Dublin United Transport Company

which operated a system of road passenger services in the Dublin city and suburbs. The Transport Act, 1944, brought about the merger of the Great Southern Railways Company and the Dublin United Transport Company into a new company - Córas Iompair Éireann. This Act provided that the capital of the new company should not exceed £20 million - £16 million debenture stock and £4 million common stock. The initial capital, which was issued in substitution for the stock of the amalgamated companies at exchange rates laid down in the Act, was approximately £13.4 million consisting of £9.9 million debenture stock and £3.5 million common stock. The debenture stock was guaranteed by the Minister for Finance as to principal and as to interest (to the extent of 3%). In 1947 and 1948 issues amounting to £3 million 2½% debenture stock were made bringing the issued capital to £16.4 million. The Board of the new company consisted of a whole-time Chairman, appointed by the Minister for Industry and Commerce, and a number of other directors elected by the stockholders. With a view to lessening the evasions and infringements of the Road Transport Act, 1933, a stricter interpretation was placed on carriage of merchandise for reward by mechanically propelled vehicles. The Railway Tribunal was abolished and the control of railway rates and fares was transferred to the Minister for Industry and Commerce.

22. The termination of emergency conditions marked the beginning of a further decline in the finances of the railway companies. Following a Transport Inquiry in 1948 carried out by a team of experts headed by Sir James Milne, the Government decided that the undertakings of Córas Iompair Éireann and the Grand Canal Company should be

amalgamated and brought under public ownership. Effect was given to this decision in the Transport Act, 1950, under which a new Board, again entitled C6ras Iompair 6ireann, was set up, as from the 1st June, 1950, to administer the new organisation. The Board, appointed by the Government, and consisting of a whole-time Chairman and 6 part-time directors, was given full authority under the Act to determine rates, fares and other charges. The aggregate amount of transport stock substituted for securities of the former C.I.E. and Grand Canal Company was 216.4 million. The Act imposed an obligation on the Board "to provide or secure or promote the provision of an efficient, economical, convenient and properly integrated system of public transport for passengers and merchandise by rail, road and water". The Act imposed a further obligation on the Board to operate the undertaking so as "to secure, as soon as may be, that, taking one year with another, the revenue of the Board shall be not less than sufficient to meet the charges properly chargeable to revenue". The Act also made provision for the transfer of the power to authorise the discontinuance or reduction of train services from the Minister for Industry and Commerce to a new Transport Tribunal to be appointed by the Government.

23. The railway taken over by the new Board had fallen into a state of disrepair. The railway rolling stock consisted of 405 steam locomotives with an average age of 51 years; 680 passenger coaches with an average age of 48 years and 11,700 wagons with an average age of 35 years. The Board directed its attention to the rehabilitation of the railway, and, in May, 1952, as a first step, prepared a programme of capital works which has since been completed.

The principal items in this programme were the provision of 60 diesel railcars, 117 carriages and 1,061 wagons. To meet the cost of the programme a stock issue of £2.5 million was made in June, 1953. In July 1953, the Government approved of a capital programme drawn up by C.I.E. for the dieselisation and modernisation of the railway. This programme provided for an almost complete change-over from steam to diesel traction; the renewal of a considerable proportion of the carriage and wagon stock, the improvement of a number of goods stations and the provision of a number of oil locomotives capable of operating on turf in an emergency. The estimated net cost of this programme was £11.65 million. This programme is in the course of implementation. To meet part of the cost of the programme a stock issue of £4.5 million was made in April, 1955.

24. The year 1950 also saw the beginning of discussions between the Minister for Industry and Commerce and the Minister of Commerce of Northern Ireland which culminated in the joint acquisition of the Great Northern Railway by both Governments. The agreement to acquire the undertaking was given statutory effect by the Great Northern Railway Act, 1953, and a corresponding Act in the Six Counties. A Board was set up as from the 1st September, 1953, to manage the undertaking on behalf of the two Governments. The Board consists of 10 members, 5 of whom are appointed by the Minister for Industry and Commerce and 5 by the Minister of Commerce. Chairmanship of the Board alternates annually between the two senior members appointed by the Ministers.

25. The Great Northern Railway undertaking was acquired for the sum of £4.5 million which was provided in equal shares by the two Governments. The part of the undertaking in the State, with the exception of the Dundalk Works, which are the main workshops for the system, vests in the Minister. The Dundalk Works are vested in the Board. Under the Great Northern Railway Acts capital expenditure is provided by the area in which the expenditure falls, except in the case of expenditure on rolling stock and at the Dundalk Works, which is shared equally by the two areas. Profits and losses are apportioned in accordance with an agreed scheme. Generally, receipts and expenditure attributable to traffic local to either area are apportioned to that area; receipts and expenditure attributable to cross-Border traffic are apportioned on a mileage basis. The Great Northern Railway Acts contain special provisions regarding the termination of cross-Border train services. The Acts impose on the Board an obligation "so to conduct the undertaking as to secure, as soon as may be, that taking one year with another, the revenue of the Board shall be not less than sufficient to meet the charges properly chargeable to revenue".

26. In 1951 the Dundalk, Newry and Greenore railway was closed and replaced by road services provided by the G.N.R.

CORAS IOMPAIR ÉIREANNINTRODUCTORY

27. C.I.E. is the main authority for the provision of public transport within the State; it was re-constituted on 1st June, 1950 following the passing of the Transport Act, 1950.

28. C.I.E. operates road and rail services throughout the greater part of the State as well as ancillary services including water transport. Its mileage of railway line represents 84% of the total railway mileage within the State. The road passenger vehicle mileage and road freight vehicle mileage operated by C.I.E. represent 88% and 36%, respectively, of the total road mileages operated by public transport in the State. The size of the organisation may be gauged from the following particulars -

Year ended 31st March, 1956

Capital	...	...	...	£23.4 million
Total Receipts	...	...	...	£14.6 million
Total Numbers Employed				
Rail	11,507			
Road	7,684			
Other Services	<u>930</u>	...	20,121	
Salaries and Wages		...		£9.1 million
Passenger seating capacity:				
Rail	39,210 seats			
Road	<u>58,163</u> seats		97,373	seats
Freight carrying capacity:				
Rail	119,840 tons			
Road	<u>6,531</u> tons		126,371	tons
Mileage of railway line (First Track)				1,918 miles

29. In view of the preponderant position of C.I.E. in public transport we have made as detailed a study as time permitted of the various activities of the organisation with particular attention to trends and developments in recent years. The results of this study are set out under the following heads:-

- Passenger Train Transport.
- Freight Train Transport.
- Railway Receipts and Expenditure.
- Branch Railway Lines.
- Road Passenger Transport.
- Road Freight Transport.
- Other Services.
- Financial Position.
- Capital Structure, and Dieselisation
and Re-organisation Programme.

EXPLANATORY NOTES

- (a) While the various tables in this study are headed "C.I.E." they contain for comparison purposes appropriate figures for earlier years for the predecessors of the present organisation, viz. Great Southern Railways Company, Dublin United Transport Company and Grand Canal Company. Figures for each accounting period since the reconstruction of C.I.E. on 1st June, 1950, are segregated by a horizontal line from the figures for earlier years for the predecessors of the present organisation.
- (b) Indices are subjoined to the tables expressing the 1938 level as 100 and other years as percentages of the 1938 level. Index numbers relating to the period of 10 months ended 31st March, 1951, have been converted to numbers for a full year by the addition of one-fifth. The index numbers have been computed on full figures before rounding and may consequently show slight variations when compared with the figures rounded to the nearest thousand appearing in the tables.
- (c) Where available, figures for the period of 28 weeks ended on 14th October, 1956, have been inserted. Due to the seasonality of traffic no index numbers have been computed for the year ending on 31st March, 1957, based on the 28 weeks period, but figures for the 28 weeks period ended on 14th October, 1955, have been inserted for comparison purposes.
- (d) The letters "n.a." where they occur in the tables denote that the appropriate figures are not available.
- (e) In arriving at the figures for numbers of passenger journeys the usual practice has been followed of regarding each annual season ticket as equivalent to 600 passenger journeys on the assumption that it is used twice a day for 300 days in the year.

PASSENGER TRAIN TRANSPORTCORAS IOMPAIR LIREANN

30. Passenger train transport is an important branch of the activities of C.I.E., receipts from this source for the year ended 31st March, 1956, being 39% of the total railway receipts of C.I.E. and 18% of its receipts from all sources. The trends of passenger train transport in recent years are indicated by Table 3 which sets out the numbers of passenger journeys, passenger miles and passenger train miles, the gross passenger receipts and the average receipts per passenger journey for each accounting period since the establishment of C.I.E. in its present form on 1st June, 1950. Similar figures for earlier years are shown in the table for comparison. The year 1925 has been selected as representative of the period before the large-scale development of road motor transport. The year 1938 has been chosen as the latest pre-war year. The years 1944 and 1945 have been included as war-time years when private transport was restricted. The year 1947 has been included in the table as it marked the revival of private road transport and because particulars are available for that year of the volume of suburban passenger train traffic to which reference is made in subsequent paragraphs.

21.
TABLE 3.

C. I. E.

PASSENGER TRAIN TRAFFIC

Period	Passenger Journeys	Passenger Miles	Passenger Train Miles	Gross Passenger Receipts £	Average Receipt per Passenger Journey
<u>Year ended</u>	Thousands				s. d.
31/12/1925	15,750	n. a.	5,607	1,497	1/10.8
31/12/1938	11,587	n. a.	5,657	844	1/ 5.5
31/12/1944	8,751	n. a.	1,614	953	2/2 .2
31/12/1945	9,705	n. a.	1,712	1,113	2/3 .5
31/12/1947	11,079	n. a.	2,144	1,063	1/11.0
<u>10 months ended</u>					
31/3/1951	6,861	n. a.	2,909	1,098	3/2 .4
<u>Year ended</u>					
31/3/1952	8,291	222,142	3,815	1,378	3/3 .9
31/3/1953	8,229	217,588	3,921	1,539	3/8 .9
31/3/1954	8,104	231,074	4,170	1,666	4/1 .4
31/3/1955	8,188	263,627	4,515	1,803	4/4 .9
31/3/1956	8,920	274,394	4,636	1,887	4/2 .8
<u>28 weeks ended</u>					
14/10/1955	5,042	n. a.	3,101	1,300	5/1 .9
14/10/1956	4,143	n. a.	3,022	1,332	6/5 .2
<u>Indices</u> (1938 = 100)					
<u>Year ended</u>					
31/12/1925	136		99	177	130
31/12/1938	100		100	100	100
31/12/1944	76		29	113	150
31/12/1945	84		30	132	157
31/12/1947	96		38	126	131
31/3/1951	71		62	156	219
31/3/1952	72		67	163	228
31/3/1953	71		69	182	257
31/3/1954	70		74	197	282
31/3/1955	71		80	214	302
31/3/1956	77		82	223	290

31. Statistics of the number of passenger journeys are not necessarily a true measure of the volume of passenger train traffic in any year as they do not take into account the distance factor. Passenger miles are a more accurate measure of the volume of traffic but, unfortunately, figures of passenger miles are not available for the periods prior to the year ended 31st March, 1952. Hence it was necessary to examine the trends in passenger train traffic by reference to the numbers of passenger journeys.

32. The number of passenger journeys in the year ended 31st March, 1956 represents a loss of 43% on the 1925 level and 23% on the 1938 level. Coaching mileage is now 82% of the figures for both 1925 and 1938. The years 1944 and 1947 were exceptional years for the reason that train services were restricted due to fuel shortage. On the other hand private motoring was severely restricted in 1944 due to petrol rationing and the scarcity of new cars while in 1947 the post-war expansion in private motoring had only begun. The total seating capacity of the C.I.E. railway carriages which was 52,892 seats in 1925 remained almost unchanged in 1938 despite the fall of 26% in the numbers of passenger journeys, but by 1956 had fallen by 13,682 to 39,210 or by 26%.

33. The number of passenger journeys in the period of 28 weeks ended 14th October, 1956, shows a sharp drop as compared with the corresponding period in 1955. It is not possible to say how far this decline in passenger traffic is attributable to resistance to increased fares introduced in February, 1956, or to the fact that passenger traffic in 1955 was heavy because of the very fine summer of that year. The increase of 25% in the average

receipt per passenger journey as compared with the general increase of 10% in fares indicates that much of the traffic lost has been in short distance suburban traffic due largely to the bad summer of 1956 as compared with 1955.

34. A significant part of the C.I.E. passenger train traffic consists of suburban traffic between Dublin and Greystones where frequent train services are operated to accommodate the large number of residents in the Blackrock, Dun Laoghaire, Bray and Greystones areas who travel to Dublin daily for business and other purposes. During the summer season there is also substantial passenger train traffic to the seaside resorts in these areas. In addition there is heavy suburban traffic on the Cork-Cobh line. In the year ended 31st March, 1956, the gross passenger receipts were 123% over the figure for 1938 while the average receipt per passenger journey was 190% over the 1938 level. This discrepancy indicated that much of the traffic lost was short-distance suburban traffic. In the circumstances we asked C.I.E. to extract figures for suburban traffic between Dublin and Greystones (both Harcourt Street and Westland Row lines) and between Cork and Cobh. Particulars are available only for the years 1938, 1947 and for the five years to 31st March, 1956. These are set out in Table 4.

TABLE 4.

C.I.E.

SUBURBAN RAIL PASSENGER TRAFFIC ^X

Period	Passenger Journeys	Passenger Miles	Gross Passenger Receipts £	Average Receipt per Passenger Journey
	Thousands			pence
31/12/1938	7,350	n. a	139	4.5
31/12/1947	7,900	57,164	206	6.3
<u>Year ended</u>				
31/3/1952	4,825	39,378	163	8.1
31/3/1953	4,736	38,214	172	8.7
31/3/1954	4,677	38,066	178	9.1
31/3/1955	4,353	32,680	165	9.1
31/3/1956	4,532	37,425	175	9.3
	<u>Indices</u>			
	(1938 = 100)			
<u>Year ended</u>				
31/12/1938	100		100	100
31/12/1947	107		149	140
31/12/1952	66		118	180
31/3/1953	64		124	193
31/3/1954	64		128	202
31/3/1955	59		119	202
31/3/1956	62		126	207

^X Comprising traffic between Dublin and Greystones (both Harcourt Street and Westland Row lines and including Westland Row - Dun Laoghaire mail boat pier); and between Cork and Cogh.

35. Table 4 reveals a very substantial decline in passenger train traffic on the suburban services since 1938, the numbers of passenger journeys having fallen by 38%. By taking the average of the last three years there has been a loss of 2,829,000 passenger journeys as compared with 1938. The corresponding loss on all passenger train services, including suburban services, has been 3,182,000. It is clear, therefore, that by far the greater part of the loss in passenger train traffic sustained by C.I.E. since 1938 has been on suburban services. It should be borne in mind, however, that suburban train traffic represents short distance traffic at a low rate per passenger mile and consequently the heavy loss in the numbers of passengers represents a relatively small loss in receipts. Receipts from suburban passenger traffic amounted to £139,000 or 16% of the total rail passenger receipts in 1938 and to £175,000 or 9% of the total rail passenger receipts in the year ended 31st March, 1956. The figures for 1947 are exceptional for the reason that a stoppage of C.I.E. road passenger services occurred in that year due to a strike which lasted 9 weeks. This resulted in an increased volume of suburban train traffic during the period of the strike. The entire loss in suburban traffic since 1938 revealed by Table 4 was on the Dublin - Greystones lines; the Cork - Cobh line having retained its 1938 traffic. The loss in suburban traffic has occurred despite the increase in the population of Dun Laoghaire Borough during the inter-censal period 1946 - 1956 and the increase in the volume of cross-channel mail boat traffic passing through Dun Laoghaire. The loss in traffic on the Dublin - Greystones

lines cannot be attributed in large measure to the growth in the numbers of private cars as the road services in Dublin city and suburbs show an increase of 60% in volume of traffic since 1938 (see Table 17). While the growth in the numbers of private cars no doubt had some influence the major explanation for the loss in traffic on the Dublin - Greystones lines would appear to be a diversion of the traffic from rail to omnibus services which were substituted for tramway services on the Dublin - Dalkey and Dublin - Dun Laoghaire routes in 1947. The omnibus services provide faster travel than the tram services which they replaced and have evidently attracted substantial traffic from the railway. It will be noted that the volume of suburban passenger train traffic has remained relatively static since 1952.

36. In view of the special character of suburban passenger train traffic it has been excluded in Table 5 which in consequence presents a picture of non-suburban passenger train traffic.

TABLE 5.

C.I.E.PASSENGER TRAIN TRAFFIC EXCLUDING SUBURBAN TRAFFIC

Period	Passenger Journeys	Passenger Miles	Gross Passenger Receipts £	Average receipt per Passenger Journey
<u>Year Ended</u>	Thousands			s. d.
31/12/1938	4,235	n. a.	706	3/4.0
31/12/1947	3,178	n. a.	857	5/4.7
<u>Year Ended</u>				
31/3/1952	3,467	182,764	1,215	7/0.1
31/3/1953	3,494	179,374	1,367	7/9.9
31/3/1954	3,426	193,008	1,488	8/8.3
31/3/1955	3,835	230,947	1,639	8/6.6
31/3/1956	4,388	236,969	1,712	7/9.7
<u>Indices</u>				
(1938 = 100)				
<u>Year Ended</u>				
31/12/1938	100		100	100
31/12/1947	75		121	162
31/3/1952	82		172	210
31/3/1953	82		193	235
31/3/1954	81		211	261
31/3/1955	91		232	257
31/3/1956	104		242	234

37. It will be seen that while the volume of non-suburban passenger train traffic declined after 1938 it recovered in recent years and in 1956 it reached a somewhat higher level than in 1938. Excluding the Dublin-Greystones and the Cork-Cobh suburban services, C.I.E. has on average over the past three years lost only 8% of passenger train traffic since 1938 despite an increase from 48,599 in 1938 to 135,961 in 1956 in the numbers of private cars in use. Passenger train traffic declined considerably in the period 1925 to 1938 during which period the increase in the number of private cars in use was relatively small - from 16,211 in 1925 to 48,599 in 1938 - further indicating that the loss in passenger train traffic in that period was not due to private motor transport but to road passenger services operated by C.I.E.'s predecessors.

38. The volume of passenger train traffic, excluding the suburban services, has shown a marked expanding trend since 1954. Comparing the year ended 31st March, 1954 with that ended 31st March, 1956 the number of passengers carried shows an increase of 28% and the same period shows an increase of 23% in the number of passenger miles. This expansion in passenger train traffic since 1954 has occurred despite the progressive increase in the numbers of private cars in use (See Appendix 8). Between the years 1954 and 1956 the numbers of private cars licensed increased by 18,501 or by more than 15%. This expanding trend in passenger traffic would appear to be due in large measure to the following factors:

- (i) Diesel rail cars have, since their introduction, proved themselves popular with the travelling public particularly for long distance travel because of their improved standards of speed, comfort and cleanliness.
- (ii) C.I.E. has in recent years developed excursion traffic which must have generated much long distance train traffic. Day trips at single fares for return journeys have been introduced from a number of stations to the principal cities on a selected day each week. The past few years have seen increasing numbers of special trains to Knock Shrine. There has also been increased excursion traffic to G.A.A. fixtures throughout the country and the radio trains to Galway and Killarney have given rise to increased traffic. Particulars of excursion traffic for the years ended 31st December, 1938, and 31st March, 1956, are as follows:

<u>Excursions</u>	<u>Passenger Journeys</u>	
	1938	1956
G.A.A. Fixtures	186,098	280,522
Knock Shrine	15,136	110,074
Radio Train	-	23,098
Racing Fixtures	58,004	36,114
Mid-Week Excursions	(a)	111,998
	259,238	561,806

(a) There was no mid-week excursion arrangement in 1938 comparable with that obtaining in 1956.

- (iii) There has undoubtedly been a marked development, in recent years, in the tendency of people to travel. The number of private cars on the roads is in itself a pointer to the extent of the trend towards increased travelling.

- (iv) The exceptionally fine summer period in 1955 no doubt accounted for part of the increase in passenger traffic in the year ended 31st March, 1956.

39. Passenger train traffic is highly seasonal. The main peak period is during the months of July and August each year during which period the bulk of the holiday traffic is handled. This is illustrated by the following figures. Excluding suburban traffic, the average number of passenger journeys per month for the year ended 31st March, 1956, was 375,000. The numbers of journeys in July and August of that year amounted to 765,000 and 684,000, respectively, which are about twice the monthly average and nearly four times the number of journeys for February (210,000) which is the month in which the volume of passenger traffic is lowest. Apart from the summer season peak, short intensive peaks occur at the August bank holiday, Christmas and Easter when the volume of passenger traffic is much in excess of normal traffic.

40. The decline in the total passenger train traffic of C.I.E. has been relatively steeper in first class passenger traffic than in total passenger traffic. In 1925 one in every nine passengers purchased a first or second class ticket. In 1938 following a period of severe economic depression the ratio was reduced to 1 in 18; in 1951/52 the ratio was 1 in 16 and in 1955/56 it reached the low level of 1 in 26. This greater decline in first class travel is no doubt due to the improved third class services now being provided and the increased cost of rail travel. In addition it is reasonable to assume that the acquisition of private cars has

been relatively greater by persons who normally travelled first class by train.

41. A feature of Table 5 is the small volume of the passenger train traffic of C.I.E. The 4.39 million passenger journeys (excluding suburban traffic) in the year ended 31st March, 1956, represents less than two train journeys per year per head of the estimated population resident in the C.I.E. area. The position is still more unfavourable if the substantial excursion traffic is excluded since this traffic represents almost 13% of the total traffic.

42. The following are the adjustments in the level of passenger train fares charged by C.I.E. which have been put into operation from time to time since 1944:-

Date of Fares' Adjustment	Adjustment	Resultant level of fares in relation to fares charged in 1938
		(1938 = 100)
Year 1938		100
1st July, 1946	Single 15% Reduction Return 10% "	n. a.
21st April, 1947	Single 12 $\frac{1}{2}$ % Increase Return 20% "	n. a.
1st May, 1949	Single 16 $\frac{3}{4}$ % Increase Return 8 $\frac{3}{4}$ % "	155
10th Sept. 1951	Single 14 $\frac{2}{7}$ % Increase Return 12 $\frac{1}{2}$ % "	175
1st July, 1952	5% Surcharge	183
2nd Feby. 1953	7 $\frac{1}{7}$ % Surcharge	196
1st Feby. 1956	10% Increase	216

It will be noted that the increase of 10% on 1st February, 1956, was in operation for only two months of the year ended 31st March, 1956, and that the average level of fares in that year would, therefore, represent an increase of approximately 100% over the 1938 fares.

43. It will be seen from Table 3 that the total gross passenger receipts for the year ended 31st March, 1956, represent an increase of 123% over the 1938 receipts whereas the general level of fares had increased by approximately 100%. This indicates that the loss in suburban traffic has been more than offset by an increase in the average length of non-suburban journeys. It follows that if C.I.E. received the same volume and character of traffic in 1956 as in 1938 at the current level of fares there would be a reduction in present gross receipts. C.I.E. is, therefore, better off in its passenger train department than in 1938 despite the loss of suburban traffic; if in addition to existing traffic the suburban traffic had been maintained at the 1938 level the gross passenger receipts at the present level of fares would be increased by approximately £103,000 though mainly at the expense of the road passenger working.

44. In addition to receipts from passengers, passenger train revenue includes receipts for the carriage of mails and other goods by passenger train. The following are the relevant figures:-

TABLE 6

C. I. E.

GOODS INCLUDING MAILS CARRIED BY PASSENGER TRAINS

Period	Receipts
Year ended	£ thousand
31/12/1925	495
31/12/1938	442
31/12/1944	512
31/12/1947	549
<u>10 months ended</u>	
31/3/1951	465
<u>Year ended</u>	
31/3/1952	634
31/3/1953	714
31/3/1954	743
31/3/1955	738
31/3/1956	746
<u>28 weeks ended</u>	
14/10/1955	400
14/10/1956	434

45. Goods carried by passenger trains comprise parcels, parcel post, excess luggage and other merchandise. Receipts from goods and mails carried by passenger trains were 28% of the total passenger train receipts for the year ended 31st March, 1956. It will be seen that the increase in receipts is 50% over the 1925 figure and 70% over the 1938 receipts. Unlike passenger traffic, receipts from goods and mails in the period of 28 weeks ended 14th October, 1956, show an increase of £34,000 or 8½% as compared with the corresponding period in 1955.

FREIGHT TRAIN TRANSPORTCORAS IOMPAIR ÉIREANN

46. The importance of freight train transport may be judged from the fact that receipts from this source represent 60% of total railway receipts. In our examination of freight train transport the same years have been selected for comparison purposes as in the case of passenger train transport. Table 7 sets out for these years loaded wagon miles, ton miles (excluding livestock), average receipts per ton mile and per ton for freight train traffic (excluding livestock).

TABLE 7.

C.I.E.

FREIGHT TRAIN TRAFFIC

	Loaded Wagon Miles	Ton Miles (excluding livestock)	Average Receipt per ton mile (excluding livestock)	Average Receipt per ton (excluding livestock)
Year ended	Thousands		pence	£. s. d.
31/12/1925	56,775	135,739	3.21	15. 10
31/12/1938	55,463	167,026	2.26	13. 5
31/12/1944	61,406	262,355	2.70	18. 11
31/12/1945	61,871	267,028	2.74	19. 2
31/12/1947	51,120	231,729	3.00	1. 1. 0
<u>10 months ended</u>				
31/3/1951	42,841	165,999	3.43	1. 3. 10
Year ended				
31/3/1952	60,547	205,580	3.85	1. 6. 0
31/3/1953	55,963	179,289	4.44	1. 9. 10
31/3/1954	58,656	197,234	4.57	1. 10. 5
31/3/1955	60,713	189,771	4.62	1. 11. 5
31/3/1956	60,233	196,170	4.52	1. 11. 11

Indices
(1938 = 100)

Year ended				
31/12/1925	102	81	142	118
31/12/1938	100	100	100	100
31/12/1944	111	157	119	141
31/12/1945	112	160	121	143
31/12/1947	92	139	133	157
31/3/1951	93	119	151	178
31/3/1952	109	123	170	194
31/3/1953	101	107	196	222
31/3/1954	106	118	202	227
31/3/1955	109	114	204	234
31/3/1956	109	117	200	238

47. Ton miles are the more satisfactory measure of the volume of traffic. The main feature of Table 7 is that the volume of freight train traffic (excluding livestock) as measured by ton miles in the year ended 31st March, 1956, showed increases of 44% and 17% over the volume in the years 1925 and 1938, respectively. It is significant that this increased traffic was not accompanied by corresponding increases in the number of loaded wagon miles which is an indication of better loading. The increases in wagon miles is only 6% over the 1925 figure and 8.6% over the 1938 figure. As for recent years, the table shows that the volume of freight train traffic has not changed appreciably.

48. The average receipts per ton mile and per ton point to an interesting conclusion. Reductions in freight charges between 1925 and 1938 are apparent from the average figures given per ton mile and per ton but the reduction is much steeper as a charge per ton mile than as a charge per ton. This reflects the increase in the average length of haul in 1938 but it also throws into relief the relatively high charge made for rail freight transport in 1925. It will be noted that even as recently as 1947, average charges for rail freight transport had not returned to the high level of 1925 when railways had a virtual monopoly of public transport of freight.

49. Freight train traffic is grouped by C.I.E. under the following headings:-

- Merchandise
- Coal, Coke and Patent Fuel
- Other Minerals (including turf, beet and gypsum)
- Livestock

Tables 8, 9, 10 and 11 set out the tonnages, numbers of livestock, ton miles, average length of haul and gross receipts for each group.

TABLE 8

C. I. E.

TONNAGE OF GOODS AND NUMBERS OF LIVESTOCK

PERIOD	MERCHANDISE		COAL, COKE AND PATENT FUEL		OTHER MINERALS		TOTAL (excluding livestock)		LIVESTOCK	
	Thousand tons.	Indices (1938 = 100)	Thousand tons.	Indices (1938= 100)	Thousand tons.	Indices (1938=100)	Thousand tons.	Indices (1938=100)	Thousands	Indices (1938=100)
<u>Year ended</u>										
31.12.1925	1,593	108	566	125	139	34	2,298	98	2,169	156
31.12.1938	1,479	100	454	100	416	100	2,349	100	1,394	100
31.12.1944	1,714	116	311	69	1,097	264	3,122	133	1,411	101
31.12.1945	1,795	121	348	77	1,034	249	3,177	135	1,715	123
31.12.1947	1,575	107	315	69	870	209	2,760	118	965	69
<u>10 mths. ended</u>										
31.3.1951	1,449	118	164	43	381	110	1,994	102	665	57
<u>Year ended</u>										
31.3.1952	1,904	129	158	35	475	114	2,537	108	912	65
31.3.1953	1,707	115	113	25	406	98	2,226	95	843	61
31.3.1954	1,760	119	106	23	604	145	2,470	105	742	53
31.3.1955	1,711	116	98	22	515	124	2,324	99	862	62
31.3.1956	1,793	121	94	21	430	103	2,317	99	661	47

TABLE 9
C. I. E.
TON MILES

PERIOD	MERCHANDISE		COAL, COKE AND PATENT FUEL		OTHER MINERALS		TOTAL	
	Thousands	Indices (1938 =100)	Thousands	Indices (1938=100)	Thousands	Indices (1938=100)	Thousands	Indices (1938=100)
<u>Year ended</u>								
31.12.1925	99,112	83	30,607	107	6,019	30	135,739	81
31.12.1938	118,775	100	28,489	100	19,762	100	167,026	100
31.12.1944	136,194	115	45,581	160	80,581	408	262,355	157
31.12.1945	145,150	122	44,430	156	77,448	392	267,028	160
31.12.1947	139,906	118	33,903	119	57,919	293	231,729	139
<u>10 mths. ended</u>								
31.3.1951	126,318	128	17,521	76	22,161	135	165,999	119
<u>Year ended</u>								
31.3.1952	163,946	138	10,584	37	31,050	157	205,580	123
31.3.1953	146,160	123	7,711	27	25,419	129	179,289	107
31.3.1954	152,117	128	7,248	25	37,869	192	197,234	118
31.3.1955	152,008	128	7,131	25	30,632	155	189,771	114
31.3.1956	160,529	135	7,977	28	27,663	140	196,170	117

TABLE 10
C. I. E.
AVERAGE LENGTH OF HAUL

PERIOD	MERCHANDISE	COAL COKE & PATENT FUEL	OTHER MINERALS	ALL CLASSES EXCEPT LIVESTOCK	LIVESTOCK
<u>Year ended</u>					
31.12.1925	61.34	47.40	41.40	59.07	60.90
31.12.1938	79.64	54.43	46.64	71.11	67.44
31.12.1944	79.11	105.71	73.50	84.03	68.14
31.12.1945	80.36	99.37	73.96	84.05	68.70
31.12.1947	88.14	84.15	65.49	83.96	69.09
<u>10 mths. ended</u>					
31.3.1951	87.18	106.84	58.17	83.25	n.a.
<u>Year ended</u>					
31.3.1952	86.12	67.15	65.39	81.06	74.27
31.3.1953	85.64	67.98	62.55	80.53	72.22
31.3.1954	86.44	68.45	62.69	79.86	73.55
31.3.1955	88.85	72.96	59.46	81.67	77.83
31.3.1956	89.52	84.81	64.37	84.67	79.29

TABLE 11.

C.I.E.

FREIGHT TRAIN RECEIPTS

Period	Merchandise	Coal, Coke & Patent Fuel	Other Minerals	Total (excluding live-stock)	Live-stock	Total
<u>Year ended</u>	£ thousand					
31/12/1925	1,538	234	45	1,817	457	2,274
31/12/1938	1,280	170	125	1,575	282	1,857
31/12/1944	2,089	253	613	2,955	409	3,365
31/12/1945	2,211	264	573	3,048	506	3,554
31/12/1947	2,163	220	513	2,896	350	3,246
<u>10 months ended</u>						
31/3/1951	2,042	125	204	2,371	270	2,641
<u>Year ended</u>						
31/3/1952	2,875	115	304	3,294	423	3,717
31/3/1953	2,943	90	285	3,318	406	3,724
31/3/1954	3,208	94	452	3,754	387	4,140
31/3/1955	3,188	90	376	3,654	461	4,115
31/3/1956	3,263	93	338	3,694	358	4,053
	<u>Indices.</u> (1938 = 100)					
<u>Year Ended</u>						
31/12/1925	120	138	36	115	162	123
31/12/1938	100	100	100	100	100	100
31/12/1944	163	149	491	188	145	181
31/12/1945	173	156	459	194	179	191
31/12/1947	169	130	411	184	124	175
31/3/1951	191	88	196	181	115	171
31/3/1952	225	68	243	209	150	200
31/3/1953	230	53	224	211	144	200
31/3/1954	251	55	362	238	137	223
31/3/1955	249	53	301	232	164	222
31/3/1956	255	55	270	235	127	218

NOTE: See Paragraph 67 for comment on freight train receipts for 28 weeks ended 14/10/56.

MERCHANDISE

50. Merchandise accounts for the principal part of the total freight tonnage, the receipts under this heading for the year ended 31st March, 1956, being approximately 80% of the total freight train receipts and almost 50% of the total railway receipts. There has been little variation in the tonnage of merchandise carried in recent years but it is noteworthy that the tonnage carried in the year ended 31st March, 1956, is greater by 13% than that of 1925 and by 21% as compared with 1938. The volume of traffic in merchandise as measured by ton miles has shown a still greater increase; the ton mile figures show an increasing trend in recent years and the figure for the year ended 31st March, 1956 represents increases of 62% and 35% respectively on the 1925 and 1938 levels.

51. These increases cannot be related directly to the increase in the total volume of goods available for transport in the country arising from increased production, imports and exports. The volume of industrial production of transportable goods has increased by 100% since 1938. This is not to say, however, that the volume of transport of industrial goods should have increased proportionately. Much of our industry is located in the large centres of population, particularly Dublin. The volume of transport arising from the carriage of materials from port to factory or from the distribution of the finished product to the adjoining populous areas is not great as measured in ton miles and is of the short haul variety unsuited to rail transport. Gross agricultural output has remained relatively unchanged. The volume of imports has increased by 52% since 1938 while the volume of

exports has increased by 29% over the same period. It cannot be said how much of the traffic originating from these increases is of a kind suitable for rail transport. Much of it is short haul and consideration must also be given to the fact that in a country with a thinly

scattered population a substantial part of the population is not served direct by railways.

52. Part of the increase in the volume of merchandise traffic is attributable to the increase in the average mileage over which goods are carried by rail. Table 10 illustrates the marked trend towards greater length of haul in all freight train traffic indicating that the tendency of the railway is to lose short haul traffic and to specialise in the type of traffic for which it is more suitable i.e. long distance traffic.

53. Receipts from the transport of merchandise have increased at a steeper rate than volume due to the various increases in rates. The following is an index of variations in rates since 1944 based on the 1938 level:-

Changes in Freight Rates since 1944

Index
(1938 = 100)

			Goods	Livestock
1938			100	100
1st July, 1946	7½%	Reduction	136	125
21st Apr. 1947	20%	Increase	163	150
10th Sept. 1951	16¾%	"	190	175
1st July, 1952	5%	Surcharge	200	184
2nd Feby. 1953	7 ¹ / ₇ %	"	214	197
1st Feby. 1956	10%	Increase	235	217

The increase of 135% in freight rates since 1938 coincides with an increase of the same magnitude in the total receipts for freight train traffic excluding livestock shown in Table 11. The index of freight rates, however, takes into account the increase of 10% in rates imposed on the 1st February, 1956, which was in operation for only two months of the year ended 31st March, 1956. The increase in rates above the 1938 level for the whole of that year may be taken at 117%. The increase in receipts of 135% compared with the increase in rates of 117% reflects the increased volume in traffic since 1938. Similarly the increase in rates for livestock above the 1938 level may be taken as 100% for the whole of the year ended 31st March, 1956, as compared with an increase of 27% in receipts, the difference reflecting the loss of this type of traffic.

COAL, COKE AND PATENT FUEL

54. While merchandise traffic has increased, this is not so of the traffic in coal, coke and patent fuel, the receipts from which now account for only 2½% of freight train receipts (other than livestock) as compared with corresponding percentages of 12.9% and 10.8% in the years 1925 and 1938, respectively. There has been a progressive decline in the volume of this traffic over the years; tonnage has fallen by 83% since 1925 and by 79% since 1938; ton miles have fallen by 74% and 72%, respectively, over the same periods. The average length of haul (see Table 10) has increased substantially, and hence the coal traffic lost by the railway has been mainly the shorter distance traffic. Imports of coal and coke which were 2.5 million tons in 1938 had fallen by .5 million tons by 1951 and by

a further .5 million tons by 1956 when imports and home production amounted to 1.7 million tons. Obviously this is only a partial explanation of the very steep decline in the volume of rail traffic under this heading. The main explanation is the diversion of the traffic to road transport. In contrast with pre-war years, coal is a valuable commodity and purchasers now buy in small quantities. It is a feature of coal traffic that bulk handling results in loss; the use of tipping lorries enables coal to be transported with the minimum amount of handling direct to the coal merchants' yards or to large consumers. On the other hand coal is a low grade rail traffic, the average receipt per ton mile in the year ended 31st March, 1956, being 2.8 pence. Because of the greatly increased price of coal the cost of rail transport now represents a much smaller proportion of the cost of coal. Despite this, road transport, which reduces handling losses, has proved to be more advantageous than rail in the altered circumstances which give rise to smaller loads of a highly priced product. As coal is a low grade traffic, however, the loss in revenue to the railway has not been as great as if it had been a higher grade traffic. The 1938 carryings of coal and coke represented about 17 $\frac{1}{2}$ % of all home produced and imported coal; present carryings of coal and coke represent about 5 $\frac{1}{2}$ % of home produced and imported coal; the loss in gross receipts because of the decline in the percentage of our total coal supplies carried by C.I.E. would at present rates amount to approximately £180,000 per year.

OTHER MINERALS.

55. While traffic in coal, coke etc. has gone down the remaining item of freight train traffic - Other Minerals - has gone up both in terms of ton miles and especially in receipts. Receipts from the carriage of Other Minerals amounted to 9.1%

of freight train receipts excluding livestock in the year ended 31st March, 1956. The corresponding percentages in 1925 and 1938 were 2.5% and 8% respectively. The classification "Other Minerals" includes such items as turf and beet in which there have been changes in production over the years and hence there have been wide fluctuations in the tonnages carried, particularly during the war period. The steep increase between the years 1925 and 1938 was largely due to the expansion in beet growing during that period. The heavy traffic during the War is explained by the non-recurrent exceptional traffic in turf and firewood which arose because coal supplies were severely restricted. This traffic amounted to 467,000 tons in 1945. There was also heavy traffic in beet during the War which also amounted to 467,000 tons in 1945.

56. While freight traffic other than livestock has increased as shown, there have been considerable changes in its character; on the one hand there has been new and additional traffic and at the same time there have been losses in traffic. Table 12 shows the tonnages of the principal classes of goods carried by freight train in the years 1938, 1945 and year ended 31st March, 1956, with the tonnage increase or decrease shown in each case. Freight rates vary with the type of commodities carried and for this purpose C.I.E. group the commodities into six classifications. Class 1 is the lowest rated traffic and Class 6 the highest. The present maximum charges per ton for a 50 mile haul for each class are:

		s.d.
Class 1	-	19/2
Class 2	-	25/3
Class 3	-	30/4
Class 4	-	41/10
Class 5	-	50/3
Class 6	-	62/1

TABLE 12
C.I.E.

PRINCIPAL CLASSES OF GOODS CARRIED BY FREIGHT TRAIN

Goods	1938	1945	1956	Tonnage Increases and Decreases			Classi- fication
				1938-	1945-	1938	
				1945	1956	1956	
	Thousand tons			Tons			
Coal	454	348	94	-105,770	-254,209	-359,979	1
Flour, Bran, Sharps, and other Mill Offal	223	222	68	- 134	-154,920	-155,054	2
Grain	260	307	232	+ 47,359	- 74,895	- 27,536	1 & 2
Beet	299	467	273	+167,176	-193,995	- 26,819	1
Timber	35	94	13	+ 58,850	- 80,959	- 22,109	1 & 2
Bacon and Hams	34	13	12	- 21,531	- 399	- 21,930	5 & 6
Oil Cake and Cattle Foods	31	19	17	- 11,656	- 2,112	- 13,768	2, 3 & 4
Butter	20	23	9	+ 3,286	- 14,509	- 11,223	5
Eggs	3	13	1	+ 9,518	- 11,725	- 2,207	6
Potatoes	7	26	6	+ 18,839	- 19,802	- 963	2, 3 & 5
Turf	1	441	1	+439,413	-439,580	- 167	1
Beet Pulp	27	35	27	+ 8,462	- 8,520	- 58	2
Manure	79	67	79	- 12,321	+ 12,383	+ 62	2
Wines & Spirits	4	6	8	+ 1,871	+ 1,502	+ 3,373	6
Chocolate Crumb	Nil	Nil	6	Nil	+ 5,842	+ 5,842	5
Meat, chilled	Nil	Nil	7	Nil	+ 7,111	+ 7,111	6
Drapery	11	11	22	+ 111	+ 11,063	+ 11,174	6
Groceries (excluding Bacon, Hams, Butter, Sugar but including Soap)	43	30	64	- 12,918	+ 33,978	+ 21,060	4 & 6
Gypsum	11	16	62	+ 4,300	+ 46,429	+ 50,549	1 & 2
Ale & Porter (including empties)	112	201	177	+ 89,282	- 23,997	+ 65,285	4
Sugar	65	106	215	+ 40,804	+109,598	+150,402	4
Cement	49	108	329	+ 58,715	+220,914	+279,629	2
TOTAL	1,768	2,553	1,722				
Percentage of Total Tonnage of Goods (Table B)	75%	80%	74%				

NOTE:

1938 and 1945 - Calendar years;

1956 - Year ended 31st March, 1956.

The classification number is given in Table 12 opposite each item, indicating the importance of the traffic gained or lost by the railway. The table shows that the traffic lost by rail transport has not been mainly high grade traffic as is generally believed. On the contrary the traffic lost has been largely low grade traffic e.g. coal, flour and bran, timber, turf, etc. Increased tonnages are now being carried by rail in high grade traffic such as drapery, groceries, wines, spirits, ale, porter and sugar. Rail transport has also gained new high grade traffics in chocolate crumb and chilled meat.

LIVESTOCK

57. Receipts from livestock traffic in the year ended 31st March, 1956, were 8.8% of receipts from all freight train traffic. In 1938 the corresponding ratio was 15%. There has been a steep decline in the numbers of livestock carried but to get a correct view of the trend in the volume of this traffic it is necessary to show separately the numbers of cattle, calves, sheep and pigs. This has been done in Table 13.

TABLE 13

C.I.E.

NUMBERS OF THE PRINCIPAL CLASSES OF LIVESTOCK CARRIED BY RAIL

Period	Cattle	Calves	Sheep	Pigs
<u>Year ended</u>	Thousands			
31/12/1938	751	92	293	249
31/12/1944	689	116	469	121
31/12/1945	890	107	570	120
31/12/1947	637	44	227	44
10 months <u>ended</u>				
31/3/1951	465	21	132	39
<u>Year ended</u>				
31/3/1952	684	38	144	26
31/3/1953	605	30	164	30
31/3/1954	531	27	148	30
31/3/1955	629	30	159	33
31/3/1956	459	22	140	27
	<u>Indices</u> (1938 = 100)			
<u>Year ended</u>				
31/12/1938	100	100	100	100
31/12/1944	92	126	160	49
31/12/1945	119	116	195	48
31/12/1947	85	48	77	18
31/3/1951	74	27	54	19
31/3/1952	91	41	49	10
31/3/1953	81	33	56	12
31/3/1954	71	29	51	12
31/3/1955	84	33	55	13
31/3/1956	61	24	48	11

58. The heavy decline in the number of calves, sheep and pigs carried by rail is no doubt due to the suitability of lorry transport for these categories of traffic. These animals are small and light and numbers of them can, therefore, be carried on a lorry, particularly if double-decked; they are incapable of walking any great distance from or to a railhead and, consequently, direct road transport from farm to factory, port, or other destination is a distinct convenience which rail transport cannot provide. Cattle exports are subject to wide fluctuations from year to year and the figures and indices in Table 13 must be read with regard to these fluctuations. While the numbers of cattle transported by rail have declined the decline has not been nearly so great as in the case of the smaller animals where the suitability and convenience of road transport is more marked. The decline in the number of cattle transported by rail can also be attributed to the diversion of the traffic from rail to road. The growing practice of buying cattle on the farm for direct and speedy transport to the Dublin market for sale on a live weight basis is responsible in part for this diversion. Other contributing factors are the more suitable motor vehicles now available for cattle transport and the deterioration in cattle driven long distances to and from a railhead. The diversion of cattle traffic from rail to road is illustrated by the increase in the number of cattle carried by C.I.E. road freight services. The average number of cattle carried by C.I.E. by road over the past three years amounted to 144,000 or an increase of 109,000 on the number carried in 1938. The average number of cattle carried by rail over the past three years amounted to 539,000 or a decrease of 212,000 on the number carried in 1938. It will be seen

from Table 10 that in common with other forms of freight train traffic the average length of haul of livestock by rail has been increasing over the years and is now 80 miles. Generally, therefore, the livestock traffic lost by rail transport has been mainly the shorter distance traffic and the traffic lost has been relatively much greater in small animals than in cattle. As compared with 1938 the loss in gross receipts because of the decline in livestock traffic would at present rates amount to approximately £250,000 per annum. There would be an offsetting factor in road freight receipts.

59. In general the foregoing examination of freight train traffic shows that the volume of traffic has increased despite losses in coal, coke etc. and livestock; that receipts have increased by 118% since 1938 because of the increased volume of traffic and increased rates and that as compared with 1938 the loss in gross receipts because of the decline in coal, coke and livestock traffics would at present rates amount to approximately £430,000 per annum or 6% of present railway gross receipts.

RAILWAY RECEIPTS AND EXPENDITURECÓRAS IOMPAIR ÉIREANN

60. In the foregoing paragraphs passenger and freight train transport have been examined separately as regards volume of traffic and amount of gross receipts. A division of railway expenditure between passenger and freight train operation is not available and hence the net operating results of passenger train transport cannot be shown separately from those of freight train transport. It is necessary, therefore, to consider railway receipts and expenditure as a whole. In our examination of railway receipts and expenditure over recent years we have, as hitherto, taken the years 1925, 1938, 1944, 1945 and 1947 for comparison purposes. The years 1946, 1948 and 1949 have also been included to give a continuous trend over the post-war period. Table 14 sets out the gross railway receipts, railway expenditure, net railway receipts, and the excess or deficit in each year expressed as a percentage of receipts. The table also gives index numbers compiled to show the trend of rates and fares since 1944, based on the following percentage adjustments -

Date of Adjustment	Goods and Livestock Rates	Passenger Fares
1st July, 1946	7½% Reduction	Single 15% Reduction Return 10% "
21st April, 1947	20% Increase	Single 12½% Increase Return 20% "
1st May, 1949	-	Single 16½% Increase Return 8½% "
10th September, 1951	16 ² / ₃ % Increase	Single 14 ² / ₇ % Increase Return 12 ¹ / ₂ % "
1st July, 1952	5% Surcharge	5% Surcharge
1st February, 1953	7 ¹ / ₇ % Sur-charge	7 ¹ / ₇ % Surcharge
1st February, 1956	10% Increase	10% Increase

TABLE 14.

C.I.E.

RAILWAY RECEIPTS, EXPENDITURE AND NET RECEIPTS

Period	Receipts	Expenditure(1)	Net Receipts	Excess of Receipts over Expenditure	Excess of Expenditure over Receipts
Year ended	£ thousand		% of Receipts		
31/12/1925	4,294	3,903	392	9.11	-
31/12/1938	3,166	2,916	250	7.9	-
31/12/1944	4,847	4,491	357	7.4	-
31/12/1945	5,202	4,980	221	4.2	-
31/12/1946	4,973	5,406	Dr. 434	-	8.7
31/12/1947	4,879	5,874	Dr. 996	-	20.4
31/12/1948	5,249	6,524	Dr. 1,275	-	24.3
31/12/1949	5,283	6,375	Dr. 1,091	-	20.7
5 mths.ended					
31/5/1950	2,020	2,582	Dr. 562	-	27.8
10 mths.ended					
31/3/1951	4,234	5,183	Dr. 949	-	22.4
Year ended					
31/3/1952	5,769	7,456	Dr. 1,687	-	29.3
31/3/1953	6,019	7,554	Dr. 1,535	-	25.5
31/3/1954	6,596	7,470	Dr. 874	-	13.3
31/3/1955	6,706	7,429	Dr. 724	-	10.8
31/3/1956	6,737	7,961	Dr. 1,223	-	18.2
28 weeks ended					
14/10/1955	3,844	4,235	Dr. 391	-	10.2
14/10/1956	3,782	4,259	Dr. 477	-	12.6

INDICES (1938 = 100)

Period	Receipts	Expenditure	Rates and Fares (2)			Wage Rates(3)
			Passengers	Goods	Livestock	
Year Ended						
31/12/1935	136	134				
31/12/1938	100	100	100	100	100	100
31/12/1944	153	154				123.7
31/12/1945	164	170				123.2
31/12/1946	157	185	136	125	n.a.	131.3
31/12/1947	154	201	163	150	n.a.	156.5
31/12/1948	166	224				169.7
31/12/1949	167	219			155	183.4
31/3/1951	160	213				192.3
31/3/1952	182	256	190	175	175	208.3
31/3/1953	190	259	214	197	196	226.7
31/3/1954	203	256				228.4
31/3/1955	212	255				237.1
31/3/1956	213	273	235	217	216	259.1

NOTES:

- (1) In the year ended 31st March 1953 and the subsequent years, railway expenditure has been debited with £50,000 (Cr. to road freight transport account) representing losses on collection and delivery services performed for the railway by the road services.
- (2) The index of Rates and Fares is compiled from the actual percentage adjustments put into operation at various dates since 1944 and does not show the average increases for accounting years. In particular the numbers 217 and 216 in the year ended 31st March, 1956, include in full the 10% increase put into effect on 1st February, 1956.
- (3) The index of wage rates is compiled from average wage rates taken at a typical week in each year. It does not, therefore, show the average increases for accounting years. In particular the number 259.1 in year ended 31st March, 1956 shows the effect of a 9.3% increase in wages in December, 1955 and would apply to only four months, approximately, of that year.

61. Despite losses in passenger traffic and in coal and livestock, railway receipts have increased in all but three of the years shown due to increased tonnage of merchandise carried and to increased rates and fares and to increases in the average length of haul as compared with the earlier years. Railway expenditure has, however, increased at a greater rate than the receipts. During the war years gross railway receipts exceeded expenditure. The improvement in the operating position in those years was due partly to increased freight train traffic because of restrictions on private transport and special war time traffics in turf and firewood not now available for transport and also to the control of wages during the Emergency which operated to keep down expenditure. A similar increase in net receipts also arose in the Road Passenger Department - see Table 21. Since 1946 railway expenditure has exceeded receipts in each year, the total operating deficits (i.e. before charging interest on capital) amounting to £11,350,000 for the 10½ years to 31st March, 1956, of which nearly £7 million was incurred since the reconstruction of C.I.E. in 1950. The resultant grave deterioration in the financial position of C.I.E. is therefore primarily attributable not to loss of traffic but to the greater relative increase in expenditure as compared with receipts, or in other words, to failure to recover increased expenditure by increased traffic or increased rates and fares. The loss of passenger train traffic was due mainly to a transfer of such traffic from the railway to the road services of C.I.E. The loss of coal and livestock traffic, however, represented a loss to C.I.E. as a whole. It has been noted in paragraph 59 that as compared with 1938 the loss in gross

receipts because of the decline in coal, coke and livestock traffics would at present rates amount to approximately £430,000 per annum. It is not possible to estimate the net receipts lost because of the decline in these traffics.

62. The year ended 31st March, 1952, is noteworthy in that, despite a substantial increase in receipts, the operating deficit reached the peak of £1,687,000, because of an extremely steep rise in operating expenditure. That year was one of rising costs following the Korean War, and the sharp increase in the operating deficit was due largely to increases in wages and fuel costs which were only partially recovered by increased rates and fares. Fuel costs in that year increased by more than 50% due partly to the increase in traffic but mainly to the purchase of highly priced and less suitable American and German coal, because of the scarcity of British coal.

63. In Appendix 2 a detailed examination is made of the operating results of the railway in recent years i.e. during the five years ended 31st March, 1956. This examination discloses that the improvement in operating results from the year ended 31st March, 1952, to the year ended 31st March, 1955, was secured mainly by increased receipts through the operation of higher rates and fares while expenditure remained relatively static. During this period the volume of goods and livestock traffic decreased somewhat with the result that increases of 21% in the average rates in the year ended 31st March, 1955, as compared with the year ended 31st March, 1952, yielded an increase of only 10.7% in actual receipts. The volume of passenger traffic increased by 18.7% and increases in the average fares amounted to 19.4% over the

same period but the combined effect of these two increases yielded only an increase of 30.9% in actual passenger receipts indicating that some of the increased travel was at cheap excursion fares. Over the four years ended 31st March, 1955, average wage rates increased by 14% but a significant feature is that the increased cost of salaries and wages amounted to only 1% due to reductions in staff. The cost of salaries and wages in the year ended 31st March, 1956, was 7% over that for the year ended 31st March, 1952, while average wage rates increased by about 25% over the same period. The cost of locomotive coal decreased due to the availability of British coal at prices lower than the import cost of German and American coal used in the year ended 31st March, 1952.

64. The worsening in the railway operating results in the year ended 31st March, 1956, was due mainly to increases in expenditure amounting to £532,000 which were offset by increased receipts to the extent of only £31,000. The increased expenditure is accounted for by increased salaries and wages (£220,000), increased fuel costs (£181,000) and increases in other operating expenditure (£131,000). The year was markedly different, therefore, from the four preceding years when expenditure remained relatively unchanged. The rise in fuel costs was due mainly to a steep increase in coal prices. A number of new diesel electric locomotives were brought into service but not until the end of the year.

65. During the period of 28 weeks ended 14th October, 1956, operating results have sharply worsened. Notwithstanding the increase of 10% applied to rates and fares from

the 1st February, 1956, railway receipts for the 28 weeks period were less than in the corresponding period of 1955 by £61,483. For the same period expenditure increased by £23,813 as compared with the corresponding period in 1955, due mainly to increased wages, making a total disimprovement of £85,296. The operating deficit for the 28 weeks period was £477,000. The corresponding deficit in 1955 was £391,000 which increased to £1,223,000 for the whole year. Hence the 28 weeks period is the most favourable part of the year for the railway undertaking due to the heavy volume of traffic handled particularly in passengers during the summer period.

66. While passenger receipts for the 28 weeks ended 14th October, 1956 increased as compared with the corresponding period of 1955 by £32,000 or 2.5% the number of passenger journeys decreased by 899,000 or 17.8%. The average receipt per passenger journey increased, however, by 15.3 pence or 24.7% (including the 10% fare increase) which as already noted in paragraph 33, indicates that much of the passenger traffic lost has been short distance or suburban traffic due to the bad summer of 1956 as compared with 1955. Other passenger train receipts increased by £34,000 or 8½%.

67. Separate figures are not available for the different categories of freight train traffic but freight train receipts as a whole, including livestock, decreased by £129,000 or 6%. Tonnage of freight train traffic, including livestock, decreased by 191,000 tons or 15.5% while the average receipt per ton increased by 3/9.8d or 11% (including the 10% rates increase).

68. It is not possible to say how far the falling off in receipts for the 28 weeks period has been due to a diversion of freight traffic to private transport consequent on the increase in rates imposed in February, 1956. A number of factors must be taken into account such as fluctuations in trade; reduced imports following the imposition of levies and exceptional traffics carried in 1955. From an analysis of freight train traffic submitted to us by C.I.E. it would appear that the decrease in the volume of traffic in the 28 weeks period was due to some extent to fluctuations in trade.

69. The principal item of railway expenditure is labour costs. In the year ended 31st March, 1956, salaries and wages accounted for 56% of the total railway working expenditure and 66% of the total railway receipts. Comparable figures are not available for the period prior to 1950 but since that year salaries and wages have increased by approximately 22%. This increase in labour costs would have been higher were it not for staff reductions, the extent of which may be seen from Table 15.

TABLE 15

C.I.E.

RAILWAY STAFF

Staff	Numbers Employed			
	1926 [*]	1938	1950	1956
<u>Male</u>				
Officers and other Staff with present salaries of £1,000 or over	71	67	88	71
Station Masters, Goods Agents, etc.	447	295	214	189
Supervisory	202	138	141	125
Clerical	1,134	838	957	1,005
Technical	46	54	90	95
Traffic Department	2,528	1,927	1,900	1,821
Goods Depot	1,009	923	1,209	1,147
Permanent Way	2,911	2,063	2,105	1,820
Locomotive Department	1,773	1,515	1,376	1,201
Carriage & Wagon Dept.	498	473	510	483
Shop & Artisan Staff	3,730	2,772	3,450	2,801
Miscellaneous Grades	415	149	196	211
TOTAL:	14,764	11,214	12,236	10,969
<u>Female</u>	424	405	482	538

* Figures for 1925 are not available.

NOTE: The figures in this table are taken from the Irish Trade Journal and are based on a census of staff working in a selected week in March of each year. Staff absent because of sickness, leave etc. and those who worked less than three days in the week are excluded.

70. It will be seen that there was a reduction in male staff of 3,550 (24%) between 1926 and 1938, but that the number was increased between 1938 and 1950 by 1,022 (9%). Since 1950, however, the number was again reduced by 1,267 (10.4%) so that in 1956 the numbers employed was 245 (2.2%) less than in 1938. The reductions have been mainly in the Locomotive, Permanent Way and Traffic Departments and may be due in part to the closure of branch lines. The reduction in recent years has been due to some extent to the partial introduction of diesel traction and further reductions should be possible when diesellisation is complete. It should be noted that the reduction in male staff of 10.4% since 1950 was effected notwithstanding that much of the construction work involved in the modernisation programme is being undertaken by C.I.E. in its workshops. The number of workers employed on the construction of new rolling stock was 670 in November, 1956.

71. Fuel is also an important item in railway operation. Despite a reduction in loaded train mileage and partial diesellisation, costs under this heading have increased by 360% since 1938 and now represent 18% of total railway expenditure as compared with 11% in 1938.

72. An item which features largely in gross railway expenditure is the maintenance and renewal of the permanent way and works which amounted to £1,144,500 in the year ended 31st March, 1956, or 14.4% of the total expenditure. In the interests of safety, it is essential that the

permanent way be properly maintained and it is understood that this has been done over the years and that the permanent way, especially the main lines, is now in good condition. The complete substitution of diesel for steam locomotives should, however, reduce the wear and tear on the permanent way with some saving in annual costs.

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TERMINATION OF TRAIN SERVICES ON BRANCH LINESCORAS IOMPAIR ÉIREANN

73. Under the Railways Act, 1933, the railway companies were prohibited from terminating train services on branch lines, save under the authority of an Order made by the Minister for Industry and Commerce under that Act. Under the provisions of the Emergency Powers (Coras Iompair Éireann) (Reduction of Railway Services) Order, 1944, C.I.E. temporarily reduced or discontinued services on a number of branch lines; these provisions have been temporarily continued in force by the Transport (Miscellaneous Provisions) Act, 1955. Since the passing of the Transport Act, 1950, train services on C.I.E. branch lines cannot be permanently discontinued except under the authority of Exemption Orders made by the Transport Tribunal, established under that Act. C.I.E. is required to give public notice of applications made by it for such Orders. Where objections are made by interested parties to the proposed closing of a branch line, the Tribunal is required to hear the objectors and C.I.E. before arriving at a decision.

74. Appendix 3 gives particulars of the branch lines on which services were terminated prior to the Railways Act, 1933, and those on which the termination of services has since been authorised. On a number of these lines C.I.E. has continued to operate occasional passenger and/or merchandise specials for excursions, fairs and seasonal freight traffic. The total mileage of line on which both passenger and merchandise services have been

terminated is 432 while passenger services only have been terminated on a further 70 miles of line.

75. In the case of the Banteer-Newmarket branch line (9 miles) for which C.I.E. had applied to the Tribunal for an Order permitting the termination of all train services, the Tribunal, having heard the objections, granted C.I.E. a modified Order in January, 1955, under which C.I.E. was exempted from the obligation to operate train services, except special trains for the conveyance of livestock from fairs. C.I.E. then announced that, as the branch line had to be maintained to deal with livestock specials, opportunity would be taken to experiment with a light-weight diesel unit to provide a service of goods trains; that this experiment was intended to demonstrate whether the people in the area of the branch line were prepared to support it to an extent that, coupled with the economies which were to be expected in the operation of these units, the branch would no longer remain a burden on the finances of the Board; that the road freight services provided in the area would be withdrawn upon the commencement of the new goods train services and that the future of other unremunerative branches which had been listed for closing but had not been dealt with by the Tribunal would depend on the information and experience gained by the new methods of branch line operation.

76. Three small diesel units have been acquired by C.I.E. for these experiments. The first was put into service on the Banteer-Newmarket branch on 1st June, 1956.

The deficit on the working of the branch for the three months June, July and August, 1956, amounted to £921 while the loss on the railhead lorry amounted to £102 making a total loss of £1,023 on the branch line since its reopening. While it may be too soon to judge it would appear from these figures that the prospects of economically working this and similar branch lines by means of small diesel units are not good.

77. Staff rendered redundant by the termination of train services are entitled to compensation, particulars of which are included in Appendix 4.

C.I.E. RAIL TRANSPORTSUMMARY

78. The following are the main features which emerge from the foregoing examination of C.I.E. rail transport.

- (1) Since 1938 there has been a heavy fall in the number of passenger journeys but the fall has been almost entirely on the Dublin-Greystones suburban routes and has been largely to C.I.E. road services rather than to private car transport.
- (2) On average over the last three years there has been a small loss in non-suburban traffic measured in passenger journeys as compared with 1938, but this traffic is increasing. The average receipt per passenger journey since 1938 has increased at a greater rate than fares reflecting an increase in the average length of journey, the receipts from which more than offset the loss in receipts in suburban traffic.
- (3) The volume of freight train traffic excluding livestock as measured in ton miles is greater than in 1925 or 1938 but has remained static in recent years.
- (4) Relatively high rates were charged in 1925 when the railway had a virtual monopoly which is evidence that road transport competition has operated as a brake on rising rail charges.
- (5) Merchandise traffic, which accounts for 50% of all railway receipts, has increased since 1925 and 1938 and has been increasing in recent years. Some traffics have declined while others have increased but generally the traffics gained have been higher grade traffics than those lost.

(6) Coal traffic has declined greatly due to a reduction in imports and also to the diversion, particularly of short haul traffic, to road transport. Coal traffic is low grade rail traffic and the loss in receipts has not therefore been as great as if the loss were in a higher grade traffic. As compared with 1938 the loss in gross receipts because of the decline in the proportion of our coal supplies carried by C.I.E. would at present rates amount to about £180,000 per annum.

(7) On average over the last three years traffic in other minerals has increased as compared with 1938.

(8) For many years traffic in livestock has continued to fall particularly short haul traffic. The loss in livestock traffic has been much heavier in small animals (calves, sheep and pigs) than in cattle. As compared with 1938 the loss in gross receipts because of the decline in livestock traffic would at present rates amount to about £250,000 per annum.

(9) In all classes of freight train traffic there has been a marked increase in the average length of haul indicating the tendency of the railway to lose short haul traffic and to specialise in the type of traffic for which it is more suitable i.e. long distance traffic.

(10) Total net operating losses (i.e. excluding interest etc.) amount to £11.3 millions since 1946 of which £7 millions is attributable to the period from 1st June, 1950 to 31st March, 1956. Due to increased charges there was considerable improvement in operating results in the years ended 31st March, 1954 and 1955, when expenses, including wages,

remained static. There was a considerable worsening in operating results in the year ended 31st March, 1956, however, due to increases in wages (£220,000), fuel costs (£181,000) and other expenditure (£131,000). During the 28 weeks period ended 14th October, 1956, there has been a big disimprovement. Due mainly to further increases in wage rates, expenditure has increased by £24,000 as compared with the corresponding period in 1955. Despite increased rates and fares receipts have fallen by £61,000 because of a decline in the volume of traffic particularly in freight. This decline in traffic may prove to be due to trade recession rather than to a permanent diversion to private transport. The operating deficit for the 28 weeks which is the part of the year most favourable for the undertaking amounted to £477,000 as compared with the figure of £391,000 for the corresponding period of the accounting year 1955/56 in which year the operating loss was £1,223,000.

(11) Rail staffs whose remuneration accounts for the greater part of expenditure have been reduced in recent years and are now slightly below the 1938 level.

(12) Fuel costs have increased greatly due to increases in coal prices but should be reduced as dieselisation proceeds.

(13) C.I.L. has terminated passenger and merchandise services on a total of 438 miles of line while passenger services only have been terminated on a further 70 miles of line.

ROAD TRANSPORTCORAS IOMPAIR ÉIREANN

79. Road transport represents a considerable part of the operations of C.I.E.; gross receipts from road transport operations in the year ended 31st March, 1956, amounted to £7,173,759 as compared with gross railway receipts of £6,737,410 in the same year.

80. Unlike railway services, the road services of C.I.E. are profitable. The net receipts from road operations in the year ended 31st March, 1956, were £.76 million on an estimated capital employed (at Balance Sheet values) of £3.5^x millions in contrast with an operating deficit on railway operation of £1.2 million on an estimated capital employed (at Balance Sheet values) of £19 millions. The road services of C.I.E. fall under two headings viz. Road Passenger Transport and Road Freight Transport each of which is dealt with in succeeding paragraphs.

81. The employment given by C.I.E. in road transport operation is as follows:-

Service	Administrative Executive Technical and Clerical	Other Grades	Total
<u>Road Passenger Transport:</u>			
Excluding Dublin City Services	110	1,724	1,834
Dublin City Services	164	3,932	4,096
	274	5,656	5,930
<u>Road Freight Transport</u>	202	1,567	1,769
Total:	476	7,223	7,699

^x Computed on a net assets basis.

ROAD PASSENGER TRANSPORTCCRAS IOMPAIR ÉIREANN

82. In the year ended 31st March, 1956, C.I.E. operated the following road passenger fleet:-

<u>Vehicles</u>		<u>Capacity</u>
661	double deck omnibuses	40,178 seats
415	single deck omnibuses	16,065 "
60	touring coaches	1,920 "
<hr/>		
1,136	- Totals	- 58,163 "
<hr/>		
6	ambulances	36 berths

83. It has been estimated by C.I.E. that the proportion of the capital represented by fixed assets and stocks of stores appearing in the Balance Sheet at the 31st March, 1956, which is attributable to road passenger services was £2,922,000.^X Gross receipts from road passenger operations in the year ended 31st March, 1956, amounted to £5.3 million or 36.4% of the total gross receipts of C.I.E.; net receipts from these operations amounted to £680,364. The gross receipts are twice as much as those from passenger train traffic which represents 18% of total gross receipts of C.I.E. but included in the road passenger transport figures are those of Dublin City Services which were taken over from Dublin United Transport Co. Ltd. If these are omitted road passenger transport accounts for 17% of the total gross receipts of C.I.E.

84. Road passenger operations fall into the four divisions given in Table 16 which shows the gross receipts for each division for the year ended 31st March, 1956, and the gross receipts expressed as a percentage of the total receipts of C.I.E.

X It is not practicable to compute capital employed on a net assets basis.

TABLE 16.C. I. E.ROAD PASSENGER TRANSPORT RECEIPTS

	Gross Receipts	Gross Receipts expressed as % of total C.I.E. receipts
	£ thousand	%
Dublin City Services	3,434	23.4
Other City Services [‡]	457	3.1
Provincial Services	1,063	7.3
Tours and Private Hire Services	219	1.5
Miscellaneous Receipts	153	1.1
Total	5,326	36.4

[‡] These services are operated in Cork, Limerick, Waterford, Galway and Sligo.

DUBLIN CITY SERVICES:

85. Table 17 shows the numbers of passenger journeys, vehicle miles, passenger miles (estimated), gross receipts and the average receipt per passenger journey, in respect of the Dublin City Services in recent years. Certain earlier years have been included in the table for comparison purposes. The figures for 1938 and 1944 are those of the Dublin United Transport Co. Ltd., which was amalgamated on the 1st January, 1945 with the Great Southern Railways Company to form C.I.E.

86. The population of Dublin County Borough and County increased by nearly 20% between the years 1936 and 1956 and this accounts for part of the increase in passenger journeys and passenger miles shown in Table 17. Other factors contributing to the increase in traffic were re-housing in outlying areas, the increased travelling tendency which is in general evidence since the War and increased tourist traffic. It may also be assumed that the City road services have attracted much of the traffic lost by the suburban rail services between Dublin and Greystones.

TABLE 17

C. I. E.

DUBLIN CITY OMNIBUS SERVICES

Period	Passenger Journeys	Vehicle Miles	Passenger Miles (estimated)	Gross Receipts £	Average receipt per passenger journey pence
Year ended	Thousands				
31/12/1938	155,221	22,184	303,677	1,162	1.8
31/12/1944	167,124	12,527	363,125	1,339	1.9
31/12/1945	194,172	13,857	420,235	1,537	1.9
31/12/1947	189,416	14,684	377,941	1,399	1.8
10 months ended					
31/3/1951	194,151	21,027	n. a.	2,037	2.5
Year ended					
31/3/1952	241,450	26,076	545,676	2,730	2.7
31/3/1953	233,169	25,915	410,378	2,843	2.9
31/3/1954	234,409	26,975	447,720	3,111	3.2
31/3/1955	242,559	27,401	461,347	3,206	3.2
31/3/1956	248,661	29,034	482,926	3,434	3.3
28½ weeks ended					
19/10/1955	140,381	16,020	n. a.	1,889	3.2
17/10/1956	136,092	16,434	n. a.	2,022	3.6

INDICES

(1938 = 100)

Year ended					Level of Fares per passenger mile
31/12/1938	100	100	100	100	100
31/12/1944	108	56	120	115	96
31/12/1945	125	62	138	132	95
31/12/1947	122	66	124	121	97
31/3/1951	152	114	-	210	n. a.
31/3/1952	156	118	180	235	131
31/3/1953	150	117	135	244	181
31/3/1954	151	122	148	268	182
31/3/1955	156	124	152	276	182
31/3/1956	160	131	159	296	186

NOTE: The index of level of fares is compiled by relating the estimated passenger miles to the gross receipts. The most recent fares increase - 10% on 31st October, 1955 - was in operation for only five months of the year to 31st March, 1956. The current index number would accordingly be 200 approximately.

87. The growth in the numbers of private cars, commercial vehicles and omnibus vehicles has created traffic problems in the City of Dublin. This growth has had a twofold effect on the volume of traffic carried by the City Services. While on the one hand, traffic and parking difficulties deter motorists from bringing their cars into the centre of the City nevertheless there is considerable congestion which results in the dislocation of omnibus timetables and in the lower utilisation of the C.I.E. fleet. With increasing fares there has also been an increase in the number of cyclists, motor cyclists and motor scooter users.

88. Profits from the operation of the Dublin City Services are available to finance deficits in other Departments of C.I.E. The amount of the net profit on the Dublin City Services is not available from the published accounts. C.I.E. estimates, however, that for the year ended 31st March, 1956, the Dublin City Services showed a profit of £335,000 before charging interest on capital. C.I.E. also estimates that of the capital invested in the fixed assets and stocks of stores appearing in the Balance Sheet of the undertaking at 31st March, 1956, £1,712,000 may be regarded as attributable to the Dublin City Services.[⌘] On the basis of these estimates the profit represents a return of 19.6% for the year ended 31st March, 1956, on the estimated capital investment in these services.

89. In addition to the gross receipts of £3,433,981 from passengers in the year ended 31st March, 1956, other revenue from advertising, carriage of parcels and miscellaneous receipts brings the total revenue of the Dublin City

⌘ It is not practicable to compute capital employed on a net assets basis.

Services up to £3,475,000. The estimated profit for the year is equivalent, therefore, to 9.6% of the gross receipts.

90. Gross receipts from the Dublin City Services have increased each year since 1952 and in the year ended 31st March, 1956, were 26% higher than in the year ended 31st March, 1952, despite decreased traffic as measured in passenger miles. This increase in receipts is therefore attributable solely to increases in fares. Fares adjustments since 1944 have been as follows:-

		<u>Index of Fares</u> (1938 = 100)
<u>1938</u>		100
1st June, 1946	9% reduction	91
1st May, 1947	6% increase	97
28th March, 1949	49% increase	144
10th September, 1951	10% increase	159
2nd February, 1953	7% increase	170
31st October, 1955	10% increase	187

91. Table 17 shows evidence of passenger resistance to increased fares. Following increased fares brought about by a reduction in the length of fare stages on 10th September, 1951, the number of passengers fell off and was not restored until 1955 despite increased services. This feature is also apparent in the trend of estimated passenger miles which shows a reduction from 545,676 thousand passenger miles in 1951/52 to 410,378 thousand in 1952/53. Though passenger miles increased subsequently, it will be noted that in 1955/56, following considerable increases in the services provided, the number of passenger miles was still considerably below the 1951/52 figure. There are two likely explanations for this loss of traffic. Many people

resident in the outer fringe of the city have acquired cars which they use for their own transport to and from business and often for the transport of their neighbours, either casually or under an agreed arrangement. It will be seen from Appendix 8 that the number of motor cycles, scooters, etc. in use has increased greatly in recent years. Since 1952 there has been an increase of 8,944 in the number of these machines licensed in Dublin County and County Borough. A further factor may have been the tendency of passengers to walk part of their journey in an effort to counter the increased fares.

CITY SERVICES OTHER THAN DUBLIN:

92. Table 18 shows particulars of other City Services under the same headings and for the same years as those given for Dublin City Services.

TABLE 18.

C. I. E.

CITY OMNIBUS SERVICES (OTHER THAN DUBLIN)

Period	Passenger Journeys	Vehicle Miles	Passenger Miles (estimated)	Gross Receipts £	Average Receipt per Passenger Journey
Year ended	Thousands				pence
31/12/1938	17,522	2,622	21,605	135	1.9
31/12/1944	15,881	1,216	17,819	111	1.7
31/12/1945	19,536	1,653	20,903	174	2.1
31/12/1947	24,338	2,068	30,179	189	1.8
10 months ended					
31/3/1951	26,461	2,838	n. a.	275	2.5
Year ended					
31/3/1952	35,293	3,090	65,186	362	2.5
31/3/1953	35,338	3,726	61,841	368	2.5
31/3/1954	34,488	3,737	59,664	415	2.9
31/3/1955	35,996	3,753	62,633	435	2.9
31/3/1956	38,007	3,970	65,904	457	2.9
28½ weeks ended					
19/10/1955	20,990	2,218	n. a.	260	3.0
17/10/1956	20,524	2,149	n. a.	251	2.9
<u>INDICES</u> (1938 = 100)					
Year ended					Level of Fares per Passenger mile
31/12/1938	100	100	100	100	100
31/12/1944	90	46	82	82	100
31/12/1945	111	63	97	129	133
31/12/1947	139	79	140	140	100
31/3/1951	181	130	-	204	n. a.
31/3/1952	201	118	302	268	89
31/3/1953	202	142	286	272	95
31/3/1954	197	142	276	308	111
31/3/1955	206	143	290	322	111
31/3/1956	217	152	305	338	111

NOTE:

The index of level of fares is compiled by relating the estimated passenger miles to the gross receipts.

93. City Services (other than Dublin) have attracted a greater relative increase in volume of traffic than the Dublin City Services. The numbers of passenger journeys, vehicle miles and passenger miles in respect of these services have increased since 1938 by 117%, 52% and 205%, respectively, as compared with the corresponding increases of 60%, 31% and 59% in respect of the Dublin City Services. In 1938 passenger services in other cities had not been developed to the same extent as those in the Dublin area. The rate of growth has, therefore, been much greater when expressed in the form of percentages of the 1938 figures. In Waterford, for example, there was only one route operated in 1938 whereas now there are three. The increased density of traffic and greater utilisation of vehicles have enabled fares increases to be restricted to a relatively small percentage over 1938. While the percentage increase since 1938 in the level of fares has been small as compared with the Dublin City Services the average fare per passenger mile is now similar to that for the Dublin City Services. There is evidence of resistance to increased fares similar to that already referred to in paragraph 91 in relation to Dublin City Services.

PROVINCIAL SERVICES:

94. The following table, prepared on the same lines as Tables 17 and 18, relates to Provincial Services:-

TABLE 19

C. I. E.

PROVINCIAL OMNIBUS SERVICES (EXCLUDING CITY SERVICES)

Period	Passenger Journeys	Vehicle Miles	Passenger Miles (estimated)	Average length of journey	Gross Receipts £	Average Receipt per Passenger Journey
Year ended	Thousands			Miles	Thousands	pence
31/12/1938	7,705	8,480	63,101	8.2	394	12.3
31/12/1944	6,651	5,543	122,438	18.4	765	27.6
31/12/1945	7,571	7,117	132,422	17.5	974	30.9
31/12/1947	8,068	7,511	131,984	16.4	825	24.5
10 months ended						
31/3/1951	8,690	8,268	n. a.	n. a.	809	22.3
Year ended						
31/3/1952	10,999	10,687	122,375	11.1	1,020	22.3
31/3/1953	10,658	10,041	123,630	11.6	1,081	24.3
31/3/1954	9,439	9,640	113,458	12.0	1,064	27.1
31/3/1955	10,345	9,633	110,484	10.7	1,036	24.0
31/3/1956	10,546	9,723	109,707	10.4	1,063	24.2
28½ weeks ended						
19/10/1955	6,199	5,593	n. a.	n. a.	663	25.7
17/10/1956	5,601	5,466	n. a.	n. a.	631	27.0
<u>INDICES</u> (1938 = 100)						
Year ended						Level of Fares per passenger mile
31/12/1938	100	100	100	100	100	100
31/12/1944	86	65	194	224	194	100
31/12/1945	98	84	210	213	247	118
31/12/1947	105	89	209	200	209	100
31/3/1951	135	117	-	-	246	-
31/3/1952	143	126	194	135	259	133
31/3/1953	138	118	196	141	275	140
31/3/1954	123	114	180	146	270	150
31/3/1955	134	114	175	130	263	150
31/3/1956	137	115	174	127	270	155

NOTE:

The index of level of fares is compiled by relating the estimated passenger miles to the gross receipts. The most recent fares increase - 10% on 14th November, 1955 - was in operation for only four and a half months of the year to 31st March, 1956. The current index number would accordingly be 165 approximately.

95. Receipts from provincial omnibus services for the year ended 31st March, 1956, amounted to £1,062,736 which is equivalent to 62% of rail passenger receipts excluding the suburban services. The estimated number of passenger miles was 40% of the number of rail passenger miles for the same year. The average receipt per passenger mile on the provincial road services is 2.32 pence as compared with the corresponding figure of 1.65 pence for rail passenger transport. As in the case of the Dublin City Services, it is difficult to estimate the net profit arising from the provincial road services. C.I.E. estimates, however, that the profit on all provincial road passenger services including provincial city services, tours and private hire, before charging interest on capital, was £287,000 for the year ended 31st March, 1956. C.I.E. also estimates that of the capital appearing in the Balance Sheet at 31st March, 1956, in respect of fixed assets and stores, £1,210,000^x is attributable to these services. The estimated profit amounts therefore to 23.7% on the estimated capital investment. Related to the gross receipts from these services, the estimated profit amounts to 15.5%.

96. There are frequent criticisms of C.I.E. for operating long distance omnibus services over routes parallel to rail services. Existing rail and provincial road passenger routes are shown on the Map appended to this Report. C.I.E. contends that the provincial road passenger services are primarily intended to serve areas and transport requirements which cannot be served as economically, if at all, by rail and that, while the terminals of many of the provincial road passenger services may also be connected by rail, as for

^x It is not practicable to compute capital employed on a net assets basis.

example, the Dublin and Cork, Dublin and Limerick, Dublin and Waterford, Dublin and Galway, and Dublin and Ballina services, the bulk of the passenger traffic carried on these omnibus routes is short or medium distance traffic between points not conveniently served by rail. In support of this statement is the fact that the average passenger journey by the road services was 10.4 miles in the year ended 31st March, 1956, as compared with the average passenger journey by rail excluding the suburban rail services, of 54 miles. The reluctance of the public to undertake long journeys by omnibus is exemplified by the further fact that in the year ended 31st March, 1956, the number of omnibus passengers travelling point to point between Dublin and Cork, Limerick, Waterford and Galway was 4,000 as compared with 370,000 by rail. This reluctance is no doubt strengthened by the fixing of omnibus fares at levels intended to give a margin in favour of rail transport. Generally, single fares, calculated on a passenger mile basis, are the same for both road and rail transport but, while there are no return tickets for omnibus travel, they are obtainable for rail travel at a discount amounting to approximately 8½%, and excursion fares are also available.

97. The level of fares shown in Table 19 is an index of the increases in the average receipt per passenger mile. On the basis of a full year's operation of the increase of 10% in fares imposed on 14th November, 1955, the present index number would be about 165. Actual adjustments in fares on the Provincial Services since 1944 have been as follows:-

Index of Fares
(1947 = 100)

1st July, 1946	6 $\frac{1}{4}$ % reduction	89
1st May, 1947	12 $\frac{1}{2}$ % increase	100
1st May, 1949	16 $\frac{3}{8}$ % increase	117
10th September, 1951	14 $\frac{2}{7}$ % increase	134
1st July, 1952	5% surcharge	140
23rd February, 1953	7 $\frac{1}{7}$ % surcharge	150
14th November, 1955	10% increase	165

The above index of fares has been based on 1947 rather than on 1938 for the reason that provincial bus fares were not standardised in 1938. Fares ranged from 1d to 1.7d per passenger mile in 1938 while return fares at reductions varying from 7% to 23% on double the single fares were also then available. For this reason and because of changes in the pattern of traffic (e.g. increase in travel by school children) it is not possible to prepare a reliable index based on 1938 fares.

98. In comparison with the non-suburban rail services the provincial omnibus services cater for over twice as many passengers as the rail services; receipts are 62% of rail passenger receipts and passenger miles are 46% of rail passenger miles. The provincial road passenger services contribute a substantial profit to the C.I.E. undertaking. Table 19 indicates, however, that there has been little development in this branch of transport in recent years. Unlike the city services the numbers of passenger journeys and gross receipts on provincial omnibus services have remained relatively static since 1952, while the numbers of passenger and vehicle miles have shown a decreasing trend over the same period. This lack of development may be due to the policy of C.I.E. which subordinates road transport to rail by a fares structure weighted in favour of rail transport. Equally it may reflect saturation point in rural transport particularly in districts in which emigration has caused a substantial decline in population.

TOURS AND PRIVATE HIRE:

99. During the tourist season C.I.E. operates extensive road motor coach tours. Tours of one day duration are provided from the main holiday centres. Extended tours of 6 to 12 days duration are operated from Dublin and arrangements are made to pick up passengers at Shannon Airport and Cobh. Coaches are also hired out to parties organised by tourist agencies. Scheduled extended coach tours are a necessary tourist amenity and C.I.E. has in recent years expanded its activities in this field. Particulars of extended coach tours operated since 1952 are as follows:-

TABLE 20
C.I.E.
EXTENDED COACH TOURS

Year ended 31st March	No. of Tours	Gross Receipts from all-in charges. [£]	Numbers of passengers
1952	124	57,103	3,033
1953	146	89,075	4,509
1954	194	100,770	4,746
1955	195	107,236	4,975
1956	200	115,545	5,436

* All-in charge includes hotel accommodation.

Outside coach tour operators have pressed unsuccessfully for licensing facilities to operate extended tours here. Facilities have, however, been granted to the Ulster Transport Authority for the operation of a limited number of extended tours. Reciprocal facilities are given to C.I.E. some of whose extended tours operate through the Six Counties.

ROAD PASSENGER TRANSPORTC. I. E.RECEIPTS AND EXPENDITURE

100. Road passenger transport represents a most important and profitable branch of C.I.E. activities as is evident from Table 21, which sets out the gross receipts, expenditure, net receipts and net receipts expressed as a percentage of gross receipts.

101. Unlike rail operations where increasing expenditure has outpaced receipts, both road passenger receipts and expenditure have increased steadily and now show identical percentage increases on the 1938 levels. C.I.E. has been able, therefore, through additional traffic and higher fares to recover increased operating costs in full and to secure the same percentage operating profit on receipts as was obtained in 1938. As in the case of rail transport the War years showed a substantial increase in net receipts due partly to increased traffic but also to the control of wages which operated to keep down operating expenditure.

102. For the 28 weeks ended 14th October, 1956, gross receipts from road passenger working increased by only £105,000 (3%) as compared with the corresponding period in 1955, despite an increase in fares of 10%. Expenditure increased by £186,000 (7½%), however, resulting in a decline of £82,000 (16%) in the net receipts.

TABLE 21

C. I. E.

ROAD PASSENGER TRANSPORT
RECEIPTS AND EXPENDITURE

Period	Gross Receipts	Expenditure	Net Receipts	Net Receipts as a percentage of Gross Receipts
Year ended	£ thousand			%
31/12/1938	1,801	1,570	230	12.8
31/12/1944	2,336	1,624	712	30.5
31/12/1945	2,820	1,863	957	33.9
31/12/1946	2,808	1,983	826	29.4
31/12/1947	2,551	2,089	462	18.1
31/12/1948	3,192	2,882	310	9.7
31/12/1949	3,807	3,277	530	13.9
10 months ended				
31/3/1951	3,383	3,027	356	10.5
Year ended				
31/3/1952	4,426	4,034	393	8.9
31/3/1953	4,642	4,382	260	5.6
31/3/1954	4,965	4,405	560	11.3
31/3/1955	5,062	4,403	659	13.0
31/3/1956	5,326	4,646	680	12.8
28 weeks ended				
14/10/1955	3,001	2,478	522	17.4
14/10/1956	3,106	2,664	441	14.2

INDICES

(1938 = 100)

Year ended

31/12/1938	100	100	100
31/12/1944	130	103	310
31/12/1945	157	119	416
31/12/1946	156	126	359
31/12/1947	142	133	201
31/12/1948	177	184	134
31/12/1949	211	209	230
31/3/1951	226	231	185
31/3/1952	246	257	170
31/3/1953	258	279	113
31/3/1954	276	281	243
31/3/1955	281	280	286
31/3/1956	296	296	296

ROAD FREIGHT TRANSPORTCÓRAS IOMPAIR ÉIREANN

103. The road freight motor fleet of C.I.E. at 31st March, 1956, consisted of 729 vehicles as follows:

Lorries	...	557
Vans	...	78
Tractors	...	61
Horse-boxes	...	33

In addition, C.I.E. had available for road services 331 trailers, 279 containers, 238 horses and 358 horsedrawn vehicles. The gross carrying capacity of the motor fleet is approximately 6,500 tons including the capacity of the trailers. C.I.E. also hires vehicles for certain traffics particularly road-making materials, beet and ground limestone. C.I.E. estimates that of the capital appearing as fixed assets and stocks of stores in the balance sheet of the undertaking at 31st March, 1956, £980,000 may be regarded as attributable to road freight services. ^x

104. The C.I.E. road freight fleet provides scheduled services, railhead collection and delivery services and direct services. A total of 174 scheduled services with fixed frequency, time and route are operated.

Railhead collection and delivery services enable a door to door service to be given for traffic routed by rail. In addition, direct road services are provided for the point to point transport of freight other than that transported by rail or scheduled road services. Table 22 gives particulars of the operation of the road freight services for the year ended 31st March, 1956.

^x It is not practicable to compute capital employed on a net assets basis.

TABLE 22

C. I. E.

ROAD FREIGHT SERVICES

Services	Vehicle Miles	Tons Carried	Gross Receipts
			Thousands
Goods:			£
Scheduled Services	1,933	184	254
Railhead Collection and Delivery Services	497	174	104
Direct Road Services	9,452	2,515	1,016
Total:	11,882	2,873	1,374
		(Number)	
Livestock	1,422	220	157

In addition to the receipts shown in Table 22 the following were the additional receipts of the road freight department in the year ended 31st March, 1956 :

		<u>Gross Receipts</u>
		£ thousand
Horse transport	...	213
Commission on work done by hired hauliers	... ..	45
Payment from Railway for Collection and Delivery Services		50
Sundry receipts	... ..	9
		<u>317</u>

The total gross receipts from road freight working was, therefore, £1,848 thousand for the year, which is 12.6% of the total receipts of C.I.E. for that year or almost the same percentage of the total receipts as is represented by its road passenger services excluding the Dublin City Services.

105. During the year ended 31st March, 1956, the average period for which the C.I.E. road freight fleet was taxed was 10.3 months. The numbers of vehicles taxed at the end of each quarter were

30th June, 1955	...	659
30th September, 1955	...	635
31st December, 1955	...	731
31st March, 1956	...	603

The average number of vehicles under load throughout the year was 404; the number under load during peak periods was 608; the number used only for specific peak traffic (e.g., beet haulage) was 45. Excluding 17 small staff vans the allocation of vehicles between scheduled services, railhead collection and delivery services and direct road services during the year was:

	<u>No. of Lorries, Vans & Tractors</u>
Scheduled Services ...	127
Railhead Collection and Delivery Services ...	58
Direct Road Services ...	<u>527</u>
Total	<u>712</u>

106. Table 23 gives particulars of the road freight traffic and receipts for each year since 1950 and includes a number of earlier years for comparison purposes. As vehicles are frequently hired out on a time and mileage basis, ton mile figures are not available.

TABLE 23

C. I. E.

ROAD FREIGHT TRAFFIC

Period	Vehicle Miles	Tonnage of Goods	Gross Receipts	Average Receipt per ton	Numbers of Live-stock	Gross Receipts including Livestock
			(excluding livestock)			
Year ended	Thousands		s. d		Thousands	
31/12/1938	5,900	754	238	6. 4	157	256
31/12/1944	8,249	1,497	528	7. 1	42	542
31/12/1945	8,702	1,347	566	8. 5	121	605
31/12/1947	12,545	1,636	894	10.11	198	986
10 months ended						
31/3/1951	7,532	1,193	650	10.11	217	762
Year ended						
31/3/1952	10,930	1,668	990	11.10	262	1,141
31/3/1953	11,086	1,913	1,104	11. 6	253	1,258
31/3/1954	12,876	2,646	1,342	10. 2	220	1,492
31/3/1955	13,307	3,037	1,368	9. 0	295	1,555
31/3/1956	13,304	2,873	1,374	9. 7	220	1,531
28 weeks ended						
14/10/1955	7,291	1,659	n. a.	n. a.	n. a.	831
14/10/1956	6,233	1,284	n. a.	n. a.	n. a.	725

INDICES
(1938 = 100)

Year ended	Vehicle Miles	Tonnage of Goods	Gross Receipts	Average Receipt per ton	Numbers of Live-stock	Gross Receipts including Livestock
31/12/1938	100	100	100	100	100	100
31/12/1944	140	199	222	112	27	212
31/12/1945	147	179	238	133	77	236
31/12/1947	213	217	376	172	126	385
31/3/1951	153	190	328	172	165	358
31/3/1952	185	221	416	187	167	446
31/3/1953	188	254	464	182	161	491
31/3/1954	218	351	564	161	140	583
31/3/1955	226	403	575	142	188	607
31/3/1956	225	381	577	151	140	598

NOTE: Table relates to traffic carried in C.I.E. motor vehicles only.

107. The road fleet of the Grand Canal Company was merged with the C.I.B. fleet following the reconstruction of C.I.B. on 1st June, 1950. Table 23 shows the traffic carried by the augmented fleet since that date but does not include traffic carried by the Grand Canal fleet prior to the merger. Particulars of the traffic carried by the Grand Canal fleet in 1938 are not available but in 1945, 1946 and 1947 the tonnages and gross receipts were -

	<u>Tons</u>	<u>Receipts</u>
		£
1945	25,031	6,619
1946	32,849	11,195
1947	43,404	22,996

These figures indicate that the trends disclosed by Table 23 are not affected significantly by the omission of the traffic carried by the Grand Canal Company in 1938.

108. The tonnage of goods carried by the road freight services has increased by 281% since 1938 and 72% since 1952. The number of livestock carried by road freight services in the year ended 31st March, 1956, represents an increase of 40% over the number carried in 1938. As in rail transport the number of small animals carried by road freight transport has declined over the years. The number of cattle has increased fourfold but this increase is, nevertheless, only 33% of the decrease over the same period in the number of cattle carried by rail. It will be noted from the average receipt per ton for merchandise - 9/7d. for the year ended 31st March, 1956 - that the average length of haul is shorter than in the case of rail transport where the average receipt per ton was 31/11d in the same year. Receipts

TABLE 24
C.I.E.

MERCHANDISE TRAFFIC CARRIED ON THE ROAD SERVICES, INCLUDING COLLECTION AND DELIVERY SERVICES.

(Thousand tons)

	Year ended 31st December			10 Months ended 31/3/1951	Year ended 31st March				
	1938	1944	1947		1952	1953	1954	1955	1956
Road Making Materials for County Councils				409	616	874	1,482	1,754	1,431
Ground Limestone	Details not Available	do.	do.	-	90	159	233	244	389
Cement & Building Materials				74	99	100	102	197	234
Beet and Pulp	246	449	174	87	56	76	108	91	65
Mails	N.A.	N.A.	N.A.	22	17	18	18	25	35
Grain	40	N.A.	36	21	15	19	20	17	20
Artificial Manure				14	27	23	32	23	19
Meat				-	2	25	39	40	19
Heavy Haulage ^{*x}				4	10	12	15	17	17
Newspapers	Details not Available			15	17	14	15	15	15
Furniture		do.	do.	8	11	10	8	8	9
Tar				5	7	19	19	13	9
Turf				1	40	15	18	8	7
Sugar				8	4	1	4	2	1
Miscellaneous Merchandise	468	1,048	1,427	526	656	549	533	583	604
	754	1,497	1,636	1,193	1,668	1,913	2,646	3,037	2,873
ROAD (HORSE) TRANSPORT (Not included above)	Not Available		265	241	307	307	318	321	307

*x Heavy indivisible loads e.g. plant and machinery.

are six times the 1938 figure due to the increased traffic carried and also to increased rates.

109. As in rail transport the tonnage of goods has declined sharply in the 28 weeks period ended 14th October, 1956 as compared with the corresponding period in 1955. The fall in tonnage amounted to 375,000 tons or 23% and was accompanied by a fall of 1,058 thousand in vehicle miles or 14%. Despite the increase of 10% in rates imposed on the 1st February, 1956 receipts declined by £106,000 or 12.7%.

110. Table 24 gives a breakdown of the tonnages of merchandise carried by road freight transport, including railway collection and delivery services.

111. The table shows that the expansion in the tonnage carried has been due mainly to new traffics. The carriage of ground limestone has greatly increased in recent years and a total of 389,342 tons was carried in the year ended 31st March, 1956. The carriage of road-making materials for County Councils amounted to 1,430,599 tons in the same year. These special traffics are suitable only for road transport and have not been secured at the expense of rail operation. Under the subsidy arrangement the carriage of limestone must be undertaken by C.I.E.^X Due to the limited number of licensed hauliers the transport of road-making materials must also be largely undertaken by C.I.E. save to the extent that County Councils use their own vehicles. Another factor accounting for the expansion in road freight traffic has been the closure of a number of branch lines and the substitution of road services for the rail services formerly provided by them.

112. To obtain a clearer picture of the road freight operations of C.I.E., Table 25 shows separately the tonnages of ordinary traffic and special traffics (i.e. ground limestone

X Apart from limestone carried by Comhlucht Siuicre Eireann Teo.

TABLE 25

ROAD FREIGHT TRAFFIC

CARRIED BY C.I.E. AND SUBCONTRACTED TO HAULIERS

Period	C.I.E. (1)		Hauliers	
	Ordinary Traffic	Special Traffic (2)		
Thousand tons				
<u>Year ended</u> 31/12/38	754	n.a.	-	
<u>10 Months ended</u> 31/3/51	784	409	365	
<u>Year ended</u> 31/3/52	962	706	658	
31/3/53	880	1033	513	
31/3/54	931	1715	982	
31/3/55	1039	1998	935	
31/3/56	1053	1820	962	
Indices				
<u>Year ended</u>	1938=100	1952=100	1952=100	1952=100
31/12/1938	100	78	-	-
31/3/51	125	98	70	66
31/3/52	128	100	100	100
31/3/53	117	91	146	78
31/3/54	123	97	243	149
31/3/55	138	108	283	142
31/3/56	140	109	258	146

Notes (1) Excluding Horse Transport.

(2) Road-making materials for County Councils and ground limestone.

and road-making materials) carried by C.I.E. It is the practice of C.I.E. to sub-contract to hauliers certain peak traffics and the tonnages carried by such hauliers are included in the table.

113. This table shows that excluding the special traffics, little progress has been made in the development of road freight transport. This, we believe, is due in large part to the attitude of C.I.E. towards this form of transport as reflected in its policy which is aimed at securing that as much traffic as possible passes on its railway system. C.I.E. realises, however, that over short distances (say up to 30 miles) collection, conveyance and delivery of sundries traffic is better done by road services but that for the longer distances the railway should be used to the maximum extent. C.I.E. accordingly provides road services out of the principal cities, particularly Dublin, to convey sundries traffic for short distances and in many cases to places where there is no railway. Certain stations contiguous to Dublin, while they continue to deal with wagon load traffic, have been closed and substitute road services provided with the intention of:

- (i) giving more expeditious transit;
- (ii) improving train running by eliminating stops;
- (iii) reducing staff costs by the withdrawal of staff from intermediate stations.

The type of merchandise also governs the mode of transport. Certain traffics are particularly suited for road transport, for example, furniture removals, race horses, ground limestone, and indivisible loads of exceptional dimensions such as machinery. The rates structure gives a margin of preference to road transport for short distance haulage and to

rail transport for long distance haulage. For example, the rates are such that it is cheaper to send goods by road from Dublin to Maynooth (16 miles) while it would, generally, be cheaper to send goods by rail from Dublin to Tullamore (58 miles), the cost of collection and delivery being included in both cases. District Traffic Officers work under the following directives:-

- (i) C.I.E. holds itself out to convey traffic by road only between places served by a regular scheduled road service;
- (ii) C.I.E. considers it is against its interests and against the national interest to provide road freight services where rail services operate subject to the qualification that cases will arise where it may be expedient to provide a direct road service because of the nature of the traffic or the special requirements of the consignor or consignee or of some temporary difficulty in providing a suitable rail service;
- (iii) generally speaking, C.I.E. regards it as uneconomic to duplicate rail services by road services;
- (iv) the road freight services should be used primarily as complementary to rail, i.e., as feeder and distributor services.

Strict control is maintained over the provision of direct road services and where requests are received for road services every effort is made to direct traffic to rail. The decision to provide road transport cannot be made without the approval of the Traffic Manager or the Commercial Superintendent but District Superintendents have authority to act where delay in obtaining a decision might involve the risk of loss of the traffic.

114. The tonnages of beet, ground limestone and road-making materials for County Councils sub-contracted to hauliers and the tonnage carried by the Road Freight Department in the year ended 31st March, 1956, were as follows:

	<u>Hauliers</u>	<u>Road Freight Dept.</u>
	Tons	Tons
Beet	178,734	64,685
Ground Limestone	517,122	389,342
Road-Making Materials	<u>177,235</u>	<u>1,430,599</u>
Totals	873,091	1,884,626

In addition, 89,051 tons of other traffic were sub-contracted to hauliers making a total of 962,142 tons carried by hauliers. C.I.E. carries out the necessary invoicing and other work and retains a commission ranging from $7\frac{1}{2}\%$ to $12\frac{1}{2}\%$ of the charge for the work given out under contract.

Receipts from commission since 1950 were as follows:

		£
10 months ended 31/3/1951	-	10,998
Year ended 31/3/1952	-	26,203
" " 31/3/1953	-	24,283
" " 31/3/1954	-	41,558
" " 31/3/1955	-	44,553
" " 31/3/1956	-	45,144

115. Table 26 sets out the gross receipts, expenditure and net receipts of road freight operations for 1938 and certain subsequent years.

TABLE 26

C.I.E.
ROAD FREIGHT TRAFFIC
RECEIPTS AND EXPENDITURE

Period	Gross Receipts	Expenditure	Indices (1938=100)		Net Receipts	Deficit
			Gross Receipts	Expenditure		
Year ended	£ t thousand				£ t thousand	
31/12/1938	337	340	100	100	-	3
31/12/1944	655	660	194	194	-	5
31/12/1945	735	807	218	236	-	72
31/12/1946	834	835	247	245	-	1
31/12/1947	1,141	1,125	339	331	16	-
31/12/1948	1,067	1,061	316	312	6	-
31/12/1949	972	953	288	280	19	-
10 months ended						
31/3/1951	920	950	327	335	-	30
Year ended						
31/3/1952	1,362	1,373	404	404	-	11
31/3/1953	1,542	1,508	458	444	34	-
31/3/1954	1,811	1,641	537	483	170	-
31/3/1955	1,880	1,732	558	509	147	-
31/3/1956	1,848	1,765	548	519	83	-
28 weeks ended						
14/10/1955	999	935	-	-	64	-
14/10/1956	882	886	-	-	-	4

NOTES:

- Gross receipts and expenditure in respect of horse-drawn transport are included in the table above. This horse-drawn traffic (Gross Receipts £80,836 in 1938 and £213,091 in 1955/56) continues to show an annual operating profit which in the year ended 31st March, 1956, amounted to £15,405.
- Gross receipts also include -
 - In the year ended 31st March, 1953, and subsequent years, a credit of £50,000 from Railway Working Account in respect of losses incurred in collection and delivery services performed by the road freight section on behalf of the railway. In the earlier years the loss was borne by the road freight section and no adjustment has been made in the table.
 - Commission received in connection with the sub-contracting of traffic to hauliers.

116. It will be seen from Table 26 that since 1951 receipts have increased at a greater rate than expenditure. This is largely due to the credit being given to road freight working since 1953 for losses on railhead collection and delivery services, and to the increasing sums obtained by way of commission on work contracted out to hauliers. Another factor may have been the increased tonnages of ground limestone and road-making materials carried by C.I.E. as in this type of work good loading and utilisation of equipment should be obtained. The profit on road freight operations for the year ended 31st March, 1956, was £82,625 after crediting commission of £45,000 in respect of work contracted out to hauliers and transferring £50,000 from the Railway Working Account in respect of losses on collection and delivery services performed on behalf of the railway. C.I.E. estimates that of the sum of £180,000 chargeable in the General Profit and Loss Account in respect of the pensions fund, a sum of £11,910 is^s attributable to road freight operations and this would reduce the profit to £70,715. This sum is equivalent to 7.2% on the estimated capital investment of £980,000 in road freight working or 3.8% of the gross receipts.

117. For the 28 weeks ended 14th October, 1956, gross receipts declined by £117,000, as compared with the corresponding period of 1955, despite the 10% increase in rates operative since the 1st February, 1956. Expenditure decreased by £49,000, resulting in a net operating deficit for the period of £4,000 as compared with an operating surplus of £64,000 in the corresponding period in 1955.

C.I.E. ROAD TRANSPORTSUMMARY

118. The main features emerging from the foregoing examination of C.I.E. road passenger and road freight transport may be summarised as follows:

(1) Road transport receipts (£7,174,000) are slightly in excess of rail receipts (£6,737,000) but, if the Dublin City road passenger services are excluded, road transport receipts (£3,699,000) are 55% of rail receipts. Rail transport provides employment for 11,500 workers while road transport provides employment for 7,700 workers including 4,100 on the Dublin City services. The road services are profitable and net receipts amounted to £763,000 (Road Passenger - £680,000; Road Freight - £83,000) in the year ended 31st March, 1956, as compared with an operating deficit of £1,223,000 on railway working.

(2) In the year ended 31st March, 1956, the Dublin City road passenger services accounted for 48% of C.I.E.'s road transport receipts or 23.4% of the total receipts of the undertaking. These services are profitable and have expanded considerably since 1938. City services (other than Dublin) are also profitable and expanding, but account for only 3.1% of total C.I.E. receipts.

(3) Receipts from the provincial road passenger services account for 7.3% of total C.I.E. receipts and are equivalent to 62% of rail passenger receipts excluding the suburban services. The provincial road passenger services which carry mainly short distance passengers are very profitable but traffic has remained static in recent years which may be due

to the policy of C.I.E. which subordinates road transport to rail by a fares structure weighted in favour of the latter or to the loss of population in many of the areas served by the provincial services.

(4) Road freight transport has expanded greatly due largely to heavy traffic in ground limestone and road-making materials. Excluding these special traffics there has been little development in road freight transport which may be attributable in large part to the policy of C.I.E. which is aimed at ensuring that as much traffic as possible goes by rail. Substantial tonnages of special and peak traffics have been contracted out to hauliers in recent years for which C.I.E. receive commission which amounted to £45,144 in the year ended 31st March, 1956. In that year profit on road freight working amounted to £23,000 after crediting commission of £45,000 in respect of work contracted out to hauliers and transferring £50,000 from the Railway Working Account in respect of losses on collection and delivery services performed on behalf of the railway.

(5) In the 28 weeks period ended 14th October, 1956, there was a sharp fall in receipts despite the increase of 10% in rates imposed on 1st February, 1956.

OTHER SERVICESCÓRAS IOMPAIR ÉIREANN

119. In addition to railway and road services C.I.E. operates the following services:

- Canals;
- Galway-Aran and River Shannon Services;
- Docks, Harbours and Wharves; and
- Hotels and Catering.

There is also a subsidiary company of C.I.E., entitled Transport Subsidiary Ltd., whose functions are the subletting of advertising sites and space and the trusteeship of C.I.E. Superannuation and Pension Funds.

ROYAL CANAL:

120. The Royal Canal, about 96 miles in length, extends from Dublin to the Shannon at Tarmonbarry. The canal was acquired by the former Midland Great Western Railway Company in 1846 and is now in the ownership of C.I.E. C.I.E. does not operate any barges on this canal and there has been practically no traffic on it for a number of years. C.I.E. as owner of the canal is still under a statutory obligation to keep it open to traffic. No separate financial figures for this canal are available as the figures are bulked in the C.I.E. published accounts with the figures for the Grand Canal. The present cost of maintaining the Royal Canal is £11,000 per annum.

GRAND CANAL:

121. The Grand Canal system, including the Barrow Navigation, extends for about 196 miles. The main canal is from Dublin to Ballinasloe. A branch of the canal to Athy

connects with the Barrow Navigation. Other branches connect with Kilbeggan, Edenderry and Mountmellick. The canal connects with the Shannon Navigation at Shannon Harbour, near Banagher.

122. The system was originally owned by the Grand Canal Company established under an Act of 1771. The Milne Report of 1948 recommended that the undertakings of the former C.I.L. and the Grand Canal Company should be in common ownership with a view to securing the full co-ordination of the services provided by these concerns. The Transport Act, 1950, provided for the merger of the two concerns to form the new C.I.L. undertaking. The merger took effect from 1st June, 1950, a total of £702,500 Government guaranteed transport stock being issued to holders of Grand Canal Company stock on a pound for pound basis.

123. Table 27 sets out particulars of the tonnage of goods carried by C.I.L. barges on the Grand Canal system together with the tonnage of goods carried in bye-traders' barges.

TABLE 27

GRAND CANAL TRAFFIC

Period	Grand Canal Co.'s Barges	Bye-Traders' Barges
<u>Year ended</u>	<u>Tons</u>	<u>Tons</u>
31/12/1938	107,441	62,291
31/12/1944	120,649	106,023
31/12/1945	123,180	84,323
31/12/1947	112,002	48,171
<u>10 months ended</u>	<u>C.I.L. Barges</u>	
31/3/1951	81,274	27,330
<u>Year Ended</u>		
31/3/1952	89,130	26,561
31/3/1953	84,324	23,385
31/3/1954	90,561	18,169
31/3/1955	88,591	9,436
31/3/1956	89,640	8,775
<u>INDICES</u>		
(1938 = 100)		
<u>Year ended</u>		
31/12/1938	100	100
31/12/1944	112	170
31/12/1945	115	135
31/12/1947	104	77
31/3/1951	91	52
31/3/1952	83	43
31/3/1953	79	38
31/3/1954	84	29
31/3/1955	82	15
31/3/1956	83	14

124. While the volume of traffic carried in C.I.E. barges has been maintained in recent years the tonnage carried by bye-traders has declined steeply. We have been informed that there are now no bye-traders' barges operating on the canal. Apart from a C.I.E. rates differential of from 5% to 12½% in favour of canal transport other factors which have assisted in the retention of traffic carried by C.I.E. barges are:

- (i) the location of Guinness' stores at the canal depots at Limerick and Ballinasloe;
- (ii) storage facilities at canal depots where cement, fertilisers, sugar etc. are stored free of charge.
- (iii) the existence of jetties at malt houses where malt and grain can be loaded and conveyed direct by water to Guinness' Pond at Dublin, thereby eliminating cartage at both ends.

125. The present traffic carried by C.I.E. on the Grand Canal is mainly bulk traffic. Table 28 gives the tonnage of the principal commodities carried in the year ended 31st March, 1956.

TABLE 28

PRINCIPAL COMMODITIES CARRIED BY GRAND CANAL

Commodity	Tons	% of total
Porter	21,259	23.7
Sugar	19,652	21.9
Malt	10,838	12.1
Cement	8,852	9.9
Fertilisers	7,556	8.4
Wheat	5,376	5.9
Beet	4,268	4.8
Flour	1,410	1.6
Barley	1,310	1.5
Empties	3,048 (Brewers 2,522)	3.4
	83,569	93.2

126. The canal services of C.I.E. are operated at a loss. Table 29 sets out the gross receipts, expenditure and operating deficit on canal working (including the Royal Canal) since the 1st June, 1950. Prior to that date the Grand Canal Company's operations included road freight transport and it is not practicable to separate particulars of canal working for earlier years.^x

TABLE 29
CANAL WORKING

Period	Gross Receipts				Expenditure	Deficit
	C.I.E. Barges	Bye-Traders Barges (Tolls)	Rents and Miscellaneous Receipts	Total Receipts		
10 months ended	£	£	£	£	£	£
31/3/1951 Year ended	92,977	7,091	20,515	120,583	149,802	29,219
31/3/1952	115,715	7,313	26,142	149,170	201,902	52,732
31/3/1953	122,017	8,499	27,117	157,633	199,690	42,057
31/3/1954	129,380	5,923	24,428	159,731	201,963	42,232
31/3/1955	129,273	3,110	23,458	155,841	207,680	51,839
31/3/1956	135,670	3,204	24,240	163,114	228,236	65,122

127. Following the merger with C.I.E. the Grand Canal Company's road freight transport fleet was absorbed into the C.I.E. fleet. Profits from road freight transport had assisted the financial results of the canal company and the dividends on the 3% Preference Shares had been paid regularly until 1949 together with dividends on the Ordinary Shares which averaged 2.4% for the 12 years to 31st December, 1949. No dividends were paid on the Preference or Ordinary Shares in 1949, the year prior to the merger.

^x Gross receipts for the road transport operations are available for the years 1945 to 1947 and are shown in paragraph 107.

The increase in receipts over the past five years has been secured by increases in rates for the transport of goods in C.I.E. barges. This increase more than offset the loss of receipts arising from the tolls formerly paid in respect of bye-traders' barges. As in the case of rail operation, expenditure has increased at a steeper rate than receipts. The big increase in expenditure in the year ended 31st March, 1952, as compared with the preceding year arose from increased wages. Excluding bye-traders' traffic the operating deficit of £65,000 represents a loss of 14/- per ton on 90,000 tons which yield about 30/- per ton in gross receipts.

128. Of the total traffic carried (89,640 tons) by C.I.E. barges on the Grand Canal in the year ended 31st March, 1956, 66,103 tons (74%) passed between cities and towns where C.I.E. has both canal and rail stations. Thus in respect of much of this traffic there is duplication of transport facilities. The majority of the canal stations not directly served by rail are served by C.I.E. road services the exceptions being Shannon Harbour, Kilgarvan and Luska which account for less than 1% of existing annual traffic. C.I.E. estimates that if it ceased to carry traffic in its own barges the annual loss on canal working would be reduced by £18,000. It further estimates that approximately £100,000 worth of traffic now carried by C.I.E. barges would be transferred to rail where it could be carried at the small additional cost of approximately £10,000. C.I.E. as a whole would therefore benefit to the extent of about £108,000 per annum. When submitting its proposals for re-organisation in 1953, C.I.E. proposed the withdrawal of its barges from the canal. The Minister for Industry and Commerce did not approve of the proposal however, on the

grounds that the canal provided an alternative form of transport in times of emergency and that if the proposal were adopted the condition of the waterway might be expected to deteriorate through disuse. The present cost of maintenance of the canal is £27,000 per annum.

BARROW NAVIGATION:

129. The Barrow Navigation, 43 miles in length, extends from Athy to St. Mullins which is situated between Carlow and New Ross. The tidal portion of the River Barrow commences at St. Mullins. The Barrow Navigation was transferred to the Grand Canal Company in 1894 and is now in the ownership of C.I.E. Barge traffic on the Barrow south of Carlow has ceased in the last 3 years. This is attributed by C.I.E. to the diversion of traffic to road and to the difficulty of navigation which precludes C.I.E. from providing an economic service.

SHANNON NAVIGATION:

130. The Shannon Navigation is not in the ownership of C.I.E. but as C.I.E. is the main user of the Navigation it is dealt with here in conjunction with the Canal Services. The Navigation extends from Limerick to Battlebridge near Carrick-on-Shannon, a distance of about 130 miles. The Grand Canal joins the Shannon at Shannon Harbour near Banagher, thus enabling the C.I.E. Grand Canal fleet to operate services between Limerick and other points served by the Navigation. Until 1919 the Navigation was vested in the Commissioners of Public Works. The Ministry of Transport Act, 1919, provided for the transfer of the powers and duties other than those relating to maintenance, to the Minister of

Transport now the Minister for Industry and Commerce. The Commissioners of Public Works have, however, continued to manage the Navigation as agents for the Minister for Industry and Commerce.

131. Section 27 of the Transport Act, 1950, provides that the Government may, by Order, transfer to C.I.E. all or any of the functions of the Minister for Industry and Commerce or the Commissioners of Public Works in relation to the Navigation. This power has not been exercised.

132. Traffic on the Shannon Navigation has declined considerably in recent years. The quantity of goods carried by barges using the Navigation amounted to 45,000 tons in the year ended 31st March, 1956, having declined from 65,000 tons in the year ended 31st March, 1950. The financial position of the Navigation has been steadily deteriorating despite increases in tolls in 1949 and 1953. The tolls were again increased by 20% with effect from 1st October, 1956. Particulars of the receipts and expenditure in recent years are as follows:-

TABLE 30
SHANNON NAVIGATION - RECEIPTS AND EXPENDITURE

Year ended	Gross Receipts from Tolls, Rents etc.	Expenditure	Net Receipts + or Deficit
	£	£	
31/3/1950	8,393	9,964	- 1,571
31/3/1951	8,553	9,517	- 964
31/3/1952	10,596	10,319	+ 277
31/3/1953	9,896	10,860	- 964
31/3/1954	9,347	10,617	- 1,270
31/3/1955	11,263	10,870	+ 393
31/3/1956	10,163	12,268	- 2,105

133. In 1950 the assets of the Navigation Fund included Government stock to the nominal value of £5,500. To keep the fund in credit some of the stock was disposed of in 1953 and the balance in 1956. A grant-in-aid of £500 from State funds has been paid to the Navigation Fund for the financial year 1956/57, while provision has been made for a further grant-in-aid of £4,500 for the financial year 1957/58. As the Navigation is a natural waterway expenditure on upkeep is small as compared with the cost of maintenance of the Grand Canal.

GALWAY/ARAN SERVICE:

134. The steamer service between Galway and the Aran Islands which was formerly operated by a local company was taken over by C.I.E. at the request of the Minister for Industry and Commerce in 1951. The service which caters for the transport of passengers, general cargo and livestock is operated twice weekly with additional sailings on Sundays during the summer. The service had been operated at a loss since its inception about 1891 and the local company received annual subsidies from State funds to enable it to maintain the service. The losses incurred by C.I.E. in the operation of the service in recent years have been about £9,000 per annum. Traffic for the greater part of the year is light and there is little prospect of the service ever being operated at a profit. The vessel used for the service is very old and C.I.E. has recently placed a contract with Liffey Dockyard Ltd. for the provision of a new vessel.

C.I.E. - RIVER SHANNON SERVICE:

135. At the instance of the Minister for Industry and Commerce, C.I.E. inaugurated a river service on the middle and upper Shannon in June, 1955. Two modern pleasure launches were purchased for the purpose at a cost of £32,000

including adaptation costs. One of the launches was used in 1955 and the two were in operation in 1956. Scheduled services giving connections with trains and buses are operated during the summer months from Killaloe, Athlone and Carrick-on-Shannon. The launches are also available for private charter. There was a loss of £2,591 on the operation of the service during the 1955 season and £2,646 during the 1956 season.

136. Particulars of the gross receipts, expenditure and deficit on vessel working, which includes both the Galway-Aran and the River Shannon Services, since 1952 are included in Appendix 5.

DOCKS, HARBOURS AND WHARVES.

137. C.I.E. operates the following docks, harbours and wharves:

Rosslare Harbour,
Waterford North Wharf,
Spencer Dock, Dublin,
Ringsend Dock, Dublin,
James's Street Harbour, Dublin.

The harbour at Rosslare together with (a) the railway line between Fermoy and Rosslare, (b) a railway line in Wales between Fishguard and Goodwick, and (c) the harbour at Fishguard are the property of the Fishguard and Rosslare Railways and Harbours Company which is registered in Britain. There are seven directors on the Board of the Company, four of whom are nominated by the British Transport Commission as successors to the Great Western Railway Company and three by the Board of C.I.E. as successors to the Great Southern Railways Company. The Company is the registered owner of the vessels providing steamer services between Fishguard and Rosslare. Under an agreement dated 27th May, 1898, the

Great Western Railway Company undertook to manage and maintain the portion of the undertaking in Britain, including the steamer service. The British Transport Commission now manage and maintain this portion of the undertaking. The Great Southern Railways Company undertook to manage and maintain the portion on the Irish side, including Rosslare Harbour, and C.I.E., as successor to the Great Southern Railways Company, now undertakes this responsibility. C.I.E. and the British Transport Commission are responsible for the interest due on the proportion of the capital stocks issued to meet expenditure in the respective territories. Payment by C.I.E. of interest on these stocks amounted to £43,507 in the year ended 31st March, 1956. Excluding interest on the stocks of the Fishguard and Rosslare Railways and Harbours Company, the operating loss incurred by C.I.E. on operating Docks, Harbours and Wharves amounted to £9,735 in the year ended 31st March, 1956. Particulars of gross receipts, expenditure and deficit on Docks, Harbours and Wharves working, for selected years since 1925 are included in Appendix 5.

TRANSPORT SUBSIDIARY LIMITED:

138. Transport Subsidiary Ltd. is a subsidiary company of C.I.E. with a capital of £100; its directors are members of the Board of C.I.E. It was originally incorporated as a subsidiary of the Dublin United Transport Company in 1943. Its functions are:-

- (1) subletting of advertising sites and space on premises and vehicles,
- (2) trusteeship of C.I.E. Superannuation and Pension Funds.

Transport Subsidiary Ltd. receives no remuneration for the trusteeship of the Superannuation and Pension Funds. For its other activity it receives rents from advertisers against which it charges all outgoing expenses such as the salaries of the advertising manager and staff. The excess of revenue over expenditure is the measure of the rent charged by C.I.E. to the company for advertising space and it is brought in as advertising revenue and included under the heading of Miscellaneous Receipts in the Railway and Road Passenger Accounts of C.I.E.

HOTELS AND CATERING:

139. C.I.E. receives income from the operation of hotels, refreshment rooms and restaurant cars. Six hotels are at present operated by C.I.E. at Killarney, Kenmare, Parknasilla, Galway, Sligo and Mulrany. There are refreshment rooms at eighteen rail centres and at the Store Street Bus Station. These activities as a whole are profitable. Particulars of the gross receipts, expenditure and net receipts in respect of Hotels, Refreshment Rooms and Restaurant Cars are included in Appendix 5 from which it will be seen that net receipts amounted to £28,892 in the year ended 31st March, 1956.

FINANCIAL POSITION
CÓRAS IOMPAIR ÉIREANN

140. Appendix 5 gives a summary, in tabular form, of the income and expenditure of the whole undertaking for the years 1925 and 1938 and for the accounting periods from 1944 to the year ended 31st March, 1956, together with a Balance Sheet as at 31st March, 1956. The Appendix shows the income and expenditure and net operating results in respect of the following services:

- (i) Rail
- (ii) Road Passenger
- (iii) Road Freight
- (iv) Vessels
- (v) Canals
- (vi) Hotels, Refreshment Rooms and Restaurant Cars
- (vii) Docks, Harbours and Wharves

In addition there are heavy outgoings for interest and other items and the Appendix shows the aggregate of the operating surpluses and deficiencies in respect of the various services together with the annual provisions for:-

- (a) the dividends and interest payments;
- (b) the sinking fund for the redemption of the 5% Transport Stock 1972/77 and the 4 $\frac{1}{2}$ % Transport Stock 1972/77;
- (c) the interest on advances by the Government in accordance with Section 18 of the Transport Act, 1944, and Section 30 of the Transport Act, 1950, to meet the interest payable to the stockholders; and
- (d) contributions to pensions trust fund.

141. It will be seen that the surpluses of expenditure over income in the working accounts together with the annual provisions have resulted in serious deficiencies.

Table 31 gives a summary of the operating results, of the annual charges in respect of interest on Debentures and Stocks and of other annual charges affecting the profits and losses of C.I.E. and its predecessors C.I.L. (1945) and Great Southern Railways Co. for all years from 1938 to 31st March, 1956. The operating results of Dublin United Transport Co. and the Grand Canal Co. prior to their amalgamation with C.I.E. have not been included. In only three years, viz. 1939, 1942 and 1945, have there been net profits after providing for all charges.

C. I. E.
PROFITS AND LOSSES

Period	Operating Profit or Loss (a)	Pensions Trust Fund Contributions	Interest on Govt. Advances (b)	Interest on Stocks and/or Debentures, and Sinking Fund Provisions	Profit or Loss after providing for Interest, Sinking Fund and Pensions Fund
	(1)	(2)	(3)	(4)	(5)
Year ended	£	£	£	£	£
31/12/1938	Cr. 265,583	-	-	308,595	Dr. 43,012
31/12/1939	Cr. 345,655	-	-	308,595	Cr. 37,060
31/12/1940	Cr. 263,834	-	-	308,595	Dr. 44,761
31/12/1941	Cr. 315,992	-	-	541,775	Dr. 225,783
31/12/1942	Cr. 398,372	-	-	299,806	Cr. 98,566
31/12/1943	Cr. 559,545	-	-	624,443	Dr. 64,898
31/12/1944	Cr. 458,130	-	-	462,836	Dr. 4,706
31/12/1945	Cr. 1,034,534	150,000	-	437,382	Cr(c) 447,152
31/12/1946	Cr. 426,131	150,000	-	402,205	Dr(c) 126,074
31/12/1947	Dr. 494,670	100,000	-	317,683	Dr(c) 912,353
31/12/1948	Dr. 964,182	100,000	-	360,146	Dr. 1,424,328
31/12/1949	Dr. 618,388	180,000	-	407,358	Dr. 1,205,746
5 months ended					
31/5/1950	Dr. 514,060	75,000	-	157,794	Dr. 746,854
10 months ended					
31/3/1951	Dr. 669,265	150,000	6,117	397,589	Dr. 1,222,971
Year ended					
31/3/1952	Dr. 1,413,364	180,000	21,250	477,106	Dr. 2,091,720
31/3/1953	Dr. 1,322,316	180,000	37,661	477,106	Dr. 2,017,083
31/3/1954	Dr. 183,570	180,000	61,768	595,731	Dr. 1,021,069
31/3/1955	Cr. 44,062	180,000	90,991	639,606	Dr. 866,535
31/3/1956	Dr. 490,773	180,000	121,100	833,669	Dr. 1,625,542

NOTES:

- (a) Adjusted by adding or deducting net balances of sundry non-operating income and expenditure.
- (b) Interest on advances made by the Minister for Finance to meet guaranteed Interest on Transport Stocks.
- (c) The Credit balance in the year ended 31/12/1945 is subject to provision of £324,416 for Income Tax and the Dr. balances in the years ended 31/12/1946 and 31/12/1947 are subject to credits in respect of Income Tax of £68,926 and £34,864 respectively.

142. The operating profits and losses shown in column (1) of Table 31 above are the net operating results of the various activities of the undertaking. Particulars of the profits and losses on the individual operating accounts in recent years and for certain earlier years have already appeared in the separate sections of the Report dealing with such operations and are also given in summary form in Appendix 5. Since 1946, heavy losses have been incurred in railway operations and these losses have been partly offset by profits on road transport (particularly road passenger transport) and on hotels and other catering activities. Losses were incurred consistently on the canals, docks, harbours and wharves and vessel operations. The position in regard to operating results since 1946 and since the reconstruction of C.I.E. in 1950 may be summarised as follows:

Operating Results

(i.e. before charging interest on capital etc.)

	1st January, 1946 - 31st March, 1956. (10½ years)	1st June, 1950 - 31st March, 1956 (5 years and 10 months)
	£	£
Railway Losses	11,350,171	6,991,743
Losses on other activities	550,225	407,006
Total Losses	11,900,396	7,398,749
Profits on Road Transport	5,578,021	3,301,291
Profits on Hotels and Catering	121,980	62,232
Total Profits	5,700,001	3,363,523
Net Operating Losses	6,200,395	4,035,226

143. Net operating profits are shown in Table 31 for all years from 1938 to 1946, inclusive. It should be noted however that increases in salaries and wages were restricted by the Emergency control which operated from 1941 to the establishment of the Labour Court in September, 1946. The improvement in operating results in this period was obviously attributable to a substantial extent to this control which stabilised a high proportion of railway expenditure. Since 1946 operating expenditure has exceeded the receipts, and operating losses have occurred in each year with the exception of the year ended 31st March, 1955. In addition to operating losses, commitments, particularly in recent years, in respect of guaranteed interest on stocks, interest on Government advances and pensions trust fund contributions, have contributed substantially to the serious annual losses of the undertaking. The position may be seen more clearly from the following statement:-

LOSSES (Including financial charges)

	1st January, 1946 - 31st March, 1956. (10½ years)		1st June, 1950 - 31st March, 1956 (5 years & 10 mths.)	
	£	£	£	£
Net operating losses as shown in paragraph 142		6,200,395		4,035,226
Pensions Trust Fund Contributions	1,655,000		1,050,000	
Interest on Government Advances	338,887		338,887	
Interest on Stocks and Debentures and Sinking Fund Provisions	5,065,993	7,059,880	3,420,807	4,809,694
Losses, including financial charges		13,260,275		8,844,920

144. Column (4) of Table 31 sets out the amounts paid to holders of Debentures and Stocks of the undertaking together with the sinking fund provisions which have been made since 1951 for the redemption of the 5% Transport Stock 1972/77 and the 4½% Transport Stock 1972/77 since their issues in 1953 and 1955, respectively. A statement of the interest and dividend payments made since 1938 is set out at paragraph 5 of Appendix 6 which should be read in conjunction with paragraphs 1 to 4 of that Appendix. Since 1950 interest on all Transport Stocks has been guaranteed by the Minister for Finance and in the absence of profits that Minister has provided advances to meet the interest. These interest payments and the interest payable on the advances made by the Minister for Finance have been substantial factors in the annual deficits incurred. In addition to the stocks forming the issued capital of the undertaking at 1st June, 1950, following the reconstruction effected by the Transport Act, 1950, two further issues were made - £2,500,000 5% Transport Stock 1972/77 in June, 1953, and £4,500,000 4½% Transport Stock 1972/77 in April, 1955. All Transport Stock is guaranteed by the Minister for Finance in respect of annual interest and capital redemption.

145. The Sinking Fund contributions for the redemption of the 5% Transport Stock 1972/77 and the 4½% Transport Stock 1972/77 amounted to £142,895 at 31st March, 1956. Provision for redemption has not been made in respect of any of the other stocks.

146. State financial aid to the undertaking towards operating losses and to meet interest payable to the stockholders has been as follows:-

Year	Non-repayable Government Grants towards operating losses	Government Advances to meet Annual Interest on Stocks
	£	£
1949/50	1,628,631	-
1950/51	980,000	433,000 (1)
1951/52	1,817,000	477,000
1952/53	1,923,000	477,000
1953/54	800,000	537,000
1954/55	(- 829,000) (2)	602,000
1955/56	-	707,800
	<hr/> 26,319,631	<hr/> £3,233,800

(1) Includes £155,000 interest on Debenture Stocks accrued at 1st June, 1950.

(2) Refund by C.I.E. of subsidy in respect of years 1952/53 and 1953/54.

No grant has been made towards the losses incurred in the years ended 31st March, 1955 and 1956.

147. In addition to grants towards operating losses and advances to meet stockholders' interest the Government advanced £2,462,369 in 1949/50 to finance capital expenditure. This sum was provided originally as a repayable advance, but in view of the financial difficulties of the undertaking provision was made in the Transport Act, 1955, to treat it as a non-repayable grant.

148. The Government advances to meet annual interest on stocks are being made in pursuance of the guarantee of the Minister for Finance under the Transport Act, 1950. C.I.E. is liable for interest on the amount due to the Central Fund in respect of these advances and as each annual advance from the Central Fund increases the total liability, the amount of annual interest payable on it by C.I.E. increases accordingly.

149. The total amount of direct State aid afforded to the undertaking up to 31st March, 1956, including non-repayable grants and advances to meet interest on Transport Stock amounts, therefore, to £12,016,000 as follows:-

	£
Non-repayable grants towards operating losses (1949/50 to 1953/54)	6,319,631
Advance in respect of capital expenditure (later allowed as a non-repayable grant) (November, 1949)	2,462,369
Repayable advances to meet interest payments to stockholders (1950/51 to 1955/56)	3,233,800
	12,015,800
	12,016,000

150. When C.I.E. was reconstructed on 1st June, 1950, the accumulated losses of £2,560,198 were reduced to £1,565,913 by various adjustments. Incorporating these adjustments and including the balances relating to the Grand Canal Co., taken over by C.I.E. on 1st June, 1950, the adjusted Balance Sheet at 1st June, 1950, may be compared with the latest published Balance Sheet i.e. at 31st March, 1956, as follows:

151. From the 1st June, 1950, when C.I.E. was reconstructed, to 31st March, 1956, the balance to debit of profit and loss appropriation account increased from £1,565,913 to £5,719,833 as follows:-

	£	£
Balance at 1st June, 1950		1,565,913
After providing £6,848,828 for depreciation and £941,843 for renewals fund, ^x the operating losses (adjusted for net balances of sundry non-operating income and expenditure) amounted to	4,035,226	
<u>Add</u>		
Interest on Transport Stocks	3,277,932 ^Ø	
Interest on Government Advances to meet Transport Stocks Interest	338,887	
Sinking Fund Provisions	142,875	
Pensions Fund Contributions	1,050,000	8,844,920
		<hr/> 10,410,833
<u>Less Government non-repayable grants towards losses</u>		4,691,000
		<hr/> <hr/> £5,719,833

x £800,843 the balance of this fund, was, at 31st March, 1956, transferred to Capital Reserve.

Ø Including interest accrued at 31st March, 1956.

152. Since 1st June, 1950, subscribed capital has been increased by issues of Transport Stock amounting to £7,000,000. Fixed Assets have been increased by the addition of new assets and by renewals, amounting to £15,288,309 less depreciation and sales of £7,702,147 leaving a net increase of £7,586,162 at 31st March, 1956. The figure of £15,288,309 includes £8,546,594 in respect of diesel locomotives and other railway rolling stock.

153. The comparison of the two balance sheets shows a substantial deterioration in regard to current assets and current liabilities and the operating results for the 28 weeks ended 14th October, 1956, indicate a further worsening of this position. At 1st June, 1950, there was an excess of £252,279 in current liabilities over current assets including the liability of £2,462,369 in respect of the State advance for capital expenditure, then repayable, and at 31st March, 1956, this excess had increased to £1,967,369 which would have been £4,429,738 had the Government not waived the repayment of the advance of £2,462,369, or £9,120,738 if the Government had not given grants in respect of operating losses.

154. The Balance Sheet at 31st March, 1956, shows that the net assets (£20,860,188)^x fall short of the issued capital by £2,543,355. But for Government grants amounting to £8,782,000 this short fall would be £11,325,355 or nearly one half of the issued capital.

155. We now turn to C.I.E.'s present and future revenue requirements. No subsidy has been paid to C.I.E. in respect of losses incurred in the years 1954/55 and 1955/56 and it is necessary to take the losses in these two years into account in assessing C.I.E.'s revenue requirements. We have received from C.I.E. an estimate of operating results for 1956/57 and forecasts for the three years 1957/58 to 1959/60 based on the assumptions that the present volume of traffic would be maintained and the level of costs in November, 1956, would remain unchanged but making allowance for anticipated economies resulting from the changeover to diesel traction. Based on operating results for 1954/55 and 1955/56 and on the C.I.E. estimates for the four subsequent years the position for the six years ending 31st March, 1960, may be set out as follows:-

x Assets less Current Liabilities and Discount and Expenses on Transport Stock Issues.

Year Ended	Net Revenue before providing for Depreciation or Interest on Transport Stocks	Provision for Depreciation	Interest on Transport Stocks	Net Loss
	£ million			
31st March, 1955	1.08	1.35	0.60	0.87
31st March, 1956	0.47	1.34	0.76	1.63
31st March, 1957	0.48	1.52	0.79	1.83
31st March, 1958	1.12	1.65	0.79	1.32
31st March, 1959	1.37	1.66	1.24	1.53
31st March, 1960	1.26	1.67	1.24	1.65
	5.78	9.19	5.42	8.83

156. Further State subsidy would no doubt be sought to finance these deficits, at least to the extent that expenditure on renewals and replacements would exceed the net revenue before providing for depreciation. The following shows actual expenditure on renewals and replacements in the years 1954/55 and 1955/56 and estimated expenditure in the four years 1956/57 to 1959/60.

<u>Year</u>	<u>£ million</u>
1954/55	0.92
1955/56	1.19
1956/57	1.23
1957/58	1.57
1958/59	1.26
1959/60	<u>1.39</u>
	7.56
Deduct net revenue (Paragraph 155)	<u>5.78</u>
Deficit	<u>1.78</u>

157. In the three years 1954/55 to 1956/57 expenditure on renewals and replacements exceeded net revenue before charging depreciation by about £1.31 million. This deficit has been largely financed by means of temporary bank borrowing. The Minister for Finance guaranteed temporary bank borrowing for a total of £803,000 in May and June, 1956, which C.I.E. has been unable to repay. This sum was repaid to the Bank in November, 1956 by the Minister for Finance in discharge of his guarantee but the sum must be recouped to the Central Fund in the financial year 1957/58 either by C.I.E. or out of voted money.

158. The State may also be called upon to meet not only the annual interest on existing Transport Stocks but also the interest on fresh issues of Stock required to finance new capital expenditure. C.I.E. has estimated such expenditure at approximately £7.5 million during the four years ending 31st March, 1960, made up of £6.5 million in connection with the dieselisation and reorganisation programme and £1 million for other capital expenditure. Assuming a fresh issue of Stock of £7½ million at the beginning of the year 1958/59, which on the basis of current stock exchange quotations for Transport Stock might require to be issued with an interest rate of 6%, the total annual interest on Transport Stocks may be estimated at

<u>Year</u>	<u>£ million</u>
1956/57	.79
1957/58	.79
1958/59	1.24
1959/60	<u>1.24</u>
Total	4.06

159. This would bring the total State subventions to £17.86 million by 1959/60 as follows:

	<u>£ million</u>
State subventions, including advances to meet Stock interest, to 31st March, 1956 (paragraph 149)	12.02
Subsidy in respect of revenue deficits 1954/55 to 1959/60 (paragraph 156)	1.78
Interest on Transport Stocks including new issue 1956/57 to 1959/60 (paragraph 158)	4.06
	<u>5.84</u>
	<u>17.86</u>

The figure of £5.84 millions represents estimated requirements for revenue expenditure; estimated capital requirements in the four years ending 31st March, 1960, amount to £7.5 millions (see Paragraph 158).

160. We appreciate the difficulties of C.I.E. in estimating working results for three years ahead. Should the present level of operating costs increase it is likely that, as in the past, C.I.E. will be unable to recover in full increased costs by increased charges. Hence the possibility cannot be ignored that the estimate of working losses for the three years to 1959/60 may well be considerably exceeded if the expectations upon which they are based are not realised.

CAPITAL STRUCTURE, AND DELEVERAGING AND
REORGANISATION PROGRAMME

CÓRAS IOMPAIR ÉIREANN

161. A memorandum showing how the present capital structure of C.I.E. has emerged is contained in Appendix 6. It will be seen from this Appendix that while the capital of the Great Southern Railways Company, particularly the Ordinary Stock, was drastically reduced by the Railways Act, 1933, the exchange of stocks provided for in the Transport Act, 1944, was on a pound for pound basis in the case of the G.S.R. stocks. The stocks of the D.U.T. Company were exchanged at a premium of 45% based on Stock Exchange quotations. On the reconstruction of C.I.E. in 1950 the stocks were exchanged for the new Transport Stocks also on a pound for pound basis with the exception of the Common Stock which was exchanged at the rate of £80 3% Transport Stock 1975/85 for each £100 Common Stock.

162. An issue of £2,500,000 5% Transport Stock in 1953 and a further issue of £4,500,000 4½% Transport Stock in 1955 brought the issued capital of C.I.E., all of which is guaranteed by the Minister for Finance as to principal and interest, to the present total of £23,403,543, which is made up as follows:

		£
3%	Transport Stock 1955/60	9,889,083
2½%	" " 1965/75	3,000,000
3%	" " 1975/85	3,514,460
5%	" " 1972/77	2,500,000
4½%	" " 1972/77	4,500,000
	Total:	23,403,543

Of this total £1,826,436 is attributable to the acquisition of the D.U.T. Co. and £702,500 to the acquisition of the Grand Canal Co.

163. When C.I.E. was reconstructed in 1950 the railway rolling stock was largely over-age and in a poor state of repair. The permanent way was in reasonably good condition. The rolling stock consisted of 405 steam locomotives with an average age of 51 years, 680 passenger carriages with an average age of 48 years and 11,700 wagons with an average age of 35 years. Allowing an average life of 40 years for each locomotive, carriage and wagon, C.I.E. considers that an adequate renewal programme should have required the provision each year of 10 locomotives, 17 carriages and 300 wagons so that for the period from 1937 to 1950 140 locomotives should have been provided where only 8 were provided, 238 carriages where only 20 were constructed and 4,200 wagons where only 1,400 were constructed. Failure to carry out the necessary renewals was due partly to insufficient funds and, when funds were available, to shortage of materials.

164. In May, 1952, a limited programme of capital works was approved which included the provision of 60 diesel railcars, to be imported fully assembled, 117 new carriages and 1,061 new wagons to be constructed in the C.I.E. workshops. This programme has been completed.

165. In addition C.I.E. submitted proposals to the Minister for Industry and Commerce in January, 1953, for the carrying out of a comprehensive dieselisation and reorganisation programme aimed at putting the undertaking

on a paying basis. These proposals involved an almost complete change-over from steam to diesel traction. The main items in the programme were -

- (a) provision of 113 diesel locomotives of varying sizes, most of which would be imported fully assembled;
- (b) construction in the C.I.E. workshops of 340 new carriages which, together with 117 carriages and 60 diesel railcars (which also serve as carriages) under the earlier programme, would renew about 70% of the carriage stock, and 3,500 new wagons which, together with the 1,061 wagons constructed under the earlier programme, would renew about 40% of the total wagon stock;
- (c) improvement of a number of goods stations.

Included in the programme also was the construction in the C.I.E. workshops of 50 locomotives capable of operating on either oil or turf as soon as a satisfactory prototype had been developed. These locomotives would normally operate on oil and would be utilised for peak traffics such as beet and the working of livestock specials but would also be capable of operating on turf in emergency conditions.

166. C.I.E. estimated that the implementation of its proposals would virtually eliminate losses, which were then estimated at the rate of about £1.6 million per annum, and would put the undertaking on a self-supporting basis due allowance being made for the remuneration in full of all existing and new capital.

The Board's estimates were based on the expectations that as a result of the improved services which would follow dieselisation and reorganisation, it would be possible for the railway undertaking to hold its existing volume of traffic and to attract an additional 5% passenger traffic and 2½% freight traffic and that any increases in wages or other operating costs which might arise could be met by increases in rates and fares.

167. In July, 1953, the Government approved of the proposals involving capital expenditure as follows:-

(1) acquisition of 113 diesel locomotives and provision of oil storage accommodation (£250,000) at an estimated cost of	£ million 5.30
(2) construction of 340 carriages and 3,500 wagons (spread over 10 years) at an estimated cost of	5.50
(3) improvement of goods stations	0.35
	11.15
less value of obsolete rolling stock	0.50
	10.65

The Government considered that the development of a suitable type of locomotive capable of burning either turf or oil should be regarded as a matter of prime importance and that the construction of 50 such locomotives should be undertaken by C.I.L. as soon as practicable after a suitable prototype had been developed. An additional sum of £1 million was included in the C.I.L. programme for this purpose; the financial arrangements in respect of the item were to be considered when definite proposals were put forward by the Board. Experiments in the development of a prototype

TABLE 32

C. I. E.

CAPITAL PROGRAMME OF DIESELISATION AND REORGANISATION

Expenditure	Total	Diesel Locomotives	Carriages	Wagons	Other (a) programme Expenditure	Oil/Turf Locomotives
Incurring up to 31/3/1956	4,354	3,315	411	445	168	16
Estimated for year ending 31/3/1957	3,193	2,291	238	470	169	25
-do- 31/3/1958	1,159	735	11	387	26	-
-do- 31/3/1959	1,189	24	395	359	50	360
-do- 31/3/1960	974	24	238	302	50	360
Total estimated up to 31/3/1960	10,869	6,389	1,293	1,963	463	761
Estimated to be incurred after 31/3/1960	3,621	-	2,077	597	197	750
	14,490	6,389	3,370	2,560	660	1,511
Units provided under Programme			Number		Number	
In service at 31/3/1956			(b)			
		32	10	495		-
Estimated to be in service at:						
31/3/1957		82	24	1,265		1
31/3/1958		113	30	1,845		1
31/3/1959		113	79	2,365		13
31/3/1960		113	111	2,785		25

(a) Oil Storage Accommodation, Workshops, Improvement of Goods Stations.

(b) Excluding Heating Vans (41)

NOTE: This table is based on estimates prepared by C.I.E. in November, 1956.

turf/oil burning locomotive have been in progress for some time. The prototype has been virtually completed and will be ready for trial shortly.

168. The progress of the programme may be seen from Table 32. The total cost of dieselisation, excluding the diesel railcars provided under the earlier programme, will be of the order of £6.4 millions as compared with C.I.E.'s original estimate of £5.3 millions, the increase being largely due to increased prices. Increased expenditure as compared with the original estimates will also be necessary in respect of carriages and wagons to be constructed by C.I.E. and other items in the programme, reflecting increased wages and other costs. The original estimate of £1 million for the 50 turf/oil locomotives was, of course, conjectural, and the estimates of expenditure for future years are on the assumption that the prototype locomotive proves successful in operation. Of the expenditure estimated for the year ended 31st March, 1958, and subsequent years up to 31st March, 1960, C.I.E. is contractually committed to £733,000 for locomotives and components and to £127,000 and £706,000 for components and materials for the construction of carriages and wagons, respectively, making total contractual commitments of £1,566,000 for those years. In addition wage costs are estimated to amount to £269,000 in connection with the assembly of locomotives imported unassembled and the construction of carriages and wagons from the components and materials in respect of which C.I.E. is contractually committed.

169. C.I.E. estimates the economies arising from partial dieselisation in the years ended 31st March, 1956 and 1957 at £487,000 and £1,121,000, respectively. C.I.E. also estimates that when dieselisation is complete economies will be of the order of £1,791,000 in a full year's working, on the basis of

levels of wages and fuel costs obtaining in December, 1956 and taking into account the increase of 3d per gallon in the price of oil operative from the 6th of that month. These economies cover fuel, labour and maintenance costs only and do not take into account economies arising from reorganisation other than dieselisation or interest on new capital. The economies arising from dieselisation have been taken into account in the estimated financial results set out at Paragraph 155.

170. In addition to the main dieselisation and reorganisation programme and the earlier capital programme approved in 1952, C.I.E. carries out each year capital additions to fixed assets not included in either programme. Expenditure under this head has been estimated by C.I.E. to average £250,000 per annum.

171. To finance expenditure under the two programmes together with capital additions to fixed assets not included in the programmes, two Stock issues totalling £7 million (£2½ million 5% Stock issued in June, 1953, and £4½ million 4½% Stock in April, 1955) have been made. The proceeds of these two Stock issues had been fully expended at 31st March, 1956.

172. To finance their capital development as at present planned during the years 1956/57 to 1959/60, inclusive, C.I.E. would require an additional £6.5 million in respect of the dieselisation and reorganisation programme and £1 million in respect of other additions to capital assets. The effect of raising this sum by further Stock issues which, if they were to be on the same basis as hitherto, would be guaranteed as to principal and interest by the Minister for Finance would bring the issued capital of C.I.E. to nearly £31 million as follows:

(a)	<u>Stock issued in substitution for Stock of amalgamated undertakings.</u>	<u>£ million</u>
	3% Transport Stock 1955/60	9.89
	2 $\frac{1}{2}$ % " " 1965/75	3.00
	3% " " 1975/85	3.51
(b)	<u>New capital issued by C.I.E. to date.</u>	
	5% Transport Stock 1972/77	2.50
	4 $\frac{1}{2}$ % " " 1972/77	4.50
(c)	<u>Capital requirements for four years 1956/57 to 1959/60.</u>	<u>7.50</u> [₹]
	Total:	<u>30.90</u>

₹ The figure of £7.50 millions represents estimated capital requirements only; estimated requirements for revenue expenditure including operating losses and interest on Stocks amount to £5.84 millions. (See Paragraph 159)

The condition of the capital market did not permit of a capital issue by C.I.E. during the year 1956/57 and payments totalling £1.7 million were made by the State to meet C.I.E.'s immediate capital requirements. Of these payments a sum of £1 million is repayable out of a future stock issue but no provision has been made as to the repayment of the balance of £0.7 million. C.I.E. has also made deferred payment arrangements with its suppliers of capital equipment and materials.

173. It will be noted that the 3% Transport Stock 1955/60 amounting to £9.89 million falls due for redemption by 1960. Redemption of this stock would not, of course, involve an increase in total investment in the undertaking, but unless the present level of interest rates alters it would be necessary to offer an increased rate of interest to existing stockholders in connection with any scheme for conversion of their holdings.

174. A sinking fund is being provided for the redemption of the 5% Transport Stock 1972/77 and the 4 $\frac{1}{2}$ % Transport Stock 1972/77. The fund amounted to £144,847 at 31st March, 1956. There is no sinking fund for the redemption of the Stocks issued in substitution for the Stocks of amalgamated undertakings.

C.I.E. FINANCIAL POSITION AND CAPITAL STRUCTURESUMMARY

175. The following are the main features which emerge from the foregoing examination of the financial position and the capital structure of C.I.E.:-

- (a) Operating losses (i.e. before charging interest on capital etc.) have been incurred each year since 1947 with the exception of the year ended 31st March, 1955, and totalled £6,200,392 for the period of 10½ years ended 31st March, 1956, or £4,035,226 for the period from 1st June, 1950, to 31st March, 1956. Losses after charging interest on capital etc. amounted to £13,260,275 for the period of 10½ years ended 31st March, 1956, or to £8,844,920 for the period from 1st June, 1950, to 31st March, 1956.
- (b) Direct State aid to the C.I.E. undertaking which commenced in 1949 amounted to £12,015,800 at 31st March, 1956, including non-repayable grants towards operating losses (£6,319,631), a non-repayable grant for capital expenditure (£2,462,369) and repayable advances to meet interest payments on Stock (£3,233,800).
- (c) The Balance Sheet at 31st March, 1956, shows that the net assets (£20,860,188) fall short of the issued capital by £2,543,355 and but for Government grants this shortfall would have amounted to £11,325,355 or nearly one half of the issued capital.

- (d) C.I.E. estimates that on the basis of the present volume of traffic being maintained and the level of costs current in November, 1956 remaining unchanged losses amounting to £2.27 millions before charging interest on Transport Stocks will be incurred over the four years ending on 31st March, 1960. After charging interest on the Transport Stocks these losses would amount to £6.33 millions.
- (e) On the basis of the C.I.E. estimates State assistance of the order of £5.84 million will be required during the four years ending on 31st March, 1960, comprising grants towards losses (£1.78 millions) and advances to meet interest on Transport Stocks (£4.06 millions) bringing the total subvention up to 31st March, 1960 to £17.86 millions.
- (f) Following the reconstruction of C.I.E. on the 1st June, 1950, the issued capital amounted to £16,403,543 which was guaranteed by the Minister for Finance as to principal and interest. The railway rolling stock was largely obsolete and C.I.E. embarked on a capital programme for the dieselisation and reorganisation of the undertaking which is at present in the course of implementation. To finance expenditure under this programme and on other capital works two stock issues were made totalling £7 millions, bringing the present issued capital of C.I.E. to £23,403,543 all of which is guaranteed by the Minister for Finance. To finance the capital development including dieselisation during the four years ending 31st March, 1960 further capital amounting to £7.50 millions will

- (g) State assistance to C.I.E. in the form of grants, advances to meet interest on Transport Stocks and capital guarantees up to 31st March, 1956, and estimated requirements during the period 1st April, 1956 to 31st March, 1960, may be summarised as follows:

Period	Direct State Assistance		Capital Guaranteed £
	Subsidy £	Advances to meet Interest on Transport Stocks £	
Up to 1st June 1950	(1) 4,091,000	-	16,403,543
1st June, 1950 - 31st March, 1956	4,691,000	3,233,800	7,000,000
1st April, 1956 - 31st March, 1960	(2) 1,780,000	4,060,000	(3) 7,500,000
	10,562,000	7,293,800	
	V		
	17,855,800		30,903,543

NOTES:

- (1) Includes advance of £2,462,369 in respect of capital expenditure later allowed as non-repayable grant. (Paragraph 147)
- (2) Includes guaranteed overdraft of £803,000 repaid to the Bank by the Minister for Finance in November, 1956. (Paragraph 157)
- (3) Includes payments of £1,700,000 made to C.I.E. in 1956/57. (Paragraph 172)

GREAT NORTHERN RAILWAY BOARDINTRODUCTORY

176. Following the establishment of the State in 1922 and the creation of the Border separating the Six North-Eastern Counties from the rest of Ireland the Great Northern Railway system became an undertaking operated in two separate political areas, its lines being intersected by the Border at various points. For this reason the Great Northern Railway Company (Ireland) was excluded from the amalgamation of other railway companies effected under the Railways Act, 1924.

177. The Tribunal of Inquiry on Public Transport appointed in 1938 made no specific recommendation regarding the Great Northern Railway Company recognising that the difficulties of a concern operating in separate political areas with the greater part of its railway in the Six Counties could not be solved by unilateral action.

178. In the post-war years the company's financial position deteriorated rapidly. The position became so serious that in 1950 negotiations were entered into between the Minister for Industry and Commerce and the Minister of Commerce of Northern Ireland for the purpose of considering the future of the railway. The company was informed in January, 1951, that the Governments had agreed jointly to acquire the undertaking and to accept responsibility for the financial results of operation pending acquisition. Services were maintained on this basis until the establishment of the G.N.R. Board on the 1st September, 1953.

179. The Great Northern Railway Act, 1953, and a corresponding Act in the Six Counties gave legal effect to the agreement for the joint acquisition of the undertaking and for its future management and operation. The Acts provide for the establishment of a Board of ten members five of whom are appointed by the Minister for Industry and Commerce and five by the Minister of Commerce. The chairmanship and vice-chairmanship alternate annually between the senior nominees of each Minister. The Board is required to comply with directions which may be given jointly on matters of policy by both Ministers and with directions which may be given by either Minister on matters of policy relating exclusively to the conduct of the undertaking in his area. The Board is required "so to conduct its undertaking as to secure, as soon as may be, that taking one year with another the revenue of the Board shall be not less than sufficient to meet the charges properly chargeable to revenue." The cost of acquisition of the undertaking was £4.5 million which was provided in equal shares by the two Governments, this figure having been agreed upon in the negotiations between the two Governments and accepted by the stockholders.

180. In October, 1955, the Minister of Commerce, proposed the closing of the following G.N.R. secondary lines in the Six Counties:-

- (1) Portadown - Armagh - Tynan;
- (2) Omagh - Lnniskillen - Newtownbutler; and
- (3) Bundoran Junction - Belleek.

The Minister for Industry and Commerce was not in agreement with the proposed closing of these lines and in accordance with the provisions of the G.N.R. Acts the matter was

referred to the Chairmen of the Transport Tribunals in the two areas for joint advice and report. Following a public inquiry the Tribunal Chairmen reported to the two Ministers. The Minister of Commerce has announced his intention of proceeding with his proposal for the closure of the lines. The Minister for Industry and Commerce is considering the matter. Should he refuse to consent to the closures he would become liable for the losses involved in the continued operation of the lines. The Minister of Commerce has also referred to the possibility of taking steps for the closure of the Portadown-Derry line.

181. The G.N.R. Board operates 543 miles of railway line (first track) which is about 30% of the mileage operated by C.I.E. 224 miles of the railway line are within the State and the Board also operates road passenger and road freight services within the State. General particulars of the G.N.R. organisation as a whole are as follows:-

Year ended 30th September, 1956.

Capital Liability.

(i.e. acquisition price of the undertaking) - £4.5 millions

Total Receipts - £3.8 "

Total Numbers employed:

Rail	- 5,406	
Road and other services	<u>1,084</u>	6,490

Salaries and Wages £2.9 millions

Passenger Seating Capacity:

Rail (excluding Howth Tramway)	22,120	Seats	
Road	<u>6,920</u>	Seats	29,040 Seats

Freight Carrying Capacity:

Rail	53,200	Tons	
Road	<u>1,062</u>	Tons	54,262 Tons

Mileage of Railway Line
(First Track)

543 Miles

182. As the Board's operations are not nearly on as wide a scale as those of C.I.E. and as they extend to the Six Counties we have not dealt with the Board's activities in as much detail as those of C.I.E.

EXPLANATORY NOTES

- (a) The various tables in this study are headed "G.N.R." and contain figures for each accounting period since the establishment of the G.N.R. Board on the 1st September, 1953, which are segregated by a horizontal line from the figures for earlier years for the Great Northern Railway Company.
- (b) Indices are subjoined to the tables expressing the 1938 level as 100 and other years as percentages of the 1938 level. Index numbers relating to the periods of 8 months ended 31st August, 1953, and 13 months ended 30th September, 1954, have been converted to numbers for a full year by the addition of one-half and the deduction of one-thirteenth, respectively. The index numbers have been computed on full figures before rounding and may consequently show slight variations when compared with the figures rounded to the nearest thousand appearing in the tables.
- (c) The letters "n.a." where they occur denote that the appropriate figures are not available.
- (d) In arriving at figures for the numbers of passenger journeys the usual practice has been followed of regarding each annual season ticket as equivalent to 600 passenger journeys on the assumption that it is used twice a day for 300 days in the year.

PASSENGER TRAIN TRANSPORTGREAT NORTHERN RAILWAY BOARD

183. Passenger train transport is an important branch of the Board's operations and receipts from this source in the year ended 30th September, 1956, amounted to 49% of total railway receipts. The corresponding percentage for C.I.E. was 39%. Table 33 shows the numbers of passenger journeys, passenger train miles, gross passenger receipts and average receipt per passenger journey in recent years and for selected years since 1925 in respect of passenger trains operated by the G.N.R. Board and its predecessor the Great Northern Railway Company (Ireland). Figures for passenger miles are not available.

TABLE 33.

G. N. R.

PASSENGER TRAIN TRAFFIC

Period	Passenger Journeys	Passenger Train Miles	Gross Passenger Receipts £	Average Receipt per Passenger Journey Pence
Year ended	Thousands			Pence
31/12/1925	8,621	2,484	700	19.48
31/12/1938	8,238	3,002	449	13.08
31/12/1944	18,141	3,335	1,425	18.84
31/12/1950	9,470	3,210	1,102	27.93
31/12/1951	9,533	3,193	1,115	28.07
31/12/1952	9,064	3,215	1,127	29.83
8 Months ended:				
31/8/1953	5,476	2,204	823	36.09
13 Months ended:				
30/9/1954	9,212	3,428	1,185	30.88
Year ended:				
30/9/1955	8,138	3,056	1,057	31.17
30/9/1956	7,749	2,951	1,081	33.46
<u>INDICES</u>				
(1938 = 100)				
1925	105	83	156	149
1938	100	100	100	100
1944	220	111	317	144
1950	115	107	245	214
1951	116	106	248	215
1952	110	107	251	228
1953	98	110	275	276
1954	103	105	244	236
1955	99	102	235	238
1956	94	98	241	256

184. Unlike C.I.E., passenger traffic as measured in passenger journeys has been well maintained but has shown a falling trend since 1951. The average number of passenger journeys for the most recent three years shows a decline of only 1% on the 1938 level while the corresponding fall in C.I.E. was 27% including suburban services or 8% excluding suburban services. This may be accounted for by the fact that the G.N.R. system largely operates in the East coast area serving populous centres with growing populations such as Dublin, Dundalk, Drogheda, Belfast, Derry and Portadown, while the C.I.E. system serves areas in the West and South West where loss of population has been heaviest. There has also been a heavy tourist traffic between the Twenty-six Counties and the Six Counties since the War.

185. The downward trend since 1951 contrasts with the expanding tendency observed in C.I.E. over the same period. To explain this trend fully would necessitate an inquiry outside our terms of reference since it would involve an examination of traffic trends in the Six Counties. The contrast may be accounted for to some extent by the improved services now being provided by C.I.E. following the partial implementation of its diesellisation and modernisation programme.

186. The year 1944 is noteworthy in that it indicates the high volume of G.N.R. passenger traffic during the War due to restrictions on private transport coupled with the heavy concentration of troops in the Six Counties.

During the War and post-War period there was also heavy traffic between the Six Counties and the Twenty-six Counties due to more severe rationing in the former.

187. The indices of average receipt per passenger journey reflect not only increases in fares since 1938 but changes in the average length of passenger journeys. Current fares are 107% over the 1938 level for journeys in the Twenty-six Counties and 98% over the 1938 level in the Six Counties.* The increase of 156% in the average passenger receipt in 1956 reflects therefore a longer average journey in 1956 as compared with 1938.

188. Though the total track mileage of the G.N.R. system is less than one-third of the mileage of the C.I.E. system, the annual number of passengers carried is at present about 87% of the number carried by C.I.E. or about 76% greater than the C.I.E. number if passengers on the suburban services between Dublin and Greystones and between Cork and Cobh are excluded. On the other hand, the average length of journey is much less in the case of the G.N.R. Figures of passenger miles are not available for the G.N.R. but the average receipt per journey is 2/9d, as against the corresponding figure for C.I.E. of 4/3d, or 7/10d if the suburban traffic is excluded.

189. Table 34 shows receipts from goods, including mails, carried by passenger trains.

* Exclusive of the increase of 10% in fares in the Six Counties and on cross-border services operative from 29th April, 1957.

TABLE 34.

G. N. R.GOODS INCLUDING MAILS CARRIED BY PASSENGER TRAINS

Period	Gross Receipts
	£ thousand
Year ended 31/12/1925	178
" " 31/12/1938	122
" " 31/12/1944	180
" " 31/12/1950	233
" " 31/12/1951	227
" " 31/12/1952	259
8 months ended 31/8/1953	202
13 months ended 30/9/1954	313
Year ended 30/9/1955	296
" " 30/9/1956	322

190. Receipts from goods carried by passenger train in the year ended 30th September, 1956, increased by 164% as compared with 1938 and are now 23% of passenger train receipts. The corresponding percentages for C.I.E. are 70% and 28%, respectively.

FREIGHT TRAIN TRANSPORT
GREAT NORTHERN RAILWAY BOARD.

191. As in the case of C.I.E., freight train transport is an important part of the Board's railway undertaking. Receipts from freight train traffic amount to 50% of total railway receipts as compared with 60% for C.I.E. Table 35 gives particulars of freight train traffic.

TABLE 35.

G. N. R.

FREIGHT TRAIN TRAFFIC

Period	Loaded Wagon Miles	Ton Miles	Average Receipt per ton mile	Average Receipt per ton
			excluding livestock	
Year ended	Thousands		Pence	£. s. d.
31/12/1925	24,164	62,482	3.14	13. 5
31/12/1938	15,878	42,462	2.33	10. 7
31/12/1944	25,608	93,566	3.08	13.10
31/12/1950	25,265	83,361	3.52	16. 9
31/12/1951	24,297	77,663	3.64	17. 2
31/12/1952	23,560	71,458	4.24	19. 2
8 months ended				
31/8/1953	15,617	48,129	4.57	1. 1. 2
13 months ended				
30/9/1954	25,984	76,326	4.56	1. 1. 2
Year ended				
30/9/1955	21,500	69,905	4.58	1. 1. 10
30/9/1956	21,569	68,189	4.57	1. 2. 1
<u>INDICES</u> (1938 = 100)				
1925	152	147	135	127
1938	100	100	100	100
1944	161	220	132	131
1950	159	196	151	158
1951	153	183	156	162
1952	148	168	182	181
1953	148	170	196	197
1954	151	166	196	200
1955	135	165	197	206
1956	136	161	196	209

192. The average railway receipts per ton and per ton mile in 1925 reveal the relatively high cost of railway transport at that time, when road motor transport was undeveloped. This feature was noted earlier in this Report (Paragraph 48) in connection with the rates charged by the Great Southern Railways Company.

193. As in the case of C.I.E., freight train traffic is classified under the heads:

Merchandise

Coal, Coke and Patent Fuel

Other Minerals (including turf and beet)

Livestock.

Particulars of traffic in each classification appear in Tables 36, 37, 38 and 39.

G.N.R.

TONNAGE OF GOODS AND NUMBERS OF LIVESTOCK

PERIOD	MERCHANDISE		COAL, COKE, AND PATENT FUEL		OTHER MINERALS		TOTAL (excluding livestock)		LIVESTOCK	
	Thousand tons	Indices (1938=100)	Thousand tons	Indices (1938=100)	Thousand tons	Indices (1938=100)	Thousand tons	Indices (1938=100)	Thousands	Indices (1938=100)
<u>Year ended</u>										
31/12/1925	746	124	359	317	114	182	1,219	156	550	103
31/12/1938	604	100	113	100	63	100	779	100	531	100
31/12/1944	1,185	196	256	227	296	473	1,737	223	640	120
31/12/1950	1,177	195	159	141	122	195	1,459	187	515	97
31/12/1951	1,087	180	169	150	114	182	1,370	176	505	95
31/12/1952	1,049	174	125	111	124	198	1,298	167	604	114
<u>8mths. ended</u>										
31/8/1953	713	177	74	99	76	183	864	166	361	102
<u>13mths. ended</u>										
30/9/1954	1,119	171	128	105	124	184	1,372	163	677	118
<u>Year ended</u>										
30/9/1955	996	165	120	106	109	174	1,225	157	268	50
30/9/1956	972	161	100	88	105	167	1,176	151	158	30

TABLE 37
G.N.R.
TON MILES

PERIOD	MERCHANDISE		COAL, COKE AND PATENT FUEL		OTHER MINERALS		TOTAL	
	Thousands	Indices (1938=100)	Thousands	Indices (1938=100)	Thousands	Indices (1938=100)	Thousands	Indices (1938=100)
<u>Year ended</u>								
31/12/1925	44,429	129	13,090	295	4,963	143	62,482	147
31/12/1938	34,564	100	4,438	100	3,459	100	42,462	100
31/12/1944	66,775	193	9,326	210	17,465	505	93,566	220
31/12/1950	70,613	204	7,004	158	5,744	166	83,361	196
31/12/1951	63,829	185	7,540	170	6,294	182	77,663	183
31/12/1952	60,544	175	5,107	115	5,807	168	71,458	168
<u>8mths. ended</u>								
31/8/1953	41,694	181	2,761	93	3,674	159	48,129	170
<u>13mths. ended</u>								
30/9/1954	64,604	173	5,247	109	6,485	173	76,326	166
<u>Year ended</u>								
30/9/1955	59,084	171	5,237	118	5,584	161	69,905	165
30/9/1956	58,913	170	3,937	89	5,339	154	68,189	161

TABLE 38
G.N.R.
AVERAGE LENGTH OF HAUL

PERIOD	MERCHANDISE	COAL, COKE & PATENT FUEL.	OTHER MINERALS	ALL CLASSES	LIVESTOCK
				EXCEPT LIVESTOCK.	
MILES					
<u>Year ended</u>					
31/12/1925	59.27	35.95	41.53	51.26	51.10
31/12/1938	56.81	37.91	54.76	54.51	50.69
31/12/1944	56.12	35.56	58.95	53.87	58.59
31/12/1950	59.74	42.00	46.90	57.14	53.96
31/12/1951	58.61	42.25	55.18	56.69	52.98
31/12/1952	57.61	38.94	46.79	55.05	55.44
<u>8mths. ended</u>					
31/8/1953	58.44	37.11	48.12	55.70	58.75
<u>13mths. ended</u>					
30/9/1954	57.71	41.00	52.12	55.63	53.16
<u>Year ended</u>					
30/9/1955	59.33	43.61	51.23	57.07	61.87
30/9/1956	60.62	39.56	51.06	57.98	62.18

TABLE 39.

G. N. R.

FREIGHT TRAIN RECEIPTS

Period	Merchandise	Coal, Coke and Patent Fuel	Other Minerals	Total (excluding live-stock)	Live-stock	Total
Year ended	£ thousand					
31/12/1925	643	137	38	818	102	920
31/12/1938	359	37	17	413	73	486
31/12/1944	983	101	118	1,202	138	1,340
31/12/1950	1,094	82	46	1,222	142	1,364
31/12/1951	1,041	88	49	1,178	157	1,335
31/12/1952	1,137	73	52	1,262	191	1,453
8 months ended						
31/8/1953	834	42	40	916	123	1,038
13 months ended						
30/9/1954	1,312	74	63	1,449	224	1,673
Year ended						
30/9/1955	1,209	70	56	1,335	121	1,456
30/9/1956	1,181	62	57	1,300	79	1,379
<u>INDICES</u>						
(1938 = 100)						
Year ended						
31/12/1925	179	373	218	198	139	189
31/12/1938	100	100	100	100	100	100
31/12/1944	274	276	685	291	188	276
31/12/1950	305	223	264	296	193	281
31/12/1951	290	241	281	285	214	275
31/12/1952	317	199	301	306	260	299
31/8/1953	349	171	348	332	251	320
30/9/1954	338	187	334	324	282	318
30/9/1955	337	192	323	323	165	300
30/9/1956	329	169	327	315	108	283

194. Since the greater part of the G.N.R. system is in the Six Counties the freight train operations of the Board are largely affected by conditions in that area. Though it is outside the scope of our inquiry to deal with the impact of conditions in that area on the operations of the Board, it is of interest to compare the general trends in the Board's operations with those of C.I.E. While the G.N.R. rail mileage is less than one third of that of C.I.E., the tonnage (excluding livestock) carried by freight train is 50% of the C.I.E. tonnage. A similar contrast has already been observed in passenger traffic and is due to the more compact and more densely populated area served by the G.N.R. system. As compared with 1938 the present tonnage of freight train traffic (excluding livestock) shows an increase of 51% unlike that of C.I.E. which is at the 1938 level. On the other hand the increase in the average length of haul has not been at all as great as on the C.I.E. system, where the average length of haul for freight train traffic (excluding livestock) increased from 59 miles in 1925 to 71 miles in 1938 and to 85 miles in 1955/56.

195. Variations in the volume of traffic measured in ton miles and numbers of livestock (weighted for length of haul) carried by G.N.R. and C.I.E. at present as compared with 1938 under the various headings are as follows:

	G.N.R.		C.I.E.	
	Increase	Decrease	Increase	Decrease
Merchandise	70%	-	35%	-
Coal & Coke etc.	-	11%	-	72%
Other Minerals	54%	-	40%	-
Livestock	-	64%	-	44%

196. It will be seen from this comparison that the pattern of traffic trends in both undertakings is in general similar though of different magnitude. In the case of merchandise the G.N.R. has obtained a relatively greater portion of increased traffic. In so far as the increase is attributable to developments in the Twenty-six Counties it may be due largely to the more populous areas served by the G.N.R. undertaking. A contributing factor has been the establishment of the cement factory at Drogheda which commenced production in 1938. While a Customs border is an obvious impediment to transport in general it operates in favour of rail transport. This must be particularly true in the case of goods passing between County Donegal and the rest of the State through the Six Counties. Customs requirements and difficulties would clearly give the railway undertaking an advantage over private transport in catering for through traffic with Donegal.

197. There has been a decline of 11% as measured in ton miles in the volume of traffic in coal, coke and patent fuel since 1938; the decline in the traffic of C.I.E. in these products was 72% over the same period. In the case of the G.N.R., however, a heavy loss occurred prior to 1938; since 1925 the decline has been 70%, the comparable C.I.E. figure being 74%. Both concerns now carry about the same tonnage but the length of haul is longer on the C.I.E. system.

198. The manner in which the numbers of livestock carried by the G.N.R. decreased was different from that of C.I.E. The decrease in the numbers of cattle and sheep carried by the G.N.R. did not begin until the year ended 31st March,

1955, whereas the decline on the C.I.E. system was gradual over the years. The explanation for this contrast is that up to the 1st July, 1954, when the purchasing arrangements for cattle and sheep were decontrolled in Britain and the Six Counties, fat stock was purchased on Government account in the Six Counties and transport was provided by the railway undertakings. Since decontrol, purchases are in private hands and there has obviously been a sharp diversion of the traffic to road transport.

Houses of the Oireachtas

RAILWAY RECEIPTS AND EXPENDITUREG. N. R. BOARD

199. As in C.I.E., railway expenditure is not divisible between passenger and freight train operations and it is necessary to consider receipts and expenditure of the railway as a whole. Table 40 sets out the railway operating results for the years 1925, 1938 and 1944-1956.

TABLE 40G. N. R.RAILWAY RECEIPTS, EXPENDITURE AND NET RECEIPTS

Period	Gross Receipts	Indices (1938 = 100)	Expenditure	Indices (1938 = 100)	Net Receipts	Excess of Receipts over Expenditure	Excess of Expenditure over Receipts
<u>Year ended</u>	£ thousand		£ thousand		£ thousand	% of Receipts	
31/12/1925	1,855	167	1,611	150	244	13.2	-
31/12/1938	1,112	100	1,072	100	40	3.6	-
31/12/1944	3,022	272	2,397	224	625	20.7	-
31/12/1945	2,946	265	2,539	237	407	13.8	-
31/12/1946	2,838	255	2,620	251	148	5.2	-
31/12/1947	2,850	256	2,778	259	72	2.5	-
31/12/1948	3,091	278	3,133	292	Dr. 42	-	1.4
31/12/1949	2,947	265	3,163	295	Dr. 215	-	7.3
31/12/1950	2,807	252	3,036	284	Dr. 229	-	8.2
31/12/1951	2,804	252	3,406	318	Dr. 602	-	21.5
31/12/1952	2,970	267	3,839	358	Dr. 869	-	29.3
<u>8 months ended</u>							
31/8/1953	2,146	289	2,655	372	Dr. 509	-	23.7
<u>13 months ended</u>							
30/9/1954	3,272	271	3,821	330	Dr. 549	-	16.8
<u>Year ended</u>							
30/9/1955	2,898	261	3,701	345	Dr. 804	-	27.8
30/9/1956	2,868	258	3,749	350	Dr. 881	-	30.7

200. Gross railway receipts have shown a greater relative increase since 1938 than in C.I.E. For the year ended 30th September, 1956 the increase is 158% on the 1938 level as compared with the corresponding increase of 113% in C.I.E. gross receipts, despite the fact that increases in rates and fares since 1938 have been somewhat less than those of C.I.E. The greater relative increase in the volume of goods carried by the G.N.R. has already been noted in paragraph 194. C.I.E. gross receipts have shown a steady increase since 1951. A similar trend is evident in G.N.R. gross receipts up to 1954, but there was a sharp decline in the years 1954/55 and 1955/56 due to losses in the volume of passenger and livestock traffics referred to in paragraphs 184 and 198 respectively. Despite the increase of 10% in rates and fares imposed in March, 1956, receipts showed a slight disimprovement (1%) in the year ended 30th September, 1956, as compared with the preceding year due to a loss in traffic.

201. Railway expenditure has increased more steeply than receipts and as in the case of C.I.E. this is the primary cause of the financial difficulties of the G.N.R. Railway expenditure of the G.N.R. has increased at a steeper rate than that of C.I.E.; since 1938 the increase was 250% as compared with the C.I.E. increase of 173%. Sufficient information is not available to indicate the factors which led to this contrast but the explanation seems to lie in labour and coal costs, which are set out for 1938, 1944 and recent years in Table 41.

G. N. R.

COST OF SALARIES, WAGES AND LOCOMOTIVE COAL

Period	Salaries and Wages				Locomotive Coal			
	£thou- sand	Indices (1938 = 100)	Percentage of		£thou- sand	Indices (1938 = 100)	Percentage of	
			Gross Re- ceipts	Expend- iture			Gross Re- ceipts	Expend- iture
<u>Year ended</u>			%	%			%	%
31/12/1938	666	100	60	62	119	100	11	11
31/12/1944	1,413	212	47	59	416	349	14	17
31/12/1950	1,818	273	65	60	489	411	17	16
31/12/1951	1,981	297	71	58	493	413	18	14
31/12/1952	2,255	339	76	59	532	446	18	14
<u>8 months ended</u>								
31/8/1953	1,602	361	75	60	362	456	17	14
<u>13 months ended</u>								
30/9/1954	2,546	353	78	67	552	463	17	14
<u>Year ended</u>								
30/9/1955	2,367	355	82	64	530	444	18	14
30/9/1956	2,431	365	85	64	560	470	20	15

202. Salaries and wages have increased by 265% since 1938 and are now 85% of gross railway receipts as compared with 60% in 1938, and amount to 64% of railway expenditure as compared with 62% in 1938. G.N.R. coal costs have increased by 370% since 1938 and are now 20% of the total railway receipts. The combined labour and coal costs now exceed by 5% the total gross rail receipts. The combined labour and fuel (including oil) costs of C.I.E. are 87% of gross railway receipts. Table 42 sets out the numbers of staff for the years 1926, 1938, 1950 and 1956.

TABLE 42

G.N.R.

RAIL STAFF

Staff	Numbers Employed			
	1926 ^x	1938	1950	1956
<u>SALARIED STAFF.</u>				
Officers and other staff with present salaries of £1,000 or over	28	20	81	40
Station Masters, Goods Agents etc.	117	80	60	61
Male Supervisory Staff (excluding Shop Staff)	79	42	49	49
Male Clerical & Technical Staff	509	424	503	486
Female Clerks, Typists etc.	79	62	134	129
Total Salaried Staff	812	628	827	765
<u>WAGES STAFF.</u>				
Traffic Department - Goods and Passenger Sections	1,741	1,367	1,906	1,589
Civil Engineer's Department - Permanent Way and Signal and Telegraph Staff	990	761	809	751
Locomotive Running Department including Shed Staff.	850	609	941	815
Shop and Artisan Staff (including Supervisors)	1,133	1,218	1,448	1,379
Miscellaneous Grades	50	51	61	56
Female Staff	49	47	49	51
Total Wages Staff	4,813	4,053	5,214	4,641
GRAND TOTAL:	5,625	4,681	6,041	5,406

^x Figures for 1925 are not available.

The numbers employed in the Twenty-Six Counties and in the Six Counties in 1956 were:

	Twenty-Six Counties	Six Counties	Total
Salaried Staff	415	350	765
Wages Staff	2,371	2,270	4,641
Total:	2,786	2,620	5,406

203. Since 1938 there has been an increase in rail employment of 725 workers (15.5%) as compared with a reduction of 112 workers (1%) in the employment given by C.I.E. over the same period. Since 1950 there has been a reduction of 635 workers (10.5%) in the G.N.R. employment as compared with a reduction of 1,211 workers (9.5%) in C.I.E.

204. In the G.N.R. as in C.I.E., substantial railway operating profits were earned in the years 1944 and 1945 due to War-time conditions. Operating losses were sustained on railway working in all years from 1948 to date while the operating losses of C.I.E. commenced in 1946. For the period from the 1st January, 1948, to 30th September, 1956, the total railway operating losses amounted to £4.7 millions while the C.I.E. total railway operating losses for the period from the 1st January, 1946, to 31st March, 1956, amounted to £11.3 millions.

G.N.R. RAIL TRANSPORTSUMMARY

205. The following are the main features which emerge from the foregoing examination of G.N.R. rail transport:-

- (1) Passenger train traffic has been well maintained over the years but there has been a downward trend in recent years. By contrast there has been a loss of passenger traffic by C.I.E., particularly on the suburban services, but there has been an increasing trend in recent years.
- (2) While the mileage of the G.N.R. system is about one-third of the mileage of the C.I.E. system the numbers of passenger journeys are about 87% of the numbers carried by C.I.E. and about 76% greater than the C.I.E. passenger numbers if those which refer to the suburban services between Dublin and Greystones and between Cork and Cobh are omitted.
- (3) The increase in the volume of freight train traffic has been greater than that of C.I.E. The tonnage of merchandise increased by 61% as compared with an increase of 21% in C.I.E. tonnage but the increase in the average length of haul has not been so marked as that of C.I.E. There has been a heavy loss in coal traffic but the loss mainly occurred prior to 1938 while the main loss of C.I.E. coal traffic occurred after that year. There has also been a heavy loss in livestock traffic but, while the loss

of this traffic by C.I.E. was gradual over the years, the loss in the G.N.R. did not occur until 1955 and 1956 following the decontrol of fat stock purchasing in the Six Counties.

- (4) Both railway gross receipts and expenditure have shown greater relative increases since 1938 than those of C.I.E. As was the case for C.I.E. expenditure has increased more steeply than receipts but the G.N.R. increase in expenditure has been relatively greater than that of C.I.E. Labour and coal costs now exceed the total gross rail receipts by 5%. In C.I.E. the labour and fuel costs (including oil) are 87% of total gross rail receipts.
- (5) During the War substantial net receipts were earned. Operating losses were sustained in all years since 1948 while operating losses were incurred by C.I.E. in all years since 1946. For the period 1st January, 1948, to 30th September, 1956, the total operating losses amounted to £4.7 millions, while C.I.E. total operating losses for the period from 1st January, 1946, to 31st March, 1956, amounted to £11.3 millions.

ROAD TRANSPORTG.N.R. BOARD.

206. Road transport represents a relatively much smaller part of the operations of the G.N.R. than of C.I.E. Gross receipts from road transport amounted to £723,544 in the year ended 30th September, 1956, or to 25% of the railway receipts for that year while the road receipts of C.I.E. excluding the Dublin City Passenger Services, amounted to 55% of the C.I.E. railway receipts. The reduced scale of road operations in relation to railway operations is due to the fact that the G.N.R. is generally not authorised to operate road services in the Six Counties.

207. The G.N.R. road services, like those of C.I.E., are profitable. The net receipts from road operations in the year ended 30th September, 1956, amounted to £37,310. The G.N.R. road services provide employment for 823 men. The G.N.R. road operations are dealt with under two headings viz.:

Road Passenger Transport and
Road Freight Transport.

ROAD PASSENGER TRANSPORTG.N.R. BOARD

208. In the year ended 30th September, 1956, the G.N.R. Board operated the following road passenger vehicles:-

<u>Vehicles:</u>	<u>Seating Capacity</u>
36 Double Deck Buses	2,116 seats
<u>127</u> Single Deck Buses	<u>4,804</u> "
<u>163</u>	<u>6,920</u>

The Board operates services over routes in counties Dublin, Meath, Louth, Monaghan, Cavan, Leitrim, Sligo and Donegal. Included in the Board's operations are suburban services on the routes between Dublin and Howth and Portmarnock. The Board operates services in the area of the County Donegal Railways Joint Committee on an agency basis on behalf of the Joint Committee. During the Summer of 1955 the Board operated extended motor coach tours from Dublin. The tours were of four and seven days duration and covered places of interest in the Northern, North-Western and Western areas. The financial results were disappointing and the further operation of extended tours has been abandoned by the Board.

209. With the exception of a number of cross-Border services to Newry, Keady, Aughnacloy, Enniskillen and Derry the Board is not authorised to operate road passenger services in the Six Counties. As the road services of the Board are virtually entirely within the State profits or losses on operation are allocated to the State under the scheme of Apportionment agreed under the Great Northern Railway Acts.

210. The gross receipts from road passenger operations for the year ended 30th September, 1956, amounted to £468,899 or 12.4% of the total receipts from all sources.

211. Table 43 sets out particulars of road passenger traffic.

TABLE 43.

G. N. R.

ROAD PASSENGER TRAFFIC

Period	Passenger Journeys	Vehicle Miles	Gross Receipts £	Expenditure £	Net Receipts £	Average receipt per passenger journey
Year ended	Thousands					Pence
31/12/1938	5,973	3,289	156	151	4,411	6.00
31/12/1944	5,539	1,728	196	154	41,490	8.00
31/12/1950	9,267	3,658	416	355	60,767	10.36
31/12/1951	8,062	3,261	374	376	Dr. 1,536	10.72
31/12/1952	9,185	3,804	446	471	Dr. 24,544	11.12
8 months ended 31/8/1953	6,056	2,538	321	311	9,845	12.16
13 months ended 30/9/1954	10,085	3,880	492	45.4	37,863	10.99
Year ended 30/9/1955	10,422	3,803	472	44.4	28,145	10.34
30/9/1956	10,716	3,780	469	46.4	5,277	10.50
<u>INDICES.</u>						
(1938 = 100)						
Year Ended						
31/12/1938	100	100	100	100		
31/12/1944	93	53	126	102		
31/12/1950	155	111	267	235		
31/12/1951	135	99	240	249		
31/12/1952	154	116	286	311		
31/8. /1953	152	116	308	308		
30/9 /1954	156	109	291	277		
30/9 /1955	175	116	303	293		
30/9 /1956	179	115	300	307		

The numbers of passenger journeys have increased by 79% since 1938 and the trend since 1951 has been upward. Some of this increase is due to additional services provided, for example, the Dundalk-Carlingford service which caters for the area formerly served by the Dundalk, Newry and Greenore railway which was closed in 1951. There has also been an increase in the numbers of single day tours. Vehicle mileage shows an increase of 15% since 1938. That the G.N.R. road passenger services are used largely for short or medium distance travel is reflected in the average receipt per passenger journey which in 1956 was 10.5d. By contrast the average receipt per passenger journey on C.I.E. provincial services in 1955/56 was 2/-. The average receipt per vehicle mile was 29.80d. and compares with 26.23d. on the C.I.E. provincial services.

212. As in C.I.E. both road passenger gross receipts and expenditure have increased steadily and show approximately similar increases on the 1938 levels. The G.N.R. road passenger services are relatively not as profitable as those of C.I.E. On average over the three most recent accounting periods net receipts amounted to £22,700 or 4.7% of gross receipts from road passenger services while C.I.E. net receipts amounted to 12.8% of gross receipts from road passenger services including the Dublin City services or to 15.5% if the Dublin City Services are excluded.

ROAD FREIGHT TRANSPORTG.N.R. BOARD

213. The road freight motor fleet of the G.N.R. Board at 30th September, 1956, consisted of 124 lorries and tractors (including articulated vehicles) and 51 trailers and had a total carrying capacity of 1,062 tons. In addition the Board had available 39 horse drawn vehicles and 23 horses.

214. Generally the Board is not authorised to operate road freight services in the Six Counties except to the extent that its direct road services may deliver consignments originating here to destinations in that area. As in the case of road passenger services the entire profits or losses on road freight operation are allocated to the State under the Scheme of Apportionment agreed under the Great Northern Railway Acts.

215. The gross receipts from road freight operations for the year ended 30th September, 1956, amounted to £255,000 which is 6.6% of the total receipts of the Board from all sources.

216. Table 44 sets out particulars of road freight traffic.

TABLE 44.

G. N. R.

ROAD FREIGHT TRAFFIC

Period	Vehicle Miles	Tonnage of Goods	Numbers of Livestock
<u>Year ended</u>	Thousands		
31/12/1938	560	137	13.6
31/12/1944	744	241	12.5
31/12/1950	1,195	349	11.8
31/12/1951	1,412	340	13.7
31/12/1952	1,483	340	10.8
<u>8 months ended</u>			
31/8/1953	1,087	243	4.6 [*]
<u>13 months ended</u>			
30/9/1954	1,771	361	10.6
<u>Year ended</u>			
30/9/1955	1,555	359	10.8
30/9/1956	1,584	347	12.4
<u>INDICES</u> (1938 = 100)			
<u>Year Ended</u>			
31/12/1938	100	100	100
31/12/1944	133	175	92
31/12/1950	213	254	87
31/12/1951	252	247	100
31/12/1952	265	247	79
31/8/1953	291	266	-
30/9/1954	292	242	72
30/9/1955	278	261	79
30/9/1956	283	252	91

* Period of peak livestock traffic not included.

Note: Table relates to traffic carried in G.N.R. motor vehicles only.
In addition, approximately 30,000 tons of goods per annum are carried in horse drawn vehicles.

217. The tonnage of goods is about one-eighth of the C.I.E. figure. The tonnage figures have been steady since 1950 while the C.I.E. figures have increased steeply due largely to heavy traffic in ground limestone and road making materials. Since 1938 there has been an increase of 152% in tonnage as compared with the C.I.E. increase of 281%. The increase in G.N.R. tonnage since 1938 is due to a number of factors. The establishment of the Drogheda Cement Works which commenced production in 1938 has created new traffic and the G.N.R. Board has now in service a number of specially designed road vehicles equipped with pressurised discharge apparatus for the transport of cement in bulk. The Board's road services have also benefited from increased transport of gypsum from Kingscourt including delivery to the railhead at Carrickmacross. Some expansion in road freight services has also taken place in providing additional services in the area formerly served by the Dundalk, Newry and Greenore Railway which was closed in 1951. The haulage of road making materials for County Councils has also helped to expand road freight activities.

218. The numbers of livestock carried are very small in comparison with the numbers carried by C.I.E. road freight services and unlike the experience of C.I.E. the numbers have declined since 1938. On the other hand the G.N.R. rail transport retained its livestock traffic up to recent years while that of C.I.E. declined. Livestock traffic is showing an increasing trend since 1954 but the increase is negligible in comparison with the numbers lost by rail transport since that year.

219. The numbers of vehicle miles have increased at a greater rate than the tonnage of goods carried suggesting that loading ^{be} may not now/as good as in 1938. The increase in the tonnage of C.I.E. exceeded the increase in vehicle miles reflecting the better loading obtained in special traffics viz. ground limestone and road making materials which in recent years form a substantial part of C.I.E. road freight traffic.

220. Table 45 shows particulars of receipts and expenditure.

TABLE 45.

G. N. R.

ROAD FREIGHT TRAFFICRECEIPTS AND EXPENDITURE

Period	Gross Receipts	Expenditure	Net Receipts
	£ thousand		£
<u>Year Ended</u>			
31/12/1938	30	35	Dr. 5,187
31/12/1944	98	89	9,481
31/12/1950	168	158	10,108
31/12/1951	193	186	7,401
31/12/1952	216	199	16,449
8 months <u>ended</u>			
31/8/1953	161	146	15,809
13 months <u>ended</u>			
30/9/1954	261	226	34,778
<u>Year Ended</u>			
30/9/1955	247	220	27,036
30/9/1956	255	223	32,033
<u>INDICES</u>			
(1938 = 100)			
<u>Year Ended</u>			
31/12/1938	100	100	
31/12/1944	326	251	
31/12/1950	558	448	
31/12/1951	642	527	
31/12/1952	716	564	
31/8/1953	810	626	
30/9/1954	800	592	
30/9/1955	822	624	
30/9/1956	850	637	

221. Unlike railway working, gross receipts have increased at a greater rate than expenditure. In the year ended 30th September, 1956, net receipts amounted to £32,000 or 12½% of gross receipts. C.I.E. net receipts from its Road Freight Department amounted to £83,000 or 4.5% of the gross receipts in the year ended 31st March, 1956. Generally, therefore, the road freight section of the G.M.R., though much smaller, is more profitable than its C.I.E. counterpart.

Houses of the Oireachtas

OTHER SERVICESG.N.R. BOARD

222. In addition to its rail and road services the G.N.R. Board operates the Hill of Howth Tramway and Hotel, Refreshment Rooms and Catering Services.

Hill of Howth Tramway:

223. The Hill of Howth Tramway (about five miles long) has been operated as part of the G.N.R. undertaking since 1901. The tram services to and from Howth Summit connect at Sutton and Howth with the trains to and from Dublin. The tracks, trams and electrical equipment are very old and in need of replacement the cost of which would be considerable. Losses have been incurred over a long number of years in the operation of the services, the loss for the year ended 30th September, 1956, being £13,000.

224. Because of losses and the worn out condition of the tramway, the G.N.R. Board decided in November, 1953, to discontinue the service and provide a substitute omnibus service. The Department of Local Government, however, has been unable to approve of the proposed bus routes as the roads were not suited to bus traffic. Temporary repairs to the tramway have been carried out to enable services to be maintained until such time as the necessary improvements to the roads have been made. The Dublin Corporation is proceeding with the improvements but as lands required for road widening have to be acquired compulsorily it is unlikely that the work will be completed for some time.

Hotels and Catering:

225. The Board operates two hotels - one at Bundoran and one at Rostrevor - and ten refreshment rooms of which four are in the State, viz., in Dublin, Dundalk, Clones and Ballyshannon. Dining car services also come under the Hotels, Refreshment Rooms and Catering Department. These activities as a whole are profitable. Particulars of the gross receipts, expenditure and net receipts are included in Appendix 7 . .

FINANCIAL POSITION

G.N.R. BOARD

226. Appendix 7 gives a summary in tabular form of the receipts and expenditure of the whole undertaking for the years 1925 and 1938 and for the accounting periods from 1944 to the 30th September, 1956, together with the Balance Sheet of the Board at 30th September, 1956. The appendix shows the operating results of the railway, road passenger and road freight services and of the hotels and catering services, together with dividend and interest payments. The receipts and expenditure of the Hill of Howth Tramway are included in railway working in each year.

227. Since the establishment of the Board on 1st September, 1953, actual expenditure on renewals instead of depreciation is charged in the accounts in accordance with directions of the Minister for Industry and Commerce and the Minister of Commerce. Renewals expenditure is allocated between revenue and capital on the basis that the original cost of the assets being renewed is a revenue charge, the balance being charged to capital. Actual renewals expenditure chargeable to revenue in the three accounting periods ended 30th September, 1956 fell short of what the depreciation provision would have been on the basis of the depreciation provisions made in previous years. Because of this the Board calculates that if the accounts for these three accounting periods were to be made comparable with those of previous years it would be necessary to make adjustments of £327,737 in 1953/54, £194,134 in 1954/55 and £320,886 in 1955/56 and to increase correspondingly the losses shown in the accounts for those periods.

TABLE 46.

G.N.R.

PROFITS AND LOSSES

Period	Operating Profit or Loss (a)	Interest on Stocks and Debentures & Dividends	Interest on Capital Liability	Interest on Government Advances	Profit or Loss after providing for Interest
	(1)	(2)	(3)	(4)	(5)
	£	£	£	£	£
<u>Year ended</u>					
31/12/1938	Cr. 43,413	93,673			Dr. 50,260
31/12/1939	Cr. 102,783	93,673			Cr. 9,110
31/12/1940	Cr. 154,622	128,444			Cr. 26,178
31/12/1941	Cr. 664,128	318,458			Cr. 345,670
31/12/1942	Cr. 720,985	269,171			Cr. 451,814
31/12/1943	Cr. 682,094	309,678			Cr. 372,416
31/12/1944	Cr. 736,347	349,707			Cr. 386,640
31/12/1945	Cr. 538,156	329,253			Cr. 208,903
31/12/1946	Cr. 312,104	329,253			Dr. 17,149
31/12/1947	Cr. 240,940	248,240			Dr. 7,300
31/12/1948	Cr. 70,541	127,766			Dr. 57,225
31/12/1949	Dr. 91,497	92,995			Dr. 184,492
31/12/1950	Dr. 127,976	92,995			Dr. 220,971
31/12/1951	Dr. 582,289	92,995			Dr. 675,284
31/12/1952	Dr. 852,809	92,995			Dr. 945,804
<u>8 months ended</u>					
31/8/1953	Dr. 483,613	61,997			Dr. 545,610
<u>13 months ended</u>					
30/9/1954	Dr. 472,860(b)		219,144	18,276	Dr. 710,280
<u>Year ended</u>					
30/9/1955	Dr. 736,557(b)		202,849	49,615	Dr. 989,021
30/9/1956	Dr. 833,602(b)		202,618	141,667	Dr. 1,177,887

NOTES:

(a) Adjusted by adding or deducting net balances of sundry non-operating income and expenditure.

(b) To make these figures comparable with the figures for operating losses in the previous years it is necessary to add the following amounts:

13 months ended

30/9/1954	-	£ 327,737
-----------	---	-----------

Year ended

30/9/1955	-	194,134
30/9/1956	-	320,886

(See paragraph 227).

228. Table 46 gives a summary of the operating results and of the charges for interest and dividends since 1938. It may be seen from the table that the fortunes of the G.N.R. Company were at a low ebb in 1938 when the loss for the year amounted to £50,260 after payment of debenture interest amounting to £93,673. During the war substantial profits were earned, reaching their highest point in 1944 at £736,347 before charging interest and dividend payments of £349,707.

229. From 1944 onwards operating profits declined each year until 1949 when an operating loss of £91,497, was incurred before charging debenture interest. Since 1949 there have been substantial working deficits, the operating loss for the year ended 30th September, 1956, before charging interest, being £833,602 or £1,154,488 if depreciation provisions were substituted for actual renewals expenditure in that year. The position in regard to operating results since 1st January, 1946, ($10\frac{3}{4}$ years) and since 1st January, 1951 ($5\frac{3}{4}$ years) may be summarised as follows:-

OPERATING RESULTS

(i.e. before charging interest on Capital and Government Advances

	1st January 1946 - 30th September 1956 (10 $\frac{3}{4}$ years)	1st January, 1951 - 30th September 1956 (5 $\frac{3}{4}$ years)
Railway Losses (including Howth Tramway)	Dr. 4,480,375	Dr. 4,213,928
Profits on Road Transport	Cr. 604,567	Cr. 188,556
Profits on Hotels and Catering	Cr. 74,259	Cr. 9,388
Sundry non-operating income and expenditure net.	Cr. 243,951	Cr. 54,254
Total Profits	Cr. 922,757	Cr. 252,198
Net Operating Losses	Dr. 3,557,618	Dr. 3,961,730

Note: To make the operating losses for the three accounting periods ended 30/9/56 comparable with earlier years it is necessary to add £342,757, thus bringing the Net operating losses for the 10 $\frac{3}{4}$ years ended 30/9/56 to £4,400,375 and those for the 5 $\frac{3}{4}$ years ended 31/9/56 to £4,804,487 (See paragraph 227)

230. In addition to operating ~~in~~ commitments in respect of interest have contributed to the serious annual losses of the undertaking. During the period from 1938 to the establishment of the Board on the 1st September, 1953, interest on the 4% Debenture Stock was paid in all years; interest on the 4% Guaranteed Stock was paid in respect of all years up to and including 1948. Dividends were also paid on the 4% Preference Stock for the years 1941 to 1947, inclusive, and dividends ranging from 1% to 3 $\frac{1}{2}$ % were paid on the Ordinary Stock for the years 1941 to 1947, inclusive.

231. Under the Great Northern Railway Acts, 1953, the undertaking was acquired for the sum of £4.5 million which was provided in equal parts by the two Governments. The

Acts contain provision for payments to the Board by the Minister for Industry and Commerce and the Ulster Transport Authority to meet capital expenditure and operating losses. The Board is required to pay interest to the Minister for Industry and Commerce and the Ulster Transport Authority on the capital liability of £4.5 million representing the acquisition price of the undertaking and on payments made to the Board to meet capital expenditure and operating losses. These interest charges form part of the losses of the Board and are therefore met by the Board out of advances made by the Minister for Industry and Commerce and the Ulster Transport Authority. As interest is charged on the accumulated payments made to the Board to meet capital expenditure and losses, (including interest charges), interest is a growing charge in the Board's accounts.

232. As in C.I.E. there have been net losses, after all charges, in each year since 1946 which may be summarised as follows:-

	<u>LOSSES</u> (including interest charges)	
	1st January, 1946- 30th September, 1956 (10 $\frac{3}{4}$ years)	1st January, 1951- 30th September, 1956 (5 $\frac{3}{4}$ years)
	£	£
Net Operating Losses (as shown in paragraph 229)	3,557,618	3,961,730
Interest on Stocks and Debentures.	1,139,236	247,987
Interest on Capital Liability	624,611	624,611
Interest on Government Advances to meet		
(i) Capital Expenditure	35,616	35,616
(ii) Operating Losses	173,942	173,942
Losses, including Interest Charges	5,531,023	5,043,886

233. Towards the end of 1950 the G.N.R. Company informed the Minister for Industry and Commerce and the Minister of Commerce that its financial position was such that it saw no alternative to curtailing services and reducing staff. In January, 1951, the two Governments decided to acquire jointly the undertaking and to accept responsibility for the financial results of the Company's operations pending acquisition. From January, 1951, to the establishment of the Board on the 1st September, 1953, the two Governments made the following grants to the Company on an agreed ratio based, inter alia, on the mileage of line in each area:-

Twenty-Six Counties ...	£	499,803
Six Counties ...		<u>867,211</u>
Total ...		<u>1,367,014</u>

234. Under the Great Northern Railway Acts, 1953 capital expenditure is provided by the administration in whose area the expenditure is incurred except in the case of capital expenditure on railway rolling stock and on the Dundalk Works which is borne equally by each administration. Generally, operating losses are apportioned on the basis that receipts and expenditure attributable to traffic local to either area is apportioned to that area; receipts and expenditure attributable to cross-Border traffic is apportioned on a mileage basis. Since the establishment of the Board the following are the payments which have been made to the Board in respect of capital expenditure and operating losses:-

Payments to meet Capital Expenditure

	13 months ended 30/9/54	Year ended 30/9/55	Year ended 30/9/56	Total
	£	£	£	£
Minister for Industry & Commerce	196,072	161,628	97,499	455,199
Ulster Transport Authority	50,215	61,123	13,717	125,055
	246,287	222,751	111,216	580,254

Payments to meet Operating Losses including Interest

	13 months ended 30/9/54	Year ended 30/9/55	Year ended 30/9/56	Total
	£	£	£	£
Minister for Industry & Commerce	207,598	351,952	489,523	1,049,073
Ulster Transport Authority	502,682	637,069	688,364	1,828,115
	710,280	989,021	1,177,887	2,877,188

235. The total moneys provided by the two Governments including the capital provided for the acquisition of the undertaking at 1st September, 1953, are therefore as follows:-

	Twenty-Six Counties	Six Counties	Total
	£	£	£
Grants during the period 1st January, 1951 to 31st August, 1953	499,803	867,211	1,367,014
Capital provided at 1st September, 1953	2,250,000	2,250,000	4,500,000
Payments in respect of Capital Expenditure during the period 1st September, 1953, to 30th September, 1956.	455,199	125,055	580,254
Payments in respect of revenue losses during the period 1st September, 1953 to 30th September, 1956 including interest	1,049,073	1,828,115	2,877,188
	4,254,075	5,070,381	9,324,456

Note:

The losses of the Board include the interest payable on the capital provided for the acquisition of the undertaking together with interest on payments made to the Board to meet capital expenditure and revenue losses. If these interest payments are excluded the net amounts provided by the Governments amounted to £8,490,287 as compared with £9,324,456, inclusive of interest shown above.

236. Under the Great Northern Railway Acts, 1953, the acquisition price of £4.5 million was applied in the compensation of stock holders on the following basis:-

BALANCE SHEETS AT 31/8/1953, 1/9/1953 and 30/9/1956

	CAPITAL AND LIABILITIES			ASSETS		
	31/8/53	1/9/53	30/9/56	31/8/53	1/9/53	30/9/56
	£	£	£	£	£	£
Consolidated 4% Guaranteed Stock	727,416			FIXED ASSETS:		
" 4% Preference Stock	1,992,870			Lines open for Traffic	8,322,320	
Ordinary Stock	4,050,689			Rail Rolling Stock	2,044,067	
Debenture Stock	2,204,581			Land and Buildings	195,992	
Forfeited and Merged Shares etc.	55,240			Plant and Machinery	94,223	
	9,030,796			Road Vehicles	608,211	
Premiums (net) Stocks and Shares	511,702			Garages, Stables, etc.	72,822	
Capital Liability		4,500,000	4,495,813	Cost of acquiring Road Motor Services	186,747	
Government Payments and Advances to meet:				Hotels	88,706	
Revenue Losses			2,814,968		11,613,088	11,613,088
Capital Expenditure			572,443	Less Assets Displacement Account		7,908,756
Government Grants	1,507,518					3,704,332
Depreciation Funds	3,587,413			Lines jointly owned C.D.R.J.C.	170,835	170,835
Reserves	333,370			Additional Assets since 31st August, 1953		580,254
Provident and Pension Funds	283,138	283,138	292,184	CURRENT ASSETS:		
Wages Staff Pensions Reserve	171,866	171,866	178,427	Stocks and Work in Progress	697,396	697,396
Interest Payable to Governments			142,804	Sundry Debtors	266,674	266,674
Creditors	416,327	374,206	358,536	Cash at Bankers and in hand	140,504	Nil
				Investments	489,973	489,973
				REVENUE ACCOUNT:		
				Losses	2,463,660	Nil
					15,842,130	5,329,210
	15,842,130	5,329,210	8,855,175			8,855,175

NOTE: In the reconstructed Balance Sheet following the establishment of the Board the capital liability of £4,500,000 replaces the issued capital of the Company which amounted to £9,030,976. In addition the following items accumulated by the Company were eliminated:

Premiums (net) Stocks and Shares	...	£511,702
Depreciation Funds	...	£3,587,413
Reserves	...	£333,370
Miscellaneous items	...	£42,121

During the period from 1st January, 1951, to the 31st August, 1953, a sum of £1,507,518 was contributed by the two Governments to maintain services and employment. Cash held by the Company at the 31st August, 1953, amounted to £140,504 which was refunded, reducing the net contribution by the two Governments to £1,367,014. This sum was written off in the reconstructed Balance Sheet. The accumulated losses of the Company amounting to £2,463,660 were eliminated from the Balance Sheet by setting them off against the credits referred to above.

<u>Stock</u>	<u>Compensation per £100 Stock</u> £
4% Debenture Stock (£2,324,881)	89 $\frac{1}{8}$
4% Consolidated Guaranteed Stock (£869,270)	66
4% Consolidated Preference Stock (£1,999,180)	35
Ordinary Stock (£4,050,688)	28 $\frac{1}{2}$

Note:

The above amounts of stock include nominal additions to capital not shown separately on the Balance Sheet at 31/8/53 (page 170).

237. Following the establishment of the Board on the 1st September, 1953, the Balance Sheet was reconstructed to show the altered capital structure of the undertaking and the reduced value of the fixed assets. The accumulated revenue losses of the G.N.R. Company and a number of credit balances which were not represented by assets or earning capacity were eliminated from the Balance Sheet. The Balance Sheet of the Company immediately before the establishment of the Board and the adjusted Balance Sheet immediately afterwards together with the latest Balance Sheet, i.e. at 30th September, 1956 are as follows:-

238. The difference of £4,530,796 between the original capital of the Company and the capital liability of the Board together with the various items referred to in the footnote to the Balance Sheets on Page 176, which did not in fact represent assets or earning capacity were channelled together under one heading amounting to a net figure of £7,908,756. This sum, under the heading of "Assets Displacement Account", was deducted from the fixed assets in the reconstructed Balance Sheet.

239. The Balance Sheet at the 30th September, 1956, represents the position after the operation of the undertaking from the 1st September, 1953 to 30th September, 1956. During this period losses, including interest of £834,161, paid to the Minister for Industry and Commerce and the Ulster Transport Authority amounted to £2,877,188 which is over one half of the capital (£4.5 millions) provided by the two Governments for the acquisition of the undertaking. Capital expenditure in the period amounted to £580,254 which covers additional assets as well as the excess of replacement cost over original cost of the assets which were replaced.

240. On the establishment of the Board on the 1st September, 1953 the following railway rolling stock was in service:-

194	steam locomotives;
32	diesel rail cars and buses;
11	trams;
329	passenger carriages, and
5,577	wagons

241. Apart from the diesel railcar fleet the rolling stock was in a very worn out condition and much of it was obsolete. Of the steam locomotive stock 33 locomotives or 17% of the total stock had outlived their estimated economic life of 55 years. The average age of the locomotive stock was 37 years. Since 1938 only 13 locomotives had been renewed. Some 127 carriages or 38.6% of the total stock had outlived their estimated economic life of 45 years. Only 14 new carriages

had been built in the preceding ten years. Some 2,338 wagons equal to about 42% of the total stock had exceeded their estimated economic life of 35 years. During the previous ten years only 178 new wagons had been constructed. Because of financial stringency the Company had been unable to carry out renewals and replacements of railway rolling stock. We have been informed that the permanent way has been well maintained and is in good condition.

242. As a first step towards the rehabilitation of the undertaking the Board decided in March, 1954, to acquire 24 additional diesel railcars for passenger train working at an estimated cost of £528,000. Sanction for the acquisition of these railcars was given by both Governments in December, 1954. The Board decided to assemble the railcars at Dundalk but delivery of the imported components was delayed due to steel shortage and none of the railcars has yet come into service. In May, 1955, the Board submitted to the two Governments a comprehensive programme for the dieselisation and re-organisation of the railway at an estimated cost of £5½ million. The comprehensive programme has not been approved pending the outcome of the proposal of the Minister of Commerce for the closure of the secondary lines in the Six Counties referred to in paragraph 180.

G.N.R. FINANCIAL POSITIONSUMMARY

243. The following are the main features which emerge from the foregoing examination of the G.N.R. financial position:
- (a) Substantial profits were earned during the War after which there was a rapid deterioration in operating results. The loss for the year ended 30th September, 1956, amounted to £1,177,887 after charging interest of £344,285 on the capital liability of the Board and on sums provided by the Governments to meet losses and capital expenditure. Losses after all charges amounted to £5,531,023 for the 10 $\frac{3}{4}$ years from 1st January, 1946, to 30th September, 1956, and to £5,043,886 for the 5 $\frac{3}{4}$ years from the 1st January, 1951 to 30th September, 1956.
- (b) From January, 1951 to the establishment of the Board on the 1st September, 1953, the two Governments made grants to the Company totalling £1,367,014. Since the establishment of the Board the Governments have contributed £580,254 to meet capital expenditure and £2,877,188 to meet losses. The total moneys provided by the two Governments from 1st January, 1951, to 30th September, 1956, including the capital sum of £4,500,000 provided for the acquisition of the undertaking, amount to £9,324,456.
- (c) In the reconstructed Balance Sheet following the establishment of the Board the capital liability of £4,500,000 replaced the issued capital of the Company which amounted to £9,030,796, fixed assets were written down by £7,908,756, and losses of £2,463,660, accumulated prior to acquisition, were written off.

PUBLIC TRANSPORT IN COUNTY DONEGAL

244. County Donegal is exceptional in that its public transport requirements are largely provided by two local undertakings, namely, Londonderry and Lough Swilly Railway Company and County Donegal Railways Joint Committee. It is convenient, therefore, to deal separately with public transport in the County. The Great Northern Railway Board also operates in the area.

Londonderry and Lough Swilly Railway Company.

245. The Londonderry and Lough Swilly Railway Company is a privately owned company registered in the Six Counties with headquarters and main workshops in Derry. The Company now operates road services only. Between 1923 and 1931 the Company was wholly a railway Company and both Governments found it necessary to pay subsidies to meet losses. The Company commenced to operate road passenger services in 1931 and road freight services in 1933. From 1935 the railway lines operated by the Company were gradually closed, the last portion of the system being closed in 1953. The necessity to subsidise the undertaking ceased in 1938 and the Company has paid dividends on its ordinary and preference stocks since 1942. The Company enjoys a statutory right to operate road services into and out of Derry. About 200 workers are employed, some two-thirds of whom are resident in the State. The issued share capital of the Company is as follows:-

Preference Stock	...	£49,625
Ordinary Stock	...	£50,330
4% Debenture Stock	...	£16,400
3½% " "	...	£17,750
Total	...	<u>£134,105</u>

246. The profits of the Company before deduction of debenture interest and the dividends paid since 1951 were as follows:-

<u>Year</u>	<u>Profits</u> £	<u>Dividends</u>	
		<u>Ordinary</u>	<u>Preference</u>
1951	11,026	5%	5%
1952	6,541	5%	5%
1953	8,023	5%	5%
1954	7,001	6%	5%
1955	8,304	7%	5%
1956	11,170	7%	5%

The road freight services of the Company are operated at a small annual loss which is more than offset by the profits earned by the road passenger services. The Balance Sheet of the Company at 31st December, 1956, showed a satisfactory financial position with a Renewal Fund of £205,000 and an excess amounting to £85,000 of current assets over current liabilities.

247. The Company operates 59 freight vehicles and 46 omnibuses. The Company's merchandise licence under the Road Transport Acts is unlimited as to the area of operation, standard lorry weight of the vehicles operated and commodities carried. For the year 1956 the traffic carried by the Company's services was as follows:-

Passengers (number)	....	2,261,208
Freight (tons)	....	78,369
Livestock (number)	....	14,593

County Donegal Railways Joint Committee

248. This undertaking is owned jointly by the Great Northern Railway Board and the British Transport Commission. It operates a narrow-gauge railway and road services in the southern part of the County and has its headquarters and main workshops at Stranorlar. The railway is 86 miles in length, all but 2½ miles being in Donegal. The Joint Committee

which operates the undertaking consists of six members three of whom are nominated by the G.N.R. Board and three by the British Transport Commission. The original stock of the undertaking has been exchanged under various statutes, first for Midland Railway Company stock; subsequently for L.M.S. Railway Company stock; and finally for 3% British Transport stock to the value of £318,345 earning interest at the rate of £9,550 per year. This interest is payable by the Joint Committee to the British Transport Commission who in turn pays the interest to the former holders of stock in the Donegal Railway Company or their successors who are now holders of British Transport stock. The losses of the Joint Committee are borne equally by the two owning undertakings. Capital expenditure is also provided by the owning undertakings in equal parts. Since the establishment of the G.N.R. Board on the 1st September, 1953 the ^{G.N.R.} share of the liability for interest of the Joint Committee is borne equally by the Minister for Industry and Commerce and the Ulster Transport Authority under the G.N.R. Apportionment Scheme. The G.N.R. Board's share of the annual losses, other than interest, is borne in the ratio of the track mileage in the two areas, approximately 98% of which lies within the State.

249. The Joint Committee also operates the Strabane/ Letterkenny Railway under a Statutory Agreement. In practice this railway is operated as part of the Committee's system. Stock amounting to £120,296 in £1 ordinary shares and £102,550 in debentures is held by the Joint Committee. The remaining capital, £17,510, is in shares guaranteed by the Donegal County Council and the Letterkenny Urban District Council who pay £640 and £60 per annum, respectively, on foot of the guarantees.

250. The Joint Committee built up a contingency fund out of profits during the War years. This fund has been used in subsequent years to meet losses thus reducing the sum to be

made good by the two owning undertakings. The losses of the Joint Committee, the drawings from the contingency fund and the amounts made good by the owning undertakings each year since 1952 were as follows:-

<u>Year</u>	<u>Losses</u>	<u>Drawings from Contingency Fund</u>	<u>Amount made good by owning undertakings</u>
	£	£	£
1952	26,998	17,198	9,800
1953	14,562	-	14,562
1954	16,144	3,316	12,828
1955	5,318	-	5,318
1956	18,090	-	18,090

The contingency fund which stood at £29,489 in 1948 is now reduced to £1,790. The increased losses in 1956 as compared with 1955 are mainly due to a reduction of £11,000 in the net receipts from rail operations.

251. In addition to its rail services, the Joint Committee operates 35 road freight vehicles. Road passenger services are operated on behalf of the Committee by the G.N.R. Board. The Committee's merchandise licence under the Road Transport Act is unlimited as to area of operation, standard lorry weight of the vehicles operated and commodities carried. For the year 1956 the volume of traffic carried by the Joint Committee including road passenger services operated by the Great Northern Railway Board on behalf of the Joint Committee was as follows:-

	<u>Passengers</u> (Numbers)	<u>Freight</u> (Tons)	<u>Livestock</u> (Numbers)
Rail	384,065	58,194	1,460
Road	775,979	131,432	8,020

The Joint Committee employed 211 workers in 1956.

Great Northern Railway Board.

252. The Board's rail services to Bundoran and to Derry enter County Donegal in the south and the east respectively. The Board also operates road passenger services in the County both in its own right and as agents for the County Donegal Railways Joint Committee.

SLIGO/LEITRIM AND NORTHERN COUNTIES RAILWAY COMPANY

253. The Sligo, Leitrim and Northern Counties Railway Company is a private concern with headquarters at Enniskillen, Co. Fermanagh. The railway runs from Enniskillen, where it connects with the G.N.R. system, to the C.I.E. line near Collooney whence the Company has running rights over the C.I.E. line to Sligo. Some $30\frac{1}{2}$ miles of the line are in the State and $12\frac{3}{4}$ miles in the Six Counties. The Company also operates road passenger and road freight services on a small scale, having four buses and five lorries. All of the Company's road passenger services and almost all of its road freight services are operated in the State. The Company employs 137 workers of whom 107 are in the State.

254. The issued capital of the Company is £486,781, made up of £50,000 preference stocks, £150,000 ordinary stock and £286,781 debenture stocks (including £140,000 cumulative debentures).

255. Particulars of the traffic carried by the Company in the last four years are as follows:-

Year	Passengers (Number)		Merchandise (tons)		Livestock (Number)	
	Rail	Road	Rail	Road	Rail	Road
1953	74,083	91,575	31,454	9,714	67,325	Nil
1954	73,219	95,057	29,997	13,207	69,408	Nil
1955	70,903	87,939	30,378	15,038	55,108	Nil
1956	65,105	88,638	29,074	10,610	48,889	Nil

The principal traffic on the railway is livestock from the West and North-west for export through the ports of Belfast and Derry to markets in Scotland and Northern England. Receipts from livestock traffic amount to over 40% of the total rail receipts of the Company. Other important traffics on the railway are cement and sugar from the East coast for the Sligo area and agricultural seeds from Donegal for the West.

256. Because of its contributive value to the G.N.R. system in the Six Counties and to the ports of Belfast and Derry, the main economic benefit of the railway is derived by the Six Counties and the Government of Northern Ireland helped the Company by means of annual subsidies from 1935 to 1955. In recent years this subsidy was at the rate of £3,000 per annum. Since 1949, the G.N.R. have been assisting the Company by means of a rebate in charges amounting to £4,000 per annum. Following representations from the Company the Irish Government decided in April, 1952, to grant a subsidy of £3,500 per annum to the Company.

257. The Company has been operating at a loss for many years. The financial results (rail and road) for the last four years were as follows:-

Year	Receipts	Expenditure	Deficit
	£	£	£
1953	70,286	73,425	3,139
1954	71,580	77,948	6,368
1955	68,815	78,348	9,533
1956	75,221	78,051	2,830

The receipts include the subsidies from the two Governments, the G.N.R. rebate and miscellaneous receipts. Expenditure includes interest at 1% (£1,400) to the holders of the cumulative debenture stocks. No dividends have been paid to holders of other stocks since 1933.

258. Following consideration of further representations from the Company for increased financial assistance, the Government decided in March, 1955, to make an additional grant, not exceeding £5,000 for the year 1955 if the Government of Northern Ireland increased its subsidy by the same amount. That Government, however, refused to increase

its subsidy and subsequently decided to discontinue its subsidy altogether after 1955.

259. Having considered the decisions of the two Governments, the Company decided in September, 1955, to apply to both Governments for Orders authorising them to discontinue train services and to abandon the railway. Applications for Orders to discontinue train services were subsequently made in both areas. No decision has been taken on these applications in either area.

260. Shortly afterwards, the Government of Northern Ireland proposed the closing of certain G.N.R. lines in their area, including the line through Enniskillen where the Sligo, Leitrim and Northern Counties Railway connects with the G.N.R. system.

261. Strong representations were made to the Minister for Industry and Commerce by local interests with a view to having the Sligo/Leitrim railway kept open. Pending the outcome of the proposal to close the G.N.R. lines operating through Enniskillen the Government decided to give increased subsidy to the Company. A total of £15,000 has been paid to the Company for the year 1956. Subsidy on a similar basis is being provided for 1957⁷ subject to a maximum of £15,000 for the year. If the G.N.R. Line through Enniskillen were closed, the value of the Sligo/Leitrim railway both as a channel of export and as a feeder service for the G.N.R. would cease.

ROAD PASSENGER SERVICES LICENSED UNDER
THE ROAD TRANSPORT ACTS.

262. The Road Transport Act, 1932, restricted road passenger transport to operators actually carrying on a satisfactory regular service at the time of its enactment and to such new entrants as might be licensed by the Minister for Industry and Commerce in respect of particular services. Provision was made in the Act permitting the acquisition by the statutory companies of businesses operated by private or non-statutory concerns. It was envisaged that the statutory companies would buy out their competitors in the knowledge that new competitors would not be allowed to take their place. The statutory companies eventually absorbed their major competitors but did not acquire a number of small operators, principally in rural districts, who provided cross-country services.

263. New licences are granted to private operators where it is established that the statutory companies do not intend to provide a service. To date, licences granted have been in respect of a very small number of services in rural areas. On the 31st December, 1955, there were 28 small operators holding passenger licences in respect of regular omnibus services.

264. Road motor coach services are also subject to the Road Transport Act, 1932. A motor coach service is one in which there is prior arrangement between the passengers and the operator and passengers are not otherwise taken up or set down en route. Licences are granted on application for the operation of motor coach tours where the statutory companies do not provide such tours. Licences are not granted for the operation of coach tours by foreign

operators. Motor coach licences are held by six operators, two of whom are hotel proprietors providing coach tours for their hotel guests. In addition, the Ulster Transport Authority holds licences for tours which originate and end outside the State.

265. Licences are not required under the Road Transport Acts for the private hire of road passenger vehicles where separate fares are not charged in respect of each passenger.

266. The following statistics have been taken from accounts furnished to the Department of Industry and Commerce. The accounts do not wholly relate to "passenger road services" as defined in the Road Transport Act, 1932, as in a number of cases they cover other transport business, (e.g. private hire work).

TABLE 47.

RECEIPTS AND EXPENDITURE OF NON-STATUTORY
ROAD PASSENGER TRANSPORT OPERATORS.

Year	No. of operators who furnished returns	Receipts £	Expenditure £	Net Receipts £
1938	38 (38) [‡]	42,872	31,048	11,824
1944	30 (30)	50,328	34,136	16,292
1950	29 (29)	77,353	55,944	21,409
1951	29 (29)	81,738	60,387	21,351
1952	30 (30)	90,389	69,029	21,360
1953	29 (30)	89,105	67,343	21,762
1954	27 (30)	85,147	62,066	23,081
1955	29 (31)	89,591	68,726	20,865

‡ The numbers of licensees who operate services are shown in brackets.

267. The transport businesses of licensed operators are in many cases family concerns in which the proprietor or members of his family are wholly or partially employed. The figures for expenditure must, therefore, be viewed with some reserve.

268. In the year 1955 licensed operators operated a route mileage of 2,158 miles, a vehicle mileage of 889,000 miles and carried 1,240,000 passengers.

Houses of the Oireachtas

ROAD FREIGHT SERVICES OPERATED BY
ROAD HAULIERS LICENSED UNDER THE
ROAD TRANSPORT ACTS

269. The Road Transport Act, 1933, was aimed at enabling the railway companies to achieve an effective monopoly in the carriage of goods and livestock for reward in their respective areas by the acquisition, either compulsorily or by agreement, of carrier road transport businesses. The Act prohibited, save under licence, the carriage of merchandise for reward in mechanically propelled vehicles, except wholly within exempted areas around the principal ports, and provided for the grant of licences to existing carriers who were then engaged in the business of merchandise road motor transport. The exempted areas were defined by the Act as the areas within fifteen miles radius of the principal post office in Dublin and Cork, and within ten miles radius of the principal post office in Limerick, Waterford, Galway, Ballina, Drogheda, Dundalk, Sligo, Tralee, Westport and Wexford. Under the Transport Act, 1944, Ballina, Drogheda, Dundalk, Sligo, Tralee, Westport and Wexford ceased to be exempted areas and merchandise licences were issued to carriers who previously operated in these areas. Particulars of the licences issued and those bought out by the railway companies are contained in Table 48.

TABLE 48.

PARTICULARS OF MERCHANDISE LICENCES

(Excluding the Railway Companies)

Types of Licences	Numbers Issued	Numbers acquired by Railway Companies	Numbers expired or revoked	Numbers in force
Licences issued to "existing carriers" and Shipping Companies.	1,371	386	209	776
Licences issued to "existing carriers" in former exempted areas	65	-	4	61
Licences issued on grounds of inadequate transport facilities for the carriage of -				
(i) turf only;	2	-	2	-
(ii) milk and cream only;	35	-	16	19
(iii) newspapers only;	72	-	3	69
(iv) other class or classes of merchandise	34	1	14	19
Totals	1,579	387	248	944

270. Existing carriers - who had to prove their claim to have been in business before the enactment of the Road Transport Act, 1933 - were entitled to obtain licences. Every licence issued to an existing carrier had specified in it a "standard lorry weight" and/or a "standard tractor weight" which represented the combined unladen weight of the lorries and/or tractors actually in use by the licensee during a specified period before the Act became law. Each licensee was, thenceforth, restricted to the use of vehicles the weight of which did not exceed the standard lorry/tractor weight

specified in his licence. The licences also specified the classes of goods which the licensee might carry and the area in which he might operate. Licensees were placed under a legal obligation as common carriers to accept merchandise for carriage at a reasonable reward without undue preference within the conditions and terms of their licences.

271. The railway companies, either by availing themselves of the compulsory acquisition provisions or by negotiation, bought out their larger competitors to the number of 387, of which only five were acquired since 1937.

272. The Turf (Suspension of Section 9(1) of the Road Transport Act, 1933) Order, 1946, made under the Turf Development Act, 1946, removed the carriage of turf for reward from the restrictions imposed by the Road Transport Act, 1933. The carriage of milk, separated milk or milk containers to or from a creamery or cream separating station was similarly exempted each year since 1949 by Orders made under the Supplies and Services (Temporary Provisions) Act, 1946, and is now permanently exempted by the Transport (Miscellaneous Provisions) Act, 1955. The carriage of wheat in their own vehicles by licensed agents of licensed mills is exempted by means of an Order made annually under the provisions of the Transport (Miscellaneous Provisions) Act, 1955, and was similarly exempted each year since 1942 by Emergency Powers Orders.

273. Of the total of 856 licensed hauliers (other than hauliers of special traffics) 620 are restricted by the terms of their licences to a standard lorry weight not exceeding 2 tons 15 cwts. which would permit of the operation of one lorry with a carrying capacity of about 5 tons. Returns furnished by licensed hauliers to the Department of Industry

and Commerce show that (excluding newspaper licences etc.) about 80 licensees operate more than one lorry. Only 16 licensees are authorised to operate tractors.

274. A total of 598 licensees are entitled to carry all classes of merchandise; 102 may carry specified classes of merchandise throughout the State; only 72 are entitled to carry all classes of merchandise throughout the State.

275. The powers of the Minister for Industry and Commerce to grant new licences or to extend existing licences are limited by the Transport Act, 1944. With the exception of two licences confined to Valentia Island no new licences have been issued for many years other than those for special traffics, e.g., Sunday newspapers and one licence to a Fishermen's Co-operative Society for the carriage of fish. Numbers of applications for new licences are refused each year. Where the business authorised by a licence has been transferred to a railway company or to a near relative of the licensee or under the will of intestacy of a licensee the Minister is required to transfer the licence. Otherwise transfers are at the absolute discretion of the Minister and, amongst other requirements, are granted only where the applicant resides in the same district as the licensee.

276. Licensees are required to furnish annually to the Department of Industry and Commerce returns of the business carried on. Returns were not received from all licensees and not all returns received

194.

contained complete particulars. Imperfect as they are the following figures have been compiled from the licensees' returns for the latest year for which figures are available.

Traffic carried in year ended
31st December, 1955.

		Thousand <u>Tons</u>
Goods and Minerals (including turf)	...	2,586
Livestock:		<u>Thousands</u>
Cattle	...	134
Sheep	...	160
Pigs	...	224
Other animals	...	<u>3</u>
		521

Receipts and Expenditure

		<u>£ thousand</u>
Receipts	...	1,386
Expenditure	...	<u>1,121</u>
Net Receipts	...	265

PRIVATE TRANSPORT

277. Our terms of reference cover internal transport. It is clear that a substantial proportion of the internal transport requirements of the country is supplied by private transport (i.e. the carriage of persons or goods in vehicles operated privately and not for reward) as distinct from public transport (i.e. the carriage of persons or goods for reward). It has been possible in the foregoing paragraphs to make a comprehensive examination of public transport because of the existence of adequate statistical, financial and general information. The necessary particulars are not available, however, to enable us to make a similar examination of private transport or even to compare satisfactorily the relative scope and importance of public and private transport. We have, however, attempted to assess the importance of private transport and to examine its trends but we have necessarily had to proceed on a restricted basis due to the limited amount of information readily available.

PRIVATE MOTOR CARS

278. The number of private cars licensed in August, 1956 amounted to 135,961 made up as follows:-

Not exceeding 10 H.P.	108,672
Exceeding 10 H.P. but not exceeding 16 H.P.	22,152
Exceeding 16 H.P.	<u>5,137</u>
	135,961

On the arbitrary basis that the average value of cars licensed is as follows:-

	<u>Average Value</u>
	£
Not exceeding 10 H.P.	250
Exceeding 10 H.P. but not exceeding 16 H.P.	300
Exceeding 16 H.P.	500

the total value of the private cars licensed may be put at over £36 million.

279. On the basis of 5 seats per car, the seating capacity of the private cars licensed is 680,000 seats. This compares with a total seating capacity of 12,6000 seats provided by the rail and road passenger vehicles operated by C.I.E. and the G.N.R. Board (whole undertaking). The number of private dwellings in the State was computed by the Central Statistics Office at 662,654 in 1946. On the basis that no private dwelling has more than one private car it would appear that the occupants of 526,693 private dwellings do not possess cars. The average number of persons per dwelling is 4.37 persons and it would appear therefore that 2,302,000 persons out of the total population of 2,895,000 or 80% have not access to a private car and must rely on public transport save to the extent to which they use motor cycles, scooters, cycles etc. It must be borne in mind, however, that many

cars, though licensed as private cars, are operated primarily for business purposes. For example, commercial travellers, business men, medical and veterinary practitioners, farmers etc. operate their cars mainly for business or professional purposes and many such cars are used very little, and often not at all, for purely private purposes.

280. Table 49 shows the distribution of private cars in the various counties and county boroughs in the years 1938 and 1956 and the increases which have taken place between these two years. The density of population in relation to agricultural land in each county for the year 1951 is also shown in the table. Indices are included in the table based on the figures for the State as a whole being equated to 100. The indices show, therefore, the percentages by which each area is above or below the figure for the whole State.

281. In 1956 the number of cars (per 1,000 population) for the whole State was 47. The highest density of cars in relation to population occurred in Tipperary (60.9), Meath (59.8), Kildare (58.7), Laoighis (57.4), Dublin (County and County Borough) (56.8), Waterford County (54.1) and Kilkenny (53.8) where the density ranges from 14% to 30% above the figure for the whole State. The lowest density occurs in Mayo (25.7), Donegal (29.9), Clare (31.1), Galway (33.1), Cavan (33.3), Roscommon (34) and Sligo (34) where the density ranges from 28% to 45% below the figure for the whole State. There is a general correlation between the numbers of private motor cars (per 1,000 population) and the numbers of persons per 100 acres of agricultural land. Generally the greater density of private motor cars is located in the counties with a low density of population in

NUMBERS OF PRIVATE CARS IN RELATION TO POPULATION IN YEARS
1938 and 1956.

Province or County	1938		1956		Increases between 1938 & 1956		Density of country population per 100 acres of agricultural land 1951
	Numbers per 1,000 Population	Indices 26 Counties = 100	Numbers per 1,000 Population	Indices 26 Counties = 100	Increases in Numbers per 1,000 Population	Indices 26 Counties = 100	
IRELAND - 26 COUNTIES	16.4	100	47.0	100	30.6	100	13.2
LEINSTER (excluding Dublin Co. Borough and County)	17.6	107	52.0	111	34.4	112	11.6
MUNSTER (excluding Cork, Limerick and Waterford Co. Boroughs)	13.0	79	48.6	103	35.6	116	12.2
CONNACHT	9.0	55	30.1	64	21.1	69	15.2
ULSTER (3 Counties)	9.9	60	33.2	71	23.3	76	18.2
Carlow	20.7	126	53.0	113	32.3	106	11.0
Kildare	22.0	134	58.7	125	36.7	120	13.8
Kilkenny	17.0	104	53.8	114	36.8	120	10.1
Laoighis	14.8	90	57.4	122	42.6	139	10.8
Longford	9.5	58	43.0	91	33.5	109	12.9
Louth	18.6	113	48.2	103	29.6	97	14.4
Meath	24.0	146	59.8	127	35.8	117	10.1
Offaly	13.6	83	47.0	100	33.4	109	9.8
Westmeath	15.6	95	50.2	107	34.6	113	9.6
Wexford	15.4	94	49.5	105	34.1	111	11.5
Wicklow	20.7	126	48.2	103	27.5	90	12.1
Clare	9.7	59	31.1	66	21.4	70	11.4
Cork (a)	13.9	85	53.2	113	39.3	128	12.2
Kerry	8.3	51	33.3	71	25.0	82	16.7
Limerick (a)	13.0	79	50.2	107	37.2	122	12.3
Tipperary	16.8	102	60.9	130	44.1	144	10.0
Waterford (a)	16.2	99	54.1	115	37.9	124	10.8
Galway	10.1	62	33.1	70	23.0	75	14.7
Leitrim	7.4	45	36.3	77	28.9	94	13.2
Mayo	7.3	45	25.7	55	18.4	60	19.9
Roscommon	9.3	57	34.0	72	24.7	81	12.1
Sligo	11.9	73	34.0	72	22.1	72	14.3
Cavan	10.3	63	33.3	71	23.0	75	13.6
Donegal	8.5	52	29.9	64	21.4	70	25.0
Monaghan	12.5	76	40.9	87	28.4	93	14.7
<u>County Boroughs</u>							
Cork	23.8	145	39.0	83	15.2	50	-
Dublin (b)	28.1	171	56.8	121	28.7	94	20.2
Limerick	17.8	109	41.6	89	23.8	78	-
Waterford	17.5	107	41.5	88	24.0	78	-

(a) Excluding Co. Borough.

(b) Including Dublin County.

relation to agricultural land. The density of motor cars is also heaviest in the more fertile areas e.g. Meath, Midlands and the Golden Vale. It is of some significance from the point of view of the public transport undertakings that the least density of private cars is located in the counties more remote from Dublin. The competition arising from private car transport is, therefore, least in the areas from which the length of travel to Dublin is greatest.

282. The density of cars in the County and County Borough of Dublin in 1956 is fifth highest and is 21% above the figure for the whole State. A number of factors affect the density of private motor cars in the Dublin area in comparison with less urbanised areas. Many firms operate private motor cars for business purposes and as industry and commerce are largely concentrated in the Dublin area it is not surprising to find a high density of private cars there. The residential suburbs cover an extensive area and in consequence a higher proportion of Dublin residents must necessarily live further away from their places of business than residents in the smaller cities or towns. This should tend to increase the density of private cars in Dublin as compared with elsewhere. On the other hand much better public transport services are available in the Dublin area than in rural areas where transport requirements are of a character which cannot be catered for as adequately by public transport. The density of private cars in relation to population in Cork (39), Limerick (41.6) and Waterford (41.5) County Boroughs is less than that of the whole State. The Cork density is 17% below that of the whole State but the figure may be affected by the fact that many of the residential suburbs of Cork are outside the

County Borough area and private cars owned by residents of these suburbs would appear on the registration returns for County Cork, where the density of private cars is 53.2 or 13% above the national figure.

283. Table 49 shows the increase in the density of private cars between 1938 and 1956. This is shown as the actual increase in the numbers of private cars (per 1,000 population) in those years. The increase in density for the whole State is 30.6. The greatest increases occurred in Tipperary (44.1), Laoighis (42.6), Cork County (39.3), Waterford County (37.9), Limerick County (37.2), Kilkenny (36.8) and Kildare (36.7) where the increases ranged from 20% to 44% above the figure for the whole State. The smallest increases occurred in Cork County Borough (15.2), Mayo (18.4), Clare (21.4), Donegal (21.4), Sligo (22.1), Galway (23) and Cavan (23) where the increases ranged from 25% to 50% below the figure for the whole State. Excluding the county boroughs the pattern is generally similar to the distribution pattern of private cars in 1956 in so far as the greatest increases occurred in areas of low density of population and high fertility of land and the smallest increases took place in the counties with the higher density of population and poorer quality land. While this is true of the actual increase in density of private cars in relation to population there has been some improvement relatively in the Western counties. In 1938 the number of private cars (per 1,000 population) in the five Connacht counties was 45% below the figure for the whole State but in 1956 it was 36% below the national figure. Density in Donegal improved from 48% below the national figure in 1938 to 36% in 1956. The improvement in Kerry was from 49% below the

national figure in 1938 to 29% in 1956. On the other hand in Leinster, excluding Dublin County and County Borough, density improved only from 7% above the national figure in 1938 to 11% in 1956. The relative improvement in the density of private cars in the Western counties since 1938 is due to their low density in that year and to the greater loss of population in these counties than elsewhere in the intervening period.

284. An interesting feature of Table 49 is that the increase in density of private cars since 1938 has been markedly less in the County Borough areas than in the provinces. In the County Borough and County of Dublin and in the County Boroughs of Cork, Limerick and Waterford taken together the increase has been 27 (per 1,000 population) or 12% below the national figure. The increase for Cork County Borough was 50% below the national figure while that for the County Boroughs of Limerick and Waterford was 22% below the national figure. The figure for Cork County Borough may, however, be unduly low due to the fact, already mentioned, that large portions of the residential suburbs are outside the County Borough boundary and private cars owned by residents in these areas would be included in the returns for County Cork which shows a high rate of increase since 1938. In general the contrast between city and rural areas may reflect the increased farm incomes over the post-War years as compared with 1938 when agriculture was depressed following the economic war. It also reflects the greater need for private personal transport in rural areas due to the inherent difficulties of providing public transport to cater for the requirements of the rural community. The enumeration of agricultural machines carried out by the Central Statistics

Office for the year 1954 showed that there were 40,000 private cars (34% of the total number licensed in that year) on farms. Information is not available as to the number of private cars owned by persons with small holdings of land not primarily engaged in farming. An analysis was made by the Central Statistics Office in respect of 1949 which showed that the following percentages of the total number of private cars on farms in that year were on holdings of the following sizes.

Size of Holdings in Acres					
Under 5	5 - 10	10 - 25	25 - 50	50 - 100	Over 100
15%	6%	12%	15%	20%	32%

This analysis suggests that considerable numbers of private cars included in the agricultural enumeration are owned by persons not primarily engaged in farming.

285. Appendix 8 shows the numbers of private cars licensed in 1925, 1938, 1944, 1947 and for each year from 1950 to 1956. The numbers of private cars increased from 16,211 in 1925 to 48,599 in 1938, after which there was a steep decline during the War. There was a rapid expansion in the period since the War when the numbers increased from 52,189 in 1947 to 85,140 in 1950, to 108,805 in 1953 and to 135,961 in 1956. In view of this increase it is surprising at first glance that C.I.E. (excluding the suburban services) and the G.M.R. Board have retained the 1938 volume of passenger train traffic and that C.I.E. has increased its volume of passenger traffic since 1951 during which period the number of private cars increased by 40%. It is evident that the amount of travel represented by the additional private cars is largely of a kind not previously undertaken and reflects the greatly increased travelling now done by the community.

286. Increases in the density of private cars (including taxis) in relation to population in Ireland and in some other European countries for a number of years since 1928 are shown in Table 50. The density of private cars in Ireland in 1955, which is the latest year for which comparable figures are available for the other countries, approximates to the average for the countries shown. It is much below the figures for Great Britain and Sweden; it is comparable with the figure for Denmark, but is in excess of the figures for Italy, Norway and the Netherlands. The numbers of private cars per thousand miles of roads and per £1 million of national income in Ireland and in a number of other European countries are shown later in Table 59 in this Report. It will be seen from the comment on this table in Paragraph 321 that the number of private cars in relation to road mileage in Ireland is low due to our comparatively high mileage of roads in relation to population but that the number of private cars per £1 million national income is the highest of all the countries shown. The high priority placed on the ownership of a private car in Ireland as compared with other countries may be due in part to the tendency towards increased spending which has contributed to our current economic difficulties but also to the inherent inability of public transport to cater effectively for the personal transport requirements of sparsely populated countries such as ours.

TABLE 50

NUMBER OF PRIVATE CARS (INCLUDING TAXIS) PER 1,000 POPULATION

Country	1928	1937	1951	1955	Increases per 1,000 population		
					1937-1951	1951-1955	1937-1955
Denmark	18	27	28	49	1	21	22
Gt. Britain	21	40	50	71	10	21	31
Ireland [ⓧ]	11	16	35	45	19	10	29
Italy	3	7	9	18	2	9	11
Netherlands	7	11	15	25	4	10	14
Norway	8	16	21	36	5	15	20
Sweden	15	21	44	88	23	44	67
Switzerland	12	17	35	54	18	19	37
Average increase for all countries shown					8	16	24

[ⓧ] Excluding Six Counties.

287. Table 50 shows that an increase in the density of private cars in relation to population is a feature of other countries and that the increase in Ireland is generally in line with the increases in the other countries shown in the table. In the period between 1937 and 1951 the increase in Ireland was considerably greater than the average increase for the countries shown but in the period between 1951 and 1955 it was considerably lower with the result that the increase for the whole period between 1937 and 1955 approximates to the average for the eight countries shown. The increase in density in Ireland since 1937 has been much less than in Sweden, Great Britain and Switzerland, somewhat greater than in Denmark and Norway but considerably greater than in Italy and the Netherlands, which appear to be exceptionally low.

The greater relative increase in Ireland in the period between 1937 and 1951 as compared with the period between 1951 and 1955 indicates that the post-War expansion occurred earlier in Ireland than in the countries which were involved in the War. In some countries also, e.g. Great Britain, priority was given in car production to export orders which had the effect of retarding expansion in the home trade.

288. Many factors contribute to the expansion in private motoring. Among these are increasing standards of living improved roads, greater convenience and flexibility of private transport, but perhaps the most important factor is the rapid progress which has been made in the production, design and performance of motor cars. Mass production on an increasing scale by the motor industry enabled higher output to be obtained at attractive prices. Improved gearing, braking and engine, chassis and tyre designs have led to easier control and greater speed, comfort and performance. Technical development was supported by intensive advertising, international competitions, exhibitions and sales promotion which together with improved financial facilities (e.g. hire purchase, trade-in allowances etc.) resulted in a universal and rapid expansion in private car transport.

289. Progress in the technical field has been particularly successful in improving the speed, performance and comfort of the small car, to the extent that the small car of to-day has standards of speed, comfort and capacity comparable with a much larger car of twenty-five years ago. This is reflected in the greater proportion of small cars in use now as compared with earlier years as shown in Table 51.

TABLE 51

PRIVATE CARS UNDER CURRENT LICENCE IN SELECTED HORSE
POWER GROUPS

Year	Not exceeding 10 H.P.		Over 10 H.P. and not exceeding 12 H.P.		Over 12 H.P. and not exceeding 16 H.P.		Over 16 H.P.		Total
	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total	
1931	8,595	24	9,133	26	13,512	38	4,435	12	35,675
1938	28,965	59	5,815	12	7,383	15	6,436	14	48,599
1950	63,759	75	11,883	14	4,504	5	4,994	6	85,140
1956	108,672	80	20,712	15	1,440	1	5,137	4	135,961

290 Although they do not come within the strict interpretation of private transport we consider that reference should be made here to the growth of car hire services. It is estimated that there are now about 2,000 cars available for hire on a self-drive basis and indications are that this form of transport will continue to develop. It has largely grown out of the tourist industry but is now freely availed of for business and pleasure purposes by those who have not their own motor cars. While it is yet too early to foresee the part which car hire services may play in the future pattern of transport in this country the availability of car hire services should tend to reduce the number of private cars in use but they might also compete to some extent with public transport services.

MOTOR CYCLES, MOTOR SCOOTERS, CYCLES WITH
AUXILIARY ENGINES, etc.

291. The expansion in the numbers of motor cycles, motor scooters and cycles with auxiliary engines may be seen from Appendix 8. The total number of these machines declined from 7,369 in 1925 to 2,724 in 1938. After the War there was a rapid expansion and by 1952 the total number of machines licensed was 7,980. Since 1952 the rate of expansion increased greatly and the number of machines licensed in 1956 amounted to 26,539. The rate of expansion has been relatively much greater than that of private cars.

292. Technical progress has also been responsible in large measure for the increase in the numbers of motor cycles etc. The post-War years saw the emergence of light machines of the motor scooter type which are increasingly popular. It is significant that the numbers of machines of this type which provide a cheap form of transport have markedly grown at a time when motoring costs and public transport fares have been increasing. In Paragraph 91 reference has already been made to the rapid rise in the numbers of such machines during the period when customer resistance to increasing public transport fares became evident.

293. Table 52 shows the distribution of motor cycles etc. licensed in Dublin County Borough and County, the County Boroughs of Cork, Limerick and Waterford and the remainder of the State for a number of years since 1938.

TABLE 52.

DISTRIBUTION OF MOTOR CYCLES, MOTOR SCOOTERS AND
CYCLES WITH AUXILIARY ENGINES, etc.

Year	Dublin County Borough and County	County Boroughs of Cork, Limerick and Waterford	Remainder of State	Total
1938	777	146	1,801	2,724
1947	1,300	236	3,109	4,645
1954	7,242	755	7,055	15,052
1956	12,467	1,427	12,645	26,539

There is clearly a greater density of these machines in city areas than elsewhere due to the greater suitability of these machines, particularly those of the scooter type, for city transport. It also reflects the fact that as compared with country areas a much higher proportion of residents in city areas, particularly Dublin, must necessarily live a considerable distance from their places of employment and have acquired motor cycles, scooters, etc. partly for convenience and partly to save the cost of travelling by omnibus. A further reason for the relatively greater numbers of these machines in the Dublin and other city areas as compared with country areas is that many types of machines in this group, having been developed only in recent years, are novel and in consequence some time would elapse before their use would spread to country areas.

COMMERCIAL GOODS VEHICLES

294. Table 53 sets out the numbers of commercial goods vehicles of various unladen weights licensed in August, 1956.

TABLE 53COMMERCIAL GOODS VEHICLES LICENSED IN AUGUST, 1956

Unladen Weight	Carriers (a)	Others	Total	Percentage of Total for All Weights.
Not exceeding				
12 Cwts.	104	7,269	7,373	17.7
12 - 16 Cwts.	46	4,470	4,516	10.9
16 - 20 "	303	14,217	14,520	34.9
1 - 2 Tons	537	2,900	3,437	8.3
Total not exceeding 2 Tons	990	28,856	29,846	71.8
2 - 3 Tons	2,262	6,031	8,293	19.9
3 - 4 "	619	1,745	2,364	5.7
4 - 5 "	283	319	602	1.4
5 - 6 "	87	152	239	0.6
6 - 7 "	30	39	69	0.2
7 - 8 "	24	41	65	0.2
8 - 9 "	15	76	91	0.2
Over 9 "	5	23	28	0.1
Total over 2 Tons	3,325	8,426	11,751	28.2
Total All Weights	4,315	37,282	41,597	100

(a) This column shows the numbers of commercial goods vehicles licensed by persons describing themselves as "Carriers" and includes the main public transport undertakings, licensed hauliers, hauliers operating within the exempted areas (see footnote to paragraph 7) and hauliers engaging in the transport of commodities, e.g. turf, which are exempted from the restrictions imposed by the Road Transport Acts.

This table shows that 72% of the commercial goods vehicles licensed are vehicles not exceeding two tons unladen weight which may generally be classified as vans used largely for the delivery of goods. Vehicles of over two tons unladen weight which may generally be classified as lorries, comprise 28% of the total vehicles licensed. Information is not available to show the main trades or industries in which commercial vehicles are employed. Some information is available, however, from the enumeration of agricultural machines carried out by the Central Statistics Office which for the year 1954 shows that 8,967 vans (35% of the total commercial vehicles not exceeding two tons unladen weight licensed in that year) and 3,988 lorries (34% of the total commercial vehicles of over two tons unladen weight licensed in that year) were operated on farms. Information is not available as to the number of vehicles on small holdings not primarily used for agricultural purposes. An analysis was made by the Central Statistics Office in respect of 1949, which indicated that the following percentages of the total number of lorries on farms in that year were on holdings of the following sizes:

Size of Holdings in Acres					
Under 5	5 - 10	10 - 25	25 - 50	50 - 100	Over 100
13%	7%	17%	20%	18%	25%

This analysis suggests that considerable numbers of vehicles included in the agricultural enumeration are operated by persons with small holdings of land and are not used primarily for farming purposes.

295. On the arbitrary basis that the average value of vehicles commercial/owned by persons or concerns other than those describing themselves as "carriers" is:

<u>Unladen Weight</u>	<u>Average Value</u>
	£
Not exceeding 2 tons	400
Over 2 tons and not exceeding 5 tons	800
Over 5 tons	1,600

the total value of commercial vehicles privately operated is of the order of £19 million.

296. The growth in the numbers of commercial goods vehicles may be seen from Appendix 8 which shows the numbers of vehicles licensed in various years since 1925. Increases in the numbers of vehicles licensed since 1938 may be summarised as follows:

Type of Vehicle	Nos. licensed			Percentage increase or decrease (-)		
	1938	1951	1956	1938-1951	1951-1956	1938-1956
				%	%	%
<u>Commercial Goods Vehicles.</u>						
Not exceeding 2 Tons Unladen Weight	8,358	16,561	29,246	98	80	257
Over 2 Tons Unladen Weight	1,998	9,959	11,751	398	18	488
Carriers (All Weights)	1,956	5,197	4,315	166	-17	121
Others (All Weights)	8,400	21,323	37,282	154	75	344
Total (All Vehicles)	10,356	26,520	41,597	156	57	302

The growth in the numbers of commercial vehicles was arrested by the War when supplies of new vehicles and fuel were restricted. Appendix 8 shows that the total number of commercial vehicles licensed in 1944 was 8,868 as compared with 10,556 in 1938. Accordingly, the increase shown for the period 1938-1951 is largely applicable to the years 1945-1951 when the rate of increase was abnormally rapid following the War. It is of interest to note, however, that

the number of commercial vehicles over two tons unladen weight increased from 1,998 in 1938 to 2,637 in 1944 notwithstanding the intervention of the War. Since 1951 the rapid increase in the number of commercial vehicles not exceeding two tons unladen weight has continued. The increase since 1951 in the number of vehicles of over two tons has been at a very reduced rate, the number licensed in 1956 being 18% above the number licensed in 1951 as compared with a fourfold increase in the period between 1938 and 1951. A decrease in the number of commercial vehicles of over two tons unladen weight was recorded in 1956 as compared with the preceding year, the figures being 11,751 in 1956 as compared with 12,120 in 1955.

LIGHT COMMERCIAL GOODS VEHICLES.

297. Table 54 sets out the density of commercial vehicles not exceeding two tons unladen weight (per 10,000 population) in the various counties and county boroughs for the years 1939 and 1956 and shows the increases in density which took place in the intervening period. In 1956 the areas with the highest density of these light vehicles (per 10,000 population) were Wicklow (149), Cork County (143.9), Meath (139.9), Waterford County Borough (136.2), Wexford (133.3), Monaghan (131) and Cork County Borough (129.7). In these areas the density ranged from 26% to 45% above the national average. The areas of lowest density were Mayo (55.6), Roscommon (58.8), Galway (61.7), Offaly (67.9), Kerry (71.2) and Donegal (73.1). In these areas the density ranged from 29% to 46% below the national average. In the eleven counties of Leinster, excluding Dublin County and County Borough, the number of light commercial vehicles (per 10,000 population) was 11% above the national average. In the five Connacht counties the figure was 38% below the national average. The numbers of light commercial vehicles (per 10,000 population) were above average in the County Boroughs of Cork and Waterford and in the County and County Borough of Dublin. The areas with the highest numbers of light

NUMBERS OF COMMERCIAL GOODS VEHICLES NOT EXCEEDING 2 TONS UNLADEN WEIGHT IN RELATION TO POPULATION IN YEARS 1939 and 1956

Province or County	1939		1956		Increases between 1939 and 1956	
	Numbers per 10,000 population	Indices (Twenty-Six Counties = 100)	Numbers per 10,000 population	Indices (Twenty-Six Counties = 100)	Numbers per 10,000 population	Indices (Twenty-Six Counties = 100)
IRELAND - 26 COUNTIES	29.5	100	103.1	100	73.6	100
LEINSTER (excluding Dublin Co. Borough and County)	30.3	103	114.0	111	83.7	114
MUNSTER (excluding Cork, Limerick and Waterford Co. Boroughs)	17.9	61	109.8	106	91.9	125
CONNACHT	19.5	66	63.6	62	44.1	60
ULSTER (3 Counties)	23.7	80	98.7	96	75.0	102
Carlow	41.1	139	108.5	105	67.4	92
Kildare	37.8	128	106.8	104	69.0	94
Kilkenny	28.8	98	111.1	108	82.3	112
Laoighis	22.4	76	93.4	91	71.0	96
Longford	11.0	37	118.8	115	107.8	146
Louth	50.9	173	112.5	109	61.6	84
Meath	34.3	116	139.9	136	105.6	143
Offaly	25.7	87	67.9	66	42.2	57
Westmeath	18.9	64	89.4	87	70.5	96
Wexford	25.2	85	133.3	129	108.1	147
Wicklow	34.5	117	149.0	145	114.5	156
Clare	6.8	23	86.8	84	80.0	109
Cork (a)	20.1	68	143.3	140	123.8	168
Kerry	12.2	41	71.2	69	59.0	80
Limerick (a)	19.4	66	113.4	110	94.0	128
Tipperary	23.0	78	93.5	91	70.5	96
Waterford (a)	23.2	79	99.8	97	76.6	104
Galway	18.6	63	61.7	60	43.1	59
Leitrim	15.5	53	71.4	69	55.9	76
Mayo	19.6	66	55.6	54	36.0	49
Roscommon	19.0	64	58.8	57	39.8	54
Sligo	25.8	87	87.5	85	61.7	84
Cavan	19.2	65	121.9	118	102.7	140
Donegal	24.3	82	73.1	71	48.8	66
Monaghan	28.0	95	131.0	127	103.0	140
<u>County Boroughs</u>						
Cork	56.0	190	129.9	126	73.9	100
Dublin (b)	50.5	171	109.0	106	58.5	79
Limerick	44.6	151	96.5	94	51.9	71
Waterford	46.4	157	136.2	132	89.8	122

(a) Excluding Co. Borough

(b) Including Dublin County.

commercial vehicles (per 10,000 population) correspond very closely with the areas of the highest retail sales per head of population as shown by the Census of Distribution and this is a reflection of the extensive use of light commercial motor vehicles for retail deliveries. Light commercial vehicles, especially those of the utility van or station wagon type, are used widely for personal as well as commercial transport and thus to some extent take the place of private motor cars. Like private motor cars, the distribution of light commercial vehicles in rural areas appears to be governed largely by the density of population and the fertility of the land in that the poorer densely populated counties have a low density of vehicles. There also seems to be a tendency towards greater densities of vehicles in the counties within a measurable distance of Dublin.

298. Table 54 also shows the growth in the numbers of light commercial vehicles (per 10,000 population) between the years 1939 and 1956. Figures are not available for 1938 but as the figures for 1939 were those registered in August of that year the 1939 figures represent the immediate pre-war position. The growth has been heavy in Cork (County), Wicklow and Wexford which fall within the area of highest retail sales per head of population. Growth has also been marked in counties Longford, Meath, Cavan, Monaghan and Limerick. The growing use of light commercial vehicles in rural areas is of course influenced by the fact they can be used for both commercial and personal transport. Generally the growth since 1939 in the numbers of light commercial vehicles in relation to population has not been as great in the County Boroughs as in the remainder of the country. The increase in the County and County Borough of Dublin is 21% below the national average. The increase in Cork County Borough is average, while the increase in Limerick County Borough is 29% below the national average. Waterford County Borough is exceptional in that the increase is 22% above the national average. The numbers of light commercial vehicles

(per 10,000 population) in the County Boroughs were, however, relatively high in 1939 ranging from 51% (Limerick County Borough) to 90% (Cork County Borough) above the national average for that year so that there was less room for expansion in these areas than in areas in which the 1939 density was under average. The growth in the numbers of light commercial vehicles (per 10,000 population) has been least in the Western Counties. Despite the loss of population in the Connacht counties since pre-war years the actual increase in the numbers of light commercial vehicles (per 10,000 population) in the five Connacht counties taken together has been 40% below the national average increase. The relative increase in relation to the 1939 density for the provinces has been less in Connacht than elsewhere to the extent that the number of light commercial vehicles (per 10,000 population) in 1956 was 38% below the national average as compared with the corresponding figure of 34% in 1939.

COMMERCIAL GOODS VEHICLES OVER 2 TONS UNLADEN WEIGHT.

299. Table 55 sets out the numbers of commercial vehicles over two tons unladen weight (per 10,000 population) in the various counties and county boroughs in 1939 and 1956 and the increases which have taken place in the intervening period. Vehicles in this category may be regarded in the main as lorries. The areas of highest density of lorries in relation to population in 1956 were Louth (62.3), Limerick County (55.7), Waterford County Borough (54.8), Limerick County Borough (53.3), Dublin County and County Borough (52.5), Carlow (50.3) and Meath (44.9). In these areas the numbers of lorries (per 10,000 population) ranged from 11% to 53% above the national average. The areas with the least number of lorries (per 10,000 population) were Kerry (23.8), Mayo (25.3), Roscommon (25.3), Cavan (27.6), Clare (27.7) and Longford (28.8) in which counties the numbers ranged from 29% to 41% below the national average. The greatest density of lorries in relation to population was located in the County Borough areas. The figure for Dublin County and County Borough is 29%

TABLE 55

NUMBERS OF COMMERCIAL GOODS VEHICLES OVER 2 TONS UNLADEN WEIGHT
IN RELATION TO POPULATION IN YEARS 1939 and 1956

Province or County	1939		1956		Increases between 1939 and 1956	
	Numbers per 10,000 popul- ation	Indices (Twenty- Six Counties = 100)	Numbers per 10,000 popul- ation	Indices (Twenty- Six Counties = 100)	Numbers per 10,000 popul- ation	Indices (Twenty- Six Counties = 100)
IRELAND - 26 COUNTIES	6.5	100	40.6	100	34.1	100
LEINSTER (excluding Dublin Co. Borough and County)	6.2	95	40.7	100	34.5	101
MUNSTER (excluding Cork, Limerick and Waterford Co. Boroughs)	4.1	63	35.6	88	31.5	92
CONNACHT	4.3	66	27.7	68	23.4	69
ULSTER (3 Counties)	4.4	68	34.5	85	30.1	88
Carlow	9.7	149	50.3	124	40.6	119
Kildare	7.9	122	40.9	101	33.0	97
Kilkenny	5.3	82	43.0	106	37.7	111
Laoighis	6.6	102	41.9	103	35.3	103.5
Longford	3.9	60	28.8	71	24.9	73
Louth	13.9	214	62.3	153	48.4	142
Meath	5.7	88	44.9	111	39.2	115
Offaly	5.5	85	37.7	93	32.2	94
Westmeath	5.5	85	30.4	75	24.9	73
Wexford	1.4	22	30.3	75	28.9	85
Wicklow	6.0	92	35.1	86	29.1	85
Clare	9.1	140	27.7	68	18.6	55
Cork (a)	3.7	57	43.9	108	40.2	118
Kerry	2.7	42	23.8	59	21.1	62
Limerick (a)	2.8	43	55.7	137	52.9	155
Tipperary	3.3	51	38.3	94	35.0	103
Waterford (a)	6.4	98	31.6	78	25.2	74
Galway	5.8	89	30.8	76	25.0	73
Leitrim	2.9	45	32.2	79	29.3	86
Mayo	4.0	62	25.3	62	21.3	62
Roscommon	2.2	34	25.3	62	23.1	68
Sligo	5.1	78	34.4	85	29.3	86
Cavan	3.2	49	27.6	68	24.4	72
Donegal	4.9	75	37.2	92	32.4	95
Monaghan	4.6	71	36.3	89	31.7	93
<u>County Boroughs</u>						
Cork	11.9	183	49.4	122	37.5	110
Dublin (b)	11.4	175	52.5	129	41.1	121
Limerick	16.8	258	53.3	131	36.5	107
Waterford	8.9	137	54.8	135	45.9	135

(a) Excluding Co. Borough

(b) Including Dublin County.

above the national average while the figure for the remaining eleven counties of Leinster is average. The figures for the County Boroughs of Cork, Limerick and Waterford range from 22% to 35% above the national average while the figure for the rest of Munster is 12% below the national average. The heavy density of lorries in the County Borough areas is due to the greater concentration of industry in these areas and also due to the fact that Dublin, Cork, Waterford and Limerick are the four main ports from which the bulk of the country's imports must be distributed. There are no restrictions on the carriage of merchandise for reward within these port areas which are "exempted areas" [¶] under the provisions of the Road Transport Acts. The high figure for Louth is explained by the fact that the county, though small in area, contains two important industrial and importing centres - Dundalk and Drogheda.

300. It will also be seen from Table 55 that the greatest increase in the numbers of lorries (per 10,000 population) since 1939 has taken place in the County Borough areas where the increase has ranged from 7% to 35% above the national average in Limerick and Waterford County Boroughs, respectively. This again reflects the importance of the main cities as industrial and importing centres. There have also been heavy increases in Counties Limerick, Louth, Carlow, Cork, Meath and Kilkenny. The increase in density of lorries has been lowest in the Western counties, the increase since 1939 in the five Connacht counties taken together being 31% below the national average despite the loss of population in these counties. The relative increase in Connacht in relation to the low 1939 density for the province may be seen from the table which shows the 1939 density as 34% below the national average and the 1956 density as 32% below the national figure. In general, therefore, the growth and present dispersion of lorries reflects industrial and commercial activity and proximity to the main ports and centres of population.

¶ See footnote to paragraph 7

GROWTH OF COMMERCIAL GOODS VEHICLES.

301. Table 56 gives particulars of the numbers of commercial vehicles (including buses) per 10,000 population in a number of European Countries in the years 1928, 1937, 1951 and 1955. Figures are not available to enable light and heavy commercial vehicles to be shown separately.

TABLE 56

NUMBERS OF COMMERCIAL VEHICLES (INCLUDING BUSES) PER 10,000 POPULATION

Country	1928	1937	1951	1955	Increases per 10,000 population	
					1937-1955	1951-1955
Denmark	75	110	155	231	121	76
Gt. Britain	79	114	213	240	126	27
Ireland ^κ	25	38	94	144	106	50
Italy	11	19	51	90	71	39
Netherlands	40	62	82	101	39	19
Norway	52	111	182	246	135	64
Sweden	54	92	127	163	71	36
Switzerland	30	51	86	107	56	21
Average increases for all countries shown					92	33

^κ Excluding Six Counties.

It will be seen that an increase in the density of commercial vehicles is a feature of every country shown. The rate of increase in Ireland since 1951 is third highest, only Denmark and Norway having a higher rate. Our density of commercial vehicles in 1955 is much below the density figures for Denmark, Great Britain and Norway but is considerably above the figures for the Netherlands, Switzerland and Italy. The figures for the Netherlands and Switzerland are no doubt due to special characteristics of these countries such as the topography of Switzerland and the highly utilised water transport system and

road congestion in the Netherlands. The figure for Italy is no doubt affected by the low national income per head of population in that country as shown later in Table 59. It is clear, however, that the increase in commercial vehicles in Ireland and particularly the rapid increase in recent years is not peculiar to this country but is generally in line with developments in other countries. The numbers of commercial vehicles per thousand miles of roads and per £1 million of national income in Ireland and in a number of other European Countries are shown later in this Report in Table 59. It will be seen from the comment on that table in paragraph 322 that the number of commercial vehicles in relation to road mileage in Ireland is very low reflecting our high mileage of roads in relation to population but that the ratio of commercial vehicles to national income, though relatively high, is not so high as in the case of private cars. The high ratio in relation to national income may be attributable to the wide dispersion of our population and our greater dependence on the small road unit for transport purposes rather than on heavy trunk haulage which is characteristic of densely populated countries.

302. The rapid increase in the numbers of commercial vehicles in all countries is attributable largely to the greater convenience and cheaper cost of commercial road motor transport and to its many advantages over rail transport. Motor transport gives a door to door service, speedy delivery, avoidance of double handling, consequent saving in packing, reduced damage and loss, and a personal link between customer and supplier. It also facilitates the delivery of small lots of goods and mixed consignments. Privately operated commercial transport has the further advantage that it is immediately available when required to meet the urgent requirements of traders and customers. The development of motor transport has had a significant effect on the established channels and

pattern of trade. Formerly the flow and character of traffic reflected a considerable dependence on railway services; markets which could be served direct from factories or distributing centres by private transport were necessarily local. To-day markets which can be served direct by a distributor by means of private transport are greatly extended and cover areas which are within the compass of a day's journey by motor transport. Each increase in the speed of motor transport because of improved vehicle performance or improved roads adds to its effective range and adds a relatively greater area to the effective market which can be reached direct by the manufacturer or trader. For example, if the range is increased by 25% the area within the compass of a day's journey is increased by over 50%. In this way motor transport has brought frequent collection and delivery services to towns, villages and countryside which were not possible before its development.

303. We have endeavoured to make some appraisal of the relative costs of public and private transport but found it difficult to make general comparisons between the two forms of transport due to their different characteristics. On the one hand public transport must provide a service for all types of goods and must provide services to meet peak traffics and to serve isolated regions. On the other hand, as is often alleged, the private transport operator may transport his high-grade traffic in his own vehicles and require the public transport operators to carry his uneconomic loads and peak traffics. Again, private transport carries the goods of the owner which in most cases provide a reasonably homogeneous loading while public transport is called upon to deal with a much higher proportion of sundry traffic consigned to multiple and widely scattered destinations. Moreover, as is further alleged, many private transport operators do not take due account of the overheads involved in the operation of their own vehicles. Against this, however, we have received evidence from concerns which have precise figures showing the cost of operation of their vehicles in providing for their entire transport needs. These figures which allow for

all charges including depreciation and interest on capital have been compared with present C.I.E. rail charges, including collection and delivery charges. While there is wide variation between private transport costs and C.I.E. charges because of such factors as the length of haul, the degree of back loading and the C.I.E. rating classification of the goods carried, private transport costs were between 35% and 85% of the present C.I.E. charges. The size, importance and general standing of the concerns from which costings were received leave no room for doubt as to the general accuracy of the conclusion to which they point. It is important to recognise, however, that the comparison in costs is between private transport, which is the personal affair of individuals, and public transport with all its obligations. Though not valid for all purposes, because of this consideration, the comparison demonstrates on the one hand the severity of the competition which public transport must face and on the other the considerable saving effected through the use of private transport.

304. As in private car transport, technical progress in the design of commercial vehicles has played a large part in the growth of commercial goods vehicles. The advent of the diesel engine is perhaps the most important development in commercial motor transport. Diesel engines as compared with petrol engines give a greater mileage per gallon of fuel at a lower cost. From evidence submitted to us it has been estimated that on the basis of present duty-paid prices of petrol and diesel oil, a diesel vehicle gives a fuel saving of about 50% and a saving in total operating costs of the order of 10% to 12% as compared with a petrol driven vehicle of similar carrying capacity. This is significant from the point of view of the railway undertakings for the reason that while the change over to diesel traction is resulting in substantial economies in railway operation, economies almost as great are being effected in road transport through the increasing use of diesel vehicles. A heavy diesel lorry with trailer fully

loaded gives a return of up to 150 ton miles per gallon of fuel as compared with a return of 212 ton miles per gallon obtained by C.I.E. from the new diesel electric locomotives at full train loading. On the basis of average loading C.I.E. obtains a return of 103 ton miles per gallon; no comparable figure is available to us for average lorry loading. The replacement of petrol vehicles by diesel vehicles is, of course, a gradual process; an indication of the extent of the change over to diesel engines may be seen from the following numbers of diesel road vehicles of all categories registered in 1937, 1953 and 1956:

1937	-	285
1953	-	2,776
1956	-	4,905

It is of importance that the diesel vehicle has advantages over the petrol vehicle from the national standpoint since diesel oil is a more efficient fuel for transport purposes and its landed price is 24% less than that of petrol. The expansion in the use of diesel vehicles should therefore lead to material economies in the cost of imported fuel.

305. A factor which has facilitated greatly the increased use of commercial vehicles has been the improvement in roads which has made most areas readily accessible to motor transport and enables extensive use to be made of trailers where loading so permits. The main roads for the most part have now been brought to the standard at which a heavy lorry with trailer fully loaded may be operated with safety and at reasonable speeds.

306. Another development which has added to the versatility and economy of commercial vehicles is the development of tipping gear which eliminates the cost of unloading bulk commodities

and reduces idle time.

307. Other factors which have contributed to the increased numbers of commercial vehicles have been the highly organised methods of financing the purchase of new vehicles (e.g. hire purchase), arrangements for trading-in old vehicles in part payment for new vehicles and the widespread facilities now available for maintenance, servicing and repairs. A factory reconditioned engine can now be installed in one or two days whereas twenty-five years ago a major overhaul took anything up to three weeks, during which time the owner was at the loss of the services of his vehicle with consequent dislocation of business.

TRACTORS

308. Tractors are licensed for use on the public roads in three categories. Those used for private or public transport of all types of goods are taxable at the annual rate of £31.10 and over depending on weight. Tractors used occasionally on the public roads by a farmer for the haulage of the produce of his farm and articles required for the farm or similar goods for another farmer, provided such goods are not hauled for reward, are taxed at the standard annual rate of £8. The haulage for reward, of milk and milk containers to or from a creamery or cream separating station which is exempt from the restrictive provisions of the Road Transport Acts (Vide Paragraph 272), is, however, permissible with a tractor taxed at the £8 annual rate. Agricultural tractors not used on the public roads for the haulage of anything but their own equipment are taxed at the annual rate of 5/-. It is estimated that 3,000 tractors are used solely on the land and do not require to be licensed. Appendix 8 shows the increase in the numbers of tractors in the first two taxation classes. The number of tractors taxed in the £31.10 and over class for general transport purposes is relatively small and has not increased significantly for some years. The main expansion has been in farmers' tractors taxed

in the £8 class which are used mainly on the land but partly also on the road with a trailer attached for transport in connection with agriculture.

309. As in other forms of road transport technical development has influenced the growth in the numbers of agricultural tractors. The use of the large tractor type in place of the iron and spike shod wheel has enabled the tractor to be developed for both farm and road work. The tractor now not only provides power on the farm for agricultural operations but with a trailer caters largely for the farmer's short range road transport requirements as well and in many areas has to a large extent replaced the horse. Tractor transport has of course a much greater carrying capacity than horse transport in that it is speedier, has a longer range and carries much heavier loads. The number of horses used for agricultural purposes declined from 350,000 in 1947 to 250,000 in 1955, a reduction of 29%. During the same period the number of agricultural tractors taxed for road work increased fourfold from 2,976 to 14,819. Possession of his own transport is of particular benefit to the farmer as in many cases he resides a considerable distance from the nearest licensed haulier or public transport depot. Moreover the bulk of agricultural transport originates on the farm and it is more economical, therefore, that transport should be available on the land for the delivery of produce to the collection centres. This also facilitates back loading with manure, seeds, feeding stuffs and other materials required on the farm.

VOLUME OF GOODS CARRIED.

310. There are no statistics available to enable an accurate assessment to be made of the volume of goods carried by private transport. Transport volume must be measured in terms of mileage as well as tonnage and it

cannot be said with any reasonable degree of precision what proportion of the transport needs of the community is provided by privately operated commercial motor vehicles and tractors. Some broad impression can be formed as to the relative volume of private transport of goods as compared with the volume carried by C.I.E. and G.N.R. combined rail and road services. Private owners of commercial vehicles being businessmen would scarcely provide their own transport if they had not sufficient work for the vehicles purchased by them and were not satisfied that, having regard to operating costs, convenience and flexibility, there was an advantage in using their own transport rather than public transport. It is a conservative estimate, though an arbitrary one, that on average the cost of operating privately owned commercial motor vehicles including wages, fuel, motor taxation, insurance, depreciation, maintenance, etc is as follows:

<u>Unladen Weight</u>	<u>Average cost of operation per annum</u> £
Not exceeding 2 tons	800
Over 2 tons, and haulage) Tractors in £31.10 and) over taxation class')	1,000

On this basis the total annual cost of operating 37,282 commercial motor vehicles licensed by those not describing themselves as "carriers" and 483 tractors licensed in the £31.10 and over taxation class may be taken to be of the order of £39 millions. The total C.I.E. and G.N.R. (in the State) annual receipts from freight and livestock traffic carried by rail and road vehicles amount to about £6.5 millions. The estimate suggests that, on the basis that the cost of operation of private transport approximates to the public transport charges for the volume of traffic carried, private transport caters for about six times the volume of traffic carried within the State by C.I.E. and the G.N.R.

rail and road freight services. If the costs of operation of privately owned vehicles are on average taken to be 75% of public transport charges it would appear that the volume of traffic carried by private transport is nearly eight times that carried by C.I.E. and G.N.R. rail and road services. It must be borne in mind, however, that a great many commercial motor vehicles, particularly those under two tons unladen weight, are used largely in replacement of horse transport and for local transport needs. By confining the calculation to vehicles of over two tons unladen weight and to tractors in the £31.10 and over taxation class the ratio is substantially reduced. In the year 1956 there were 8,426 commercial motor vehicles of unladen weight of over two tons licensed by persons and firms not describing themselves as "carriers" and 483 tractors in the £31.10 and over taxation class. On the basis of an average cost of operation of £1,200 per vehicle per annum, the service value of private transport provided by these vehicles may be arbitrarily but conservatively estimated at £16 millions per annum. On this basis, the volume of private transport of goods catered for by the heavier type of commercial motor vehicle and tractor would be about $2\frac{1}{2}$ times that carried on rail and road by C.I.E. and G.N.R. If private transport is assumed to be 25% cheaper than public transport the volume of private transport catered for by the heavier type vehicles would be over three times that of C.I.E. and G.N.R. rail and road transport. It is, of course, obvious that the foregoing bases of calculation are arbitrary but the general implications to be drawn from them are unlikely to lose their validity irrespective of any reasonable alternative assumptions which may be adopted. Sufficient information is not available as to the character of the traffic catered for by private transport to indicate what proportion of it is of a type which could be carried by

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public transport. Undoubtedly much of it has been created by the development of road motor transport and is unsuited to public transport, particularly rail transport. It has already been indicated that nearly one third of the lorries licensed are operated by farmers whose transport needs can best be served by vehicles based on the farm. Many other lorries are used by traders for work unsuited to public transport i.e. collection and delivery work and ^{as}travelling shops. The growth of commercial vehicles is itself an indication that much of the traffic carried by private transport could not be carried as economically or conveniently by public transport.

EMPLOYMENT.

311. Adequate statistical information is not available to enable any accurate estimate to be made of the volume of employment provided by private transport. It is clear, however, that, when employment in construction, assembly, repair and maintenance are taken into account as well as that of drivers and helpers, private transport provides very substantial employment. This employment which is principally male employment is widely spread throughout the country and much of it is of a skilled nature. A very rough estimate of the volume of employment provided by private transport can be made on the basis of the numbers of vehicles licensed and of workers employed in ancillary industries. A total of 37,282 commercial goods vehicles was licensed in August, 1956 by persons other than "carriers". Of this figure 25,956 or 68% can be classed as light duty vehicles, i.e. vehicles not exceeding 1 ton unladen weight. As a basis of calculation it may be assumed that one-third or 8,652 vehicles in this category are owner-driven, leaving a balance of 17,304 vehicles on which drivers are employed. In general, drivers are employed on the remaining types of commercial goods vehicles numbering 11,326, and tractors in the £31.10 and over taxation class numbering 483. In addition helpers are employed on commercial vehicles registered as over 3 tons unladen weight of which there were 2,395 registered in August, 1956. Accordingly it may be estimated that about 31,500 men, drivers and helpers, are employed in the private transport of goods by road. Additional employment is also found in the construction and maintenance of private commercial motor

vehicles, in the industries supplying products such as tyres, batteries, safety glass, sparking plugs and springs, and in garages and other ancillary trades including sales and servicing staff. In the Census of Industrial Production for 1954, the number of workers employed in the assembly, construction and repair of mechanically propelled road and land vehicles was estimated at 5,418. In the Census of Distribution for 1955 the number of persons engaged in ^{the} motor vehicle and cycle retail trade, including servicing, was 8,147. The number employed in industries supplying products such as tyres, glass, springs, batteries etc. is estimated at 1,400 and the number employed by factors of accessories, tyres and garage equipment for the motor industry is estimated at 500. The total number employed in the construction, assembly, maintenance, servicing and sales of all types of motor vehicles, including private cars, may therefore be estimated at 15,000, of which, perhaps, one fifth is attributable to commercial goods vehicles operated by persons other than those describing themselves as "carriers". The total employment provided by privately operated commercial motor vehicles may accordingly be of the order of 35,000, which compares with 14,500* on rail and 9,000 on road in C.I.E. and G.M.R. (in the State). It must be borne in mind that road transport is not confined to private transport and that the estimated employment of 35,000 relates to privately operated commercial vehicles only. In addition to the 37,282 privately operated commercial vehicles road motor transport includes 4,315 commercial vehicles licensed by persons or firms describing themselves as "carriers", 5,844 small and large public service vehicles, 135,961 private cars and 26,539 motor cycles etc. all of which contribute to the substantial volume of employment provided by road motor transport.

* NOTE: This figure includes permanent way workers and is not therefore directly comparable with figure which does not include road workers.

PART IICIRCUMSTANCES WHICH ACCOUNT FOR THE PRESENT
POSITION OF PUBLIC TRANSPORT ORGANISATIONS.EXPLANATORY NOTES

(a) The figures in Tables 57 to 64 and Charts I to III are based mainly on statistics contained in the E.C.E. Annual Bulletin of Transport Statistics for Europe 1954. The 1955 Bulletin was received after the tables and charts had been prepared but statistics for 1955 do not materially alter the comparisons made. Population and national income statistics were obtained from the U.N.O. Statistical Year Book, 1955, and statistics relating to areas of agricultural land from the F.A.O. Year Book of Food and Agricultural Statistics, 1955.

(b) The figures for Ireland in Tables 58 and 60-64 and Charts I to III relate to C.I.E. for the year ended 31st March, 1955. Passenger miles are not available for the G.N.R. Ton mile figures are available for the G.N.R. and indicate a similar low utilisation of railway line and wagons to that shown for C.I.E.

(c) Statistics were not available to us to enable the Six Counties to be shown in the various comparisons.

312. Many submissions have been made to us recommending the adoption of policies and measures designed to improve the present unfavourable position of public transport organisations. These submissions related mainly to specific or immediately apparent aspects of the problems involved, and the proposals put forward - for example, abolition of railways, continued subsidisation of public transport, restrictions on private transport, etc., were necessarily broad in their scope since time did not permit those who forwarded submissions to make any comprehensive analysis of the causes of the present difficult position of public transport organisations. Our task, however, necessitated at the outset as detailed research as was possible within a reasonable period so as to ascertain the circumstances which have given rise to the present grave transport problems, particularly those of the main public transport undertakings. In so doing we have devoted special attention to C.I.E. as the main transport undertaking accounting for approximately 75 per cent. of all public transport. Much of what we say, however, in succeeding paragraphs is of equal application to the other public transport organisations.

GEOGRAPHIC, DEMOGRAPHIC AND ECONOMIC FACTORS.

313. At the outset it was apparent that the difficulties experienced by our public transport undertakings are due primarily to the fact that the volume of internal transport is limited and characterised by a combination of geographic, demographic and economic factors special to Ireland. These factors may be summarised as follows:-

- (a) Geographic: As an island on the perimeter of Europe we have little or no through international traffic in passengers or goods. In this respect we differ from countries forming part of the land mass of Europe. In many of these countries there is substantial through traffic which, because of its long-distance international character, is of a concentrated nature eminently suited to rail transport. The transport of passengers and goods to and from our country is mainly transport by sea and, as one-third of our population lives in coastal areas at or convenient to the main ports, their transport requirements, both from an import and export standpoint, are met largely by marine services rather than by the services of internal transport organisations.
- (b) Demographic: Ireland has one of the smallest populations in Europe and is so thinly populated that it has one of the lowest population densities in Europe - if not the lowest - in relation to the area of agricultural land. Its population is less urbanised than in most European countries, and hence there are very few large centres of population. There are only two cities with a population of over 100,000: one with a population of about 50,000 and

one with a population of about 30,000. Nearly six out of every ten people live in rural areas and small towns with less than 1,500 population and over one-half of the total population live in clusters of less than 200 people. To provide public transport economically to meet the needs of a thinly scattered community presents such obvious difficulties that, as in our own country, people living in remote areas are often without immediate access to public transport. To do so by means of railways, which of their nature directly serve only a relatively limited number of fixed points, gives rise to special difficulties. These are all the greater since our rural population has halved since the railways were constructed.

- (c) Economic: Ireland is not a highly industrialised country; the proportion of our economically-active population engaged in industry is lower than that of almost every other European country. We have no heavy industries of the size and on the scale found in many other countries. Nearly two-thirds of our industrial employment is provided by industries in the Province of Leinster and this figure is increased to over 70% if industrial employment in the County and County Borough of Cork is included. In regard to agriculture, the fact that about 70% of our agricultural area consists of pasture land while only 15% is under hay and 15% is tilled, has its effect upon the volume of traffic requiring transport. The net output of agricultural production per acre is low, as are also the volume of imports and the volume of exports per head of the population. Our national income is also low and is one of the lowest in Western Europe per head of population.

mining activity which in other countries provides heavy rail transport from the mines to the ports and manufacturing centres. Irish agriculture is not of the intensive character practised in many other countries and, apart from livestock, there are few homogeneous flows of traffic specially suitable for conveyance by public transport undertakings. In our system of mixed farming a high proportion of our agricultural produce is consumed on the farms, thus reducing the agricultural intake and output requiring transport. In considering the handicaps to which public transport undertakings are subject, regard must be had to their common carrier obligations which are more onerous in catering for the freight transport needs of a sparsely populated countryside.

EXTENT OF THE FACILITIES FOR PUBLIC AND PRIVATE TRANSPORT.

315. Despite this unfavourable background, the facilities for public and private transport have been developed to a point far beyond what is necessary to meet reasonable requirements. The clearest evidence of this is provided by comparisons made by us with the transport facilities of other European countries under the headings shown in the following paragraphs.

MILEAGE OF RAILWAYS AND ROADS:

316. Table 57 sets out for a number of such countries the mileage of railways and of roads in relation to population and agricultural land. It will be seen that, with the exceptions of Norway and Sweden, we have a mileage of railways in relation to population far in excess of any of the other countries. There are exceptional circumstances which explain the figures for Norway and Sweden. Norway has a population slightly greater than our own but the total area of that country is nearly five times as great as ours. Similarly Sweden has a population two and a half times the size of ours but a total area nearly seven times greater. It is natural to expect, therefore, that both countries should have a high mileage of railways in relation to population especially when regard is had to their topographical features,

TABLE 57

MILEAGE OF RAILWAYS AND ROADS IN RELATION TO POPULATION
AND AREA OF AGRICULTURAL LAND - YEAR 1954

Country	Mileage of Railways		Mileage of Roads	
	Per 100,000 population	Per 1,000 square miles of agricultural land	Per 100,000 population	Per 1,000 square miles of agricultural land
BELGIUM	35	456	647	8,522
DENMARK	65	239	855	3,142
FRANCE	57	191	1,040	3,448
GERMANY (WEST)	38	344	311	2,795
GREAT BRITAIN	39	268	376	2,623
IRELAND ^X	78	127	1,706	2,762
ITALY	29	169	257	1,517
NETHERLANDS	19	223	225	2,685
NORWAY	80	697	858	7,462
PORTUGAL	26	119	204	947
SPAIN	28	73	254	655
SWEDEN	130	538	1,222	5,063
SWITZERLAND	40	234	634	3,714
Average	41	205	489	2,431

X Excluding Six Counties.

elongated territories, and the dispersion of natural resources. The mileage of railways in relation to the area of agricultural land presents a somewhat different picture. We are not so well served in this respect as in most other countries, especially highly industrialised ones where railways were developed to meet the needs of industry. We are, however, better served than Spain and Portugal which have a relatively low railway mileage by reference to either population or agricultural land.

317. A similar pattern emerges in relation to road mileage. In relation to population we have the highest road mileage of any of the countries shown in Table 57. Norway and Sweden again show a high road mileage when related to population but not so high as ours. Our road mileage in relation to the area of agricultural land is not exceptional as compared with other countries and is similar to mileages in Denmark, Western Germany, Great Britain and the Netherlands. The extent of the road system of any country is, of course, governed largely by the dispersion of the population. It is not to be concluded, however, that our road system is excessively large in relation to our population but rather that a much higher population could be accommodated by the system. If our population were doubled, the density of our road system in relation to that population would be more in line with other countries but would still be rather high. Such considerations do not apply with the same force to railways since roads provide such a multiplicity of facilities that a community could conceivably do without railways if it only had roads but could not do without roads if it only had railways.

318. It has not been possible to obtain figures in respect of canals and navigable rivers so as to enable similar comparisons to be made for waterways which, in the case of many other countries, play a much more important part than in Ireland.

CARRYING CAPACITY OF RAILWAY CARRIAGES AND WAGONS:

319. Table 58 shows for the various countries the stocks of carriages and wagons, the seating capacity of carriages and the carrying capacity of wagons in relation to population. While the table indicates that the numbers and carrying capacity of the carriages and wagons of C.I.E. are less than the average of the countries shown, the figures for carriages must be viewed in the light of our very low average rail travel per head of population as shown in Table 60, to which we refer more fully later. As an example, while the stock of carriages of C.I.E. and its total seating capacity per million population are on a par with those of Italy and are about one-half of those of Denmark, it will be seen from Table 60 that in Italy the annual rate of rail travel per head of population is over three times the corresponding rate in the area served by C.I.E.; in Denmark it is four and a half times. Portugal, with the lowest passenger travel rate per head of population (but nevertheless 102 miles as compared with our 106 miles) has less than half our seating capacity. When C.I.E.'s figures are compared with the averages for all countries shown it may be seen that whereas C.I.E.'s stock of carriages and total seating capacity per million population are 70% and 63%, respectively, of the averages in Table 58, the annual rate of travel per head of the population in C.I.E.'s area of operation is only 30% of average (Table 60).

320. The number of wagons per million population is a reflection of the small wagons used in this country as compared with elsewhere. Average wagon capacities are shown later in Chart III. The bulk of our rail traffic is general merchandise, but in countries with concentrated long-distance through traffic or heavy mineral traffic larger wagons are in use. The carrying capacity of our wagon stock per million population is somewhat lower than in Denmark, Norway and Italy; it is roughly

TABLE 58

RAIL PASSENGER AND FREIGHT CARRYING CAPACITY IN RELATION
TO POPULATION - YEAR 1954

Country	Passenger		Freight	
	Carriages	Seating Capacity (Thousands)	Wagons	Tons Capacity (Thousands)
	Per Million Population			
BELGIUM	529	41	8,871	182
DENMARK	558	32	3,754	57
FRANCE	395	31	8,926	188
GERMANY (WEST)	487	27	5,674	114
GREAT BRITAIN	844	50	22,472	309
IRELAND (C.I.E. ^X only)	307	17	5,021	48
ITALY	230	16	2,790	52
NETHERLANDS	148	9	2,324	47
NORWAY	348	20	3,758	57
PORTUGAL	124	7	1,161	17
SPAIN	124	8	2,884	41
SWEDEN	595	34	7,249	142
SWITZERLAND	772	47	4,469	70
Average	436	27	8,269	137

X Population of C.I.E. area of operation estimated at 2.5 millions.

comparable with the Netherlands but is very much lower than Great Britain (which is exceptionally high), Sweden, Belgium, France and Western Germany. It is higher than that of Portugal and Spain. Again, this table must be read in the light of our extremely low volume of rail freight traffic per head of population as shown in Table 60. When regard is had to this factor the carrying capacity of the wagon stock of C.I.E. is in excess of the other countries shown, with the single exception of Great Britain where the rail freight capacity per head of population is six times greater than the figure for this country but the number of ton miles of rail traffic per head of the population is only five times greater than ours. Because of heavy density of population and rail traffic in a relatively small territory, the turn round time of wagons in Great Britain is exceptionally high, thereby necessitating the use of very large numbers of wagons. In Denmark, on the other hand, the rail freight capacity per head of population is 19% above the figure for C.I.E. but the number of ton miles of rail traffic per head of population is 88% greater than ours. When C.I.E.'s figures are compared with the averages for all countries shown it may be seen that whereas C.I.E.'s stock of wagons and total carrying capacity per million population are 60% and 35% respectively of the averages in Table 58, its volume of traffic per head of population is only 22% of average (Table 60).

RATIO OF MOTOR VEHICLES TO POPULATION, ROAD MILEAGE AND NATIONAL INCOME:

321. Table 59 shows the ratio of private motor cars and commercial motor vehicles to population, road mileage and national income. The number of private cars in Ireland in relation to 1,000 population is slightly above the average of 37 for the countries shown. The number in relation to road mileage is low, which reflects the high mileage of roads in relation to population, as already indicated. The number of

private cars in relation to national income is, however, the highest of all the countries shown. This, no doubt, reflects the tendency towards increased spending and absence of saving which is a major cause of our current economic difficulties. There is, however, another aspect: it has already been mentioned that public transport undertakings are not in a position to cater adequately for personal transport needs in sparsely populated areas; in these areas the day-to-day transport requirements are largely individualistic; transport does not consist of large numbers of people travelling by scheduled services in fairly regular numbers to a particular point or points, but rather of small numbers of people travelling, often alone, to many scattered points at irregular times. This may explain to some extent the high priority placed on the ownership of a private car in Ireland as compared with other countries. We have no information as to the age or value of the private cars at present licensed and it may be that a considerable proportion of old cars are in use. In 1956 there was a total of 26,539 motor cycles, motor scooters, cycles with auxiliary engines, etc. licensed. The numbers of these machines have been increasing steeply in recent years and in 1955 the rate of increase over 1954 was higher than in any European country for which there are published figures. The numbers of these vehicles in relation to population are above the average of the European countries included in the tables given but are lower than in Denmark, France, Great Britain and Sweden.

322. As shown by Table 59 the number of our commercial goods vehicles per thousand population is less than in many of the European countries shown, is equal to that for Western Germany, but is greater than the numbers in Italy, the Netherlands, Portugal, Spain and Switzerland. Two conflicting forces determine the number of commercial vehicles in relation to our population. On the one

TABLE 59.

RATIO OF PRIVATE CARS AND COMMERCIAL GOODS VEHICLES TO POPULATION, MILEAGE OF ROADS
AND NATIONAL INCOME - YEAR 1954

Country	National income per head of population £	Private Cars (incl. Taxis)			Commercial Goods Vehicles		
		Per thousand population	Per thousand miles of roads	Per £1 million of national income	Per thousand population	Per thousand miles of roads	Per £1 million of national income
BELGIUM	267	42	6,447	156	18	2,785	67
DENMARK	276	44	5,127	159	21	2,451	76
FRANCE	273	62	5,986	228	25	2,449	93
GERMANY (WEST)	193	28	9,048	146	13	4,069	66
GREAT BRITAIN	307	63	16,726	205	22	5,717	70
IRELAND ^X	153	42	2,456	274	13	754	84
ITALY	116	16	6,086	134	7	2,625	58
NETHERLANDS	186	21	9,180	111	8	3,665	44
NORWAY	272	32	3,701	117	22	2,605	82
PORTUGAL	66	10	5,068	157	4	2,198	68
SPAIN	85	4	1,596	47	3	1,253	37
SWEDEN	370	71	5,835	193	15	1,213	40
SWITZERLAND	371	48	7,612	130	9	1,490	25
Average	210	37	7,518	175	14	2,919	68

X Excluding Six Counties Area.

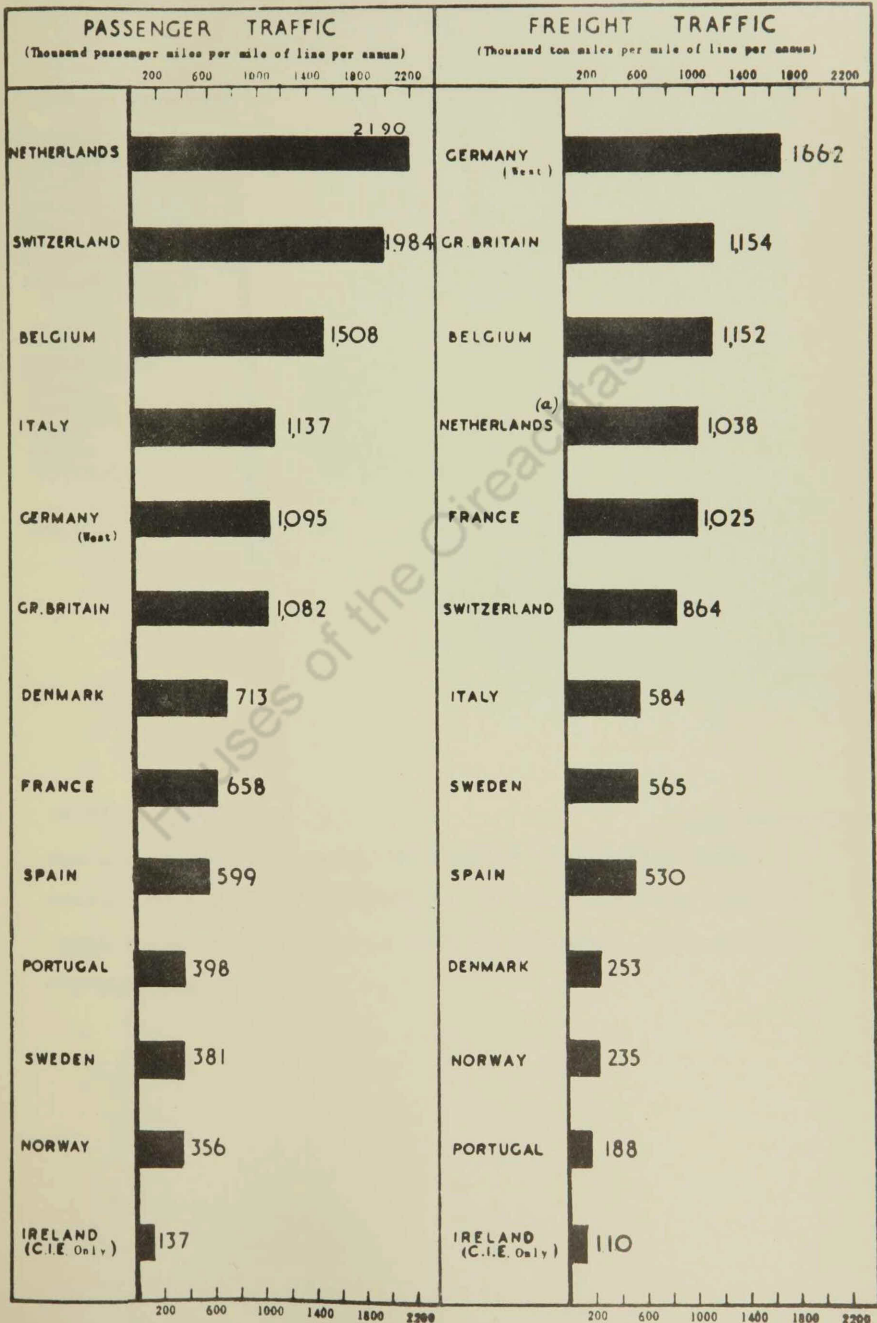
hand, our relatively low level of production, imports and exports should tend to keep the numbers low as compared with other countries; on the other hand, our sparse population should give rise to a higher ratio than in more densely populated countries. The result is that we are placed very slightly below the average for all the countries included in Table 59. Even more than in the case of private cars the number of our commercial goods vehicles in relation to road mileage is very low - it is in fact by far the lowest of all the countries - which again reflects our high mileage of roads in relation to population. The ratio of commercial goods vehicles to national income, though relatively high, being exceeded only by that of France, is not so markedly high as in the case of private cars. This high ratio may again be largely attributable to the wide dispersion of our population and our greater dependence on the small road unit for transport purposes rather than on heavy trunk haulage which is characteristic of densely populated countries.

DENSITY OF RAIL TRAFFIC:

323. The density of rail traffic, both passenger and freight traffic, is lower than that of any European country for which we have been able to obtain statistics. This is a primary explanation of the difficulties of Irish railways. The low density is attributable to the geographic, demographic and economic factors already indicated rather than to any excessive growth of road transport, either public or private. Chart I clearly illustrates how low is the density of our rail passenger and freight transport in relation to mileage of line as compared with 12 European countries all of which have higher traffic densities than ours. Table 60 which shows the average length of rail travel per head of population per annum indicates that the average length of rail travel in this country

CHART I

RAILWAY TRAFFIC DENSITY—1954



(a) Excluding less-than-wagonload traffic.

243.
TABLE 60
ANNUAL RAIL PASSENGER TRAVEL AND VOLUME OF FREIGHT TRAFFIC PER HEAD OF POPULATION

COUNTRY	Passenger Travel			Freight Traffic		
	Numbers of journeys per head of population (a)	Average length of journey (b)	Length of travel per head of population (a) x (b) (miles)	Numbers of tons per head of population (c)	Average length of haul (d)	Ton miles per head of population (c) x (d)
BELGIUM	24	21	504			
DENMARK	28	17	476	7.0	57	399
FRANCE	12	33	396	1.7	94	160
GERMANY (WEST)	26	16	416	3.9	152	593
GREAT BRITAIN	20	21	420	4.6	140	644
				5.7	78	445
IRELAND (C.I.E. [⊗] only)	3.3 (1.8) [∅]	32 (53) [∅]	106 (95) [∅]	1.04	82	85
ITALY	12	28	336			
NETHERLANDS	16	25	400	1.1	158	174
NORWAY	12	24	288	2.3	83	191
PORTUGAL	6	17	102	1.5	125	188
SPAIN	4	43	172	0.4	116	46
SWEDEN	15	32	480	0.9	163	147
SWITZERLAND	44	18	792	5.1	144	734
				4.8	73	350
Average	16	22	352	3.4	115	391

NOTE Urban transport undertakings e.g. Paris Metropolitan and London Transport are omitted.

[⊗] Population of C.I.E. area of operation estimated at 2.5 millions.

[∅] Excluding Dublin Suburban Passenger Traffic.

is the lowest of any of the countries shown in the table, with the possible exception of Portugal where mileage of line in relation to population is much lower than in Ireland. This is particularly due to the infrequency of rail journeys reflected in the very low average of 1.8 journeys per head of population per annum excluding the Dublin suburban services. The mileage of railway line in relation to our population is one of the highest in Europe (see Table 57) and, since the length of rail travel per head of population is probably the lowest in Europe, it follows that we have a very low density of rail passenger traffic indeed.

324. The position in relation to rail freight transport is no better. Table 60 shows that the density of freight traffic in relation to our population is one of the lowest in Europe. Again, this low density is aggravated when related to the high mileage of railway line in relation to population as compared with elsewhere. Our average net freight train load is much below that of other European countries. It will be seen from Table 61 that it is approximately one-half of that of Denmark, Great Britain, Norway, Portugal, Spain and Switzerland and less than one-third of that of Belgium, France, West Germany, Italy and Sweden. With such very low density of traffic, both passengers and goods traffic, it is not surprising that the Irish railways have been in serious financial difficulties for many years.

TABLE 61AVERAGE NET TRAIN LOAD OF FREIGHT TRAINS - YEAR 1954

Country	Tons
BELGIUM	286
DENMARK	133
FRANCE	252
GERMANY (WLST)	306
GREAT BRITAIN	157
IRELAND (C.I.E. only)	74
ITALY	222
NETHERLANDS	193
NORWAY	127
PORTUGAL	143
SPAIN	141
SWEDEN	237
SWITZERLAND	149
Average	219

UTILISATION OF RAILWAY ROLLING STOCK

325. Charts II and III compare the annual utilisation of carriages and wagons in terms of passenger miles per carriage and ton miles per wagon with that of other countries. The fact that traffic density is low does not of itself give rise to low utilisation of rolling stock. It is the combination of low traffic density with high carrying capacity which explains why, in respect of both carriages and wagons, we have the lowest utilisation of all the countries shown. The seating capacity per carriage varies from country to country

CHART II

UTILISATION OF RAILWAY PASSENGER CARRIAGES-1954

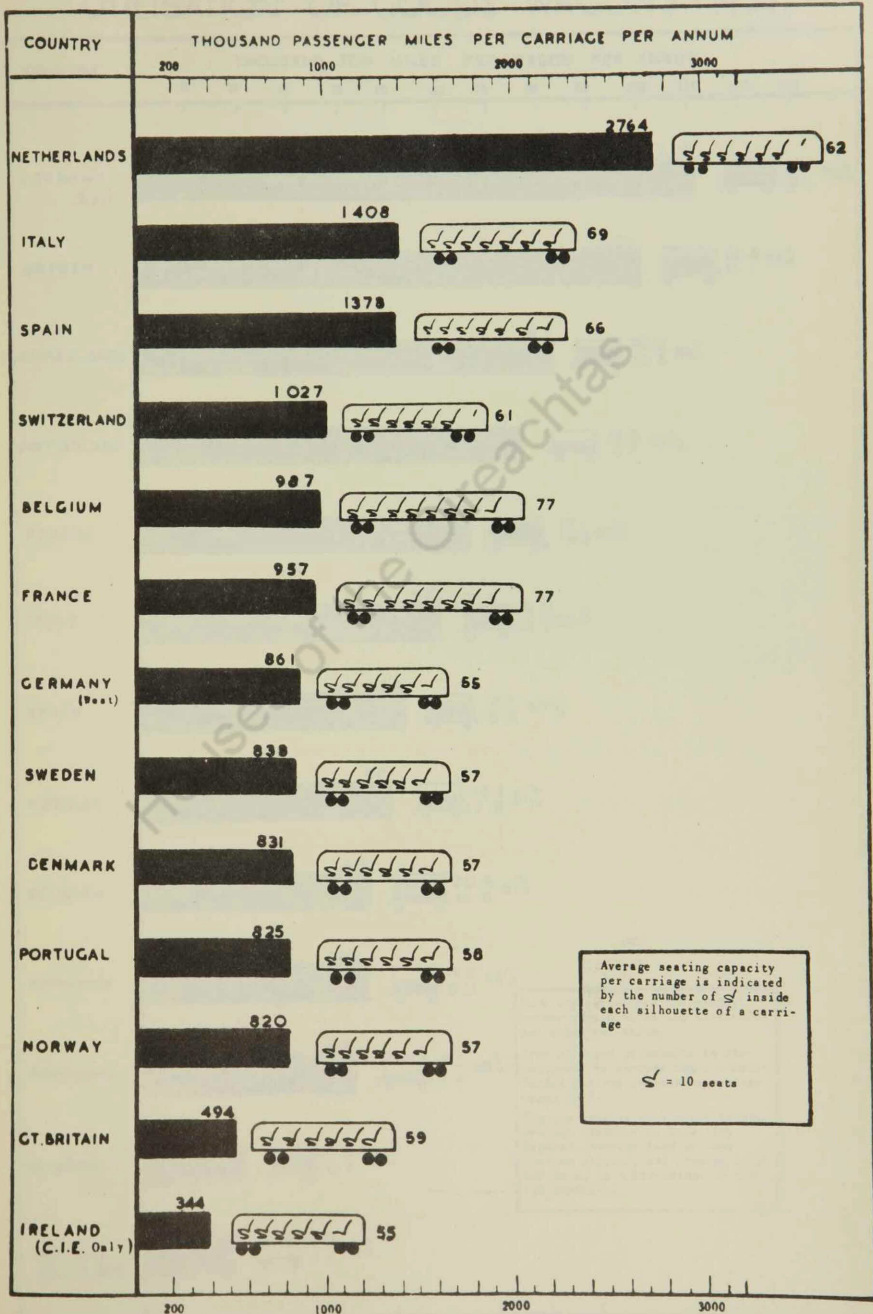
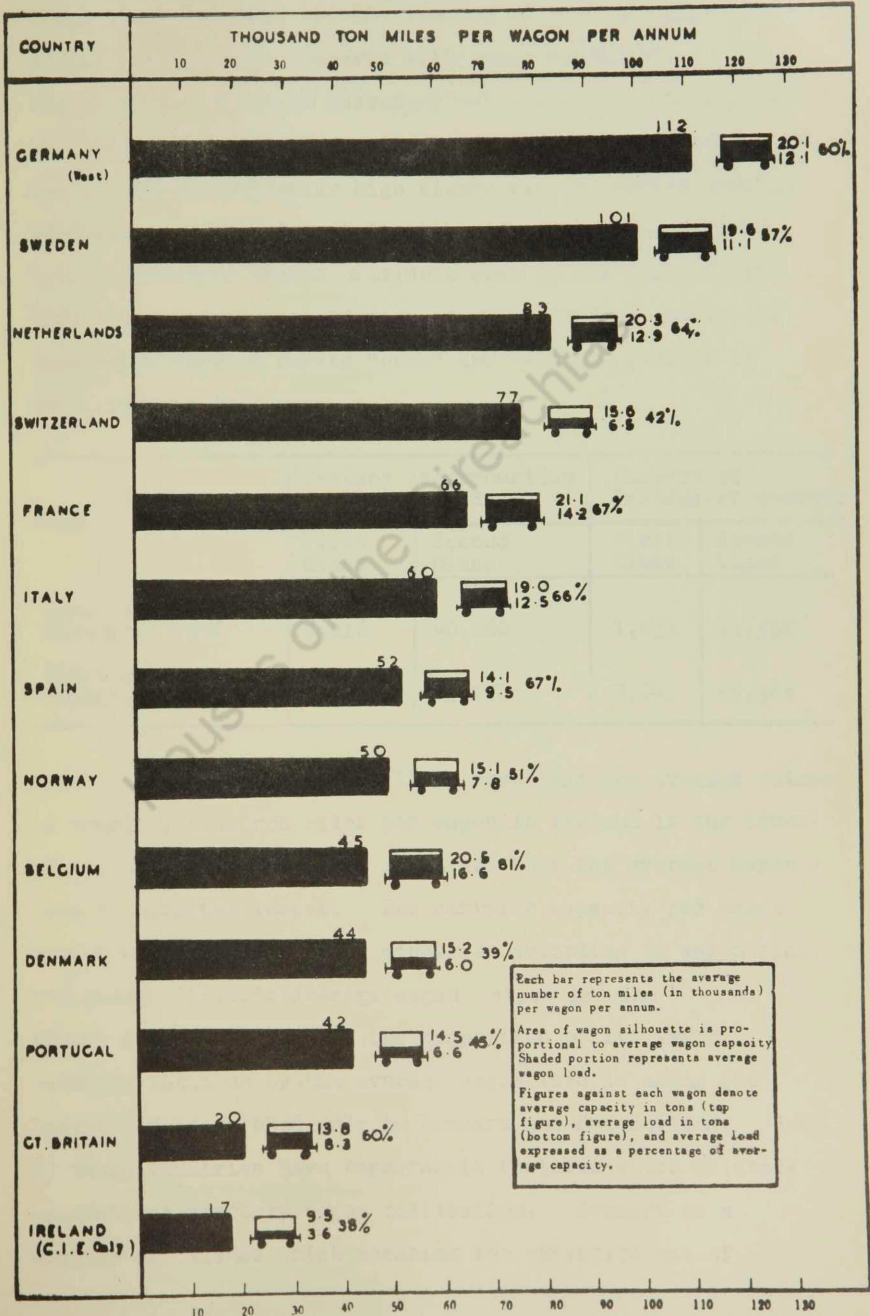


CHART III

UTILISATION OF GOODS WAGONS - 1954



according to carriage size and Chart II is not, therefore, a complete guide to the degree of utilisation of available seating capacity. This information appears in Table 62 which shows the very low utilisation of seating capacity in Ireland (C.I.E.) as compared with other countries. The figure of 6.3 thousand passenger miles per seat is only 4.7% of the average for all the countries appearing in the table, or 4.9% if the exceptionally high figure for the Netherlands is excluded. This low utilisation of seating capacity on C.I.E. passenger trains is evident even in the case of main line trains, the accommodation on which and the numbers of passengers carried during "peak" and "valley" periods in 1956, were as follows:

Period	Seating Accommodation Provided		Numbers of Passengers carried	
	First Class	Second Class	First Class	Second Class
First week of February, 1956	8,016	40,260	1,053	13,330
First week of August, 1956.	9,486	83,250	2,041	58,383

326. From Chart III it will be seen that the average volume of traffic, i.e. ton miles per wagon, in Ireland is the lowest of any of the 13 countries shown and that the average wagon load is also the lowest. The carrying capacity per wagon varies widely in different countries according to wagon size, but though C.I.E.'s average wagon size is the lowest shown in the Chart, the proportion of its wagon capacity taken up by the average wagon load is among the lowest and is matched only by Denmark and Switzerland. Both of these countries have topographic features which militate against satisfactory wagon utilisation. Denmark is a country of islands which occasion the extensive use of

TABLE 62

UTILISATION OF RAIL PASSENGER CAPACITY - YEAR 1954.

Country	Seating Capacity (Thousands)	Passenger Miles (Millions)	Passenger Miles per Seat (Thousands)
NETHERLANDS	97	4,339	44.7
SPAIN	234	4,894	21.0
ITALY	756	15,450	20.4
SWITZERLAND	233	3,901	16.7
GERMANY (WEST)	1,338	20,767	15.5
PORTUGAL	62	887	14.3
SWEDEN	246	3,571	14.5
DENMARK	141	2,046	14.5
NORWAY	67	967	14.4
Average	-	-	13.4
BELGIUM	358	4,606	12.9
FRANCE	1,313	16,273	12.4
GREAT BRITAIN	2,480	20,704	8.4
IRELAND (C.I.E. ^X only)	42	264	6.3

transport ferries, while Switzerland is a country where high mountains, penetrated by longitudinal valleys and an elevated region thrown into a great series of almost parallel folds, present serious barriers to transport. The low wagon-loading in Ireland is, no doubt, accounted for to some extent by the paucity of heavy mineral traffic such as occurs in Sweden, Germany and Great Britain and which, because of its nature, gives a high loading factor; there is also the absence of international through traffic which accounts for the high wagon loads in such countries as the Netherlands and Belgium.

327. While Chart III depicts the ratio of numbers and sizes of wagons to the volume of traffic and to wagon loading, it does not of itself provide a complete picture of wagon utilisation. Hence we have made a further comparison in Table 63 on the basis of total carrying capacity. The table shows that of all the countries shown, other than Great Britain, we have the lowest utilisation of wagon capacity, our utilisation being less than two-thirds of the average level of all the countries shown in the table. In this respect Great Britain is exceptional through having an exceedingly high carrying capacity per million population (see Table 58) and a very long average turn-round time for wagons.

328. Wagon utilisation is also affected by the average turn-round time which varies greatly in different countries depending on the character of the traffic and other factors - for example the turn-round time of wagons is much shorter for shuttle services of bulk commodities than for other traffic. Moreover, it is not clear that the average turn-round time is calculated similarly in all countries and we are, therefore, of opinion that no useful purpose would be served by international comparisons under this heading.

TABLE 63.

UTILISATION OF RAIL FREIGHT CAPACITY - YEAR 1954.

Country	Capacity (Thousand Tons)	Ton Miles (Millions)	Ton Miles per Ton Capacity (Thousands).
GERMANY (WEST)	5,636	31,513	5.59
SWEDEN	1,025	5,285	5.16
SWITZERLAND	344	1,699	4.94
NETHERLANDS	502	2,056	4.10
SPAIN	1,170	4,325	3.70
NORWAY	193	638	3.31
ITALY	2,481	7,939	3.20
FRANCE	8,094	25,346	3.13
DENMARK	252	726	2.88
Average	-	-	2.86
PORTUGAL	147	419	2.85
BELGIUM	1,605	3,520	2.19
IRELAND (C.I.E. only)	119	212	1.78
GREAT BRITAIN	15,354	22,082	1.44

329. In considering the utilisation of carriages and wagons, regard must be had to the need for providing rolling stock in order to handle peak traffics. The public by custom expect that transport should be available when they require it, with the result that public transport undertakings in all countries are faced with the problem of providing sufficient rolling stock to meet peak requirements often of short duration, while at the same time ensuring against large numbers of carriages or wagons being idle or insufficiently utilised during normal or even valley periods as distinct from peak periods. The degree of utilisation of carriages and wagons is, therefore, affected by the magnitude of peak traffic in relation to other traffic. It follows that, if in order to cater for exceptionally high peak traffics, a public transport undertaking has to maintain carriages and wagons in numbers beyond what is necessary for normal traffic requirements, their utilisation for the remainder of the year will be low. It is, of course, possible to avoid some of the difficulties of catering for peak traffics by increasing to as great an extent as possible the degree of utilisation of carriages and wagons required for normal use - for example, by better loading and quicker turn-round of wagons, by the most judicious combination of fast and slow trains and by the provision of services outside usual hours. Hence a peak traffic which is double that of normal traffic should not necessitate the use of twice as much rolling stock.

330. Utilisation of rolling stock is also affected not only by the need to provide for peak traffic but also by valley periods when traffic falls to levels insufficient to enable the carrying capacities of carriages and wagons to be used to the same extent as when traffic is normal.

331. In passenger transport the intensity and periodicity of peak traffic vary widely in different countries. The peak period occurs in July and August in most European countries. In the peak months the average increase in volume of passenger traffic in 12 European countries for which particulars are available is about 35% over the average monthly traffic for the year; in Great Britain, which apart from Ireland shows the greatest peak, the peak month increase is over 50%, while in France, the increase is 45% above the monthly average. The rail passenger peak in July and August in the case of C.I.E. is much more intensive. The number of passenger miles, excluding suburban services, in each of these months is nearly 100% above the monthly average for the year. Including the suburban services the percentage increase is of similar magnitude, which indicates that those services must also provide for peak traffics relatively equal to that on the main line services. These figures cover only the peak traffic during July and August, but during these months daily and week-end peaks occur which, in all countries, increase still further the stock of carriages which must be provided by railway undertakings and tend to reduce still more the average utilisation of stocks of carriages over the whole year. As in peak periods, C.I.E.'s passenger traffic in valley periods - usually November and February - deviates from the traffic level of normal periods to a greater extent than in other European countries where passenger valley traffic is about 75% of normal traffic as compared with only 50% for C.I.E.

332. In order that the exceptional percentage deviations of C.I.E.'s peak and valley passenger traffic from average levels be viewed in proper perspective, it is necessary to take into account that they are deviations from a very low

average level of passenger traffic in relation to which seating capacity is provided to an extent much beyond that of other European countries. Hence, an increase in traffic which would represent a large percentage increase on C.I.E.'s relatively small average number of passenger miles would represent a very much smaller percentage increase in other countries where passenger traffic is greater than C.I.E.'s, though their mileage of rail and seating capacity of their carriages would not differ so greatly from C.I.E.'s as the volume of traffic might suggest. In Portugal, for example, the 1954 railway mileage (2,229 miles) was fairly close to C.I.E. mileage (1,923 miles) and the seating capacity of carriages was almost similar to C.I.E.'s and yet the number of passenger miles was more than three times greater than C.I.E.'s. It follows, therefore, that a doubling of the number of C.I.E. passenger miles in peak periods would give rise to figures which, if related to passenger traffic in Portugal, would represent an increase of only one-third. In Denmark, where rail mileage in 1954 was about 50% greater than C.I.E.'s and seating capacity was nearly four times greater, the number of passenger miles was nearly eight times greater. Accordingly, the additional number of C.I.E. passenger miles in peak periods which increases average traffic by 100% would represent an increase of only $12\frac{1}{2}\%$ if related to passenger traffic in Denmark. Similar considerations apply to the deviations from average passenger traffic levels in valley periods. Portugal and Denmark have been selected since their figures are closer than other countries to those of C.I.E.

333. In the case of freight traffic the fluctuations in volume over the year are not so great as in passenger traffic. The peak periods do not occur at the same time

of the year in the various countries, but generally freight traffic is heaviest in October, November and December. The increase in volume measured in ton miles, during peak periods in most Western European countries does not exceed 13% of average monthly traffic over the whole year. For C.I.E. the period of peak freight traffic is November when the volume increases by about 30% above the average monthly traffic level. The C.I.E. peak in freight traffic is due almost entirely to heavy traffic in "Other Minerals", mainly beet to the sugar factories, the increase in the volume of traffic in all classes of goods being only about 14%. The total increase in freight traffic in the peak month of C.I.E. is about 5 million ton miles and the same considerations apply as in passenger peak traffic. For example, in 1954, Portugal, with a railway mileage of 2,229 compared with C.I.E. railway mileage of 1,923, and with a freight-carrying capacity 25% greater than C.I.E., handled nearly twice the volume of freight and hence the freight traffic in the peak month, which for C.I.E. represented a 30% increase on average traffic, would represent a 15% increase in relation to freight traffic in Portugal. In Denmark, where in 1954 there was a freight-carrying capacity more than double that of C.I.E. but where over three times the C.I.E. volume of freight traffic was handled, the increase of 5 million ton miles in freight traffic in a peak month would represent an increase of only about 8% over average traffic. The comparative figure for Switzerland (another small country which, like Portugal and Denmark, has also a small volume of freight traffic as compared with other European countries) would be only 4%, Switzerland having in 1954 a rail mileage almost identical with that of

C.I.E., a freight-carrying capacity not quite three times as great and a freight ton mileage which was eight times as great.

334. In passing it may be stated that no statistics are available showing the degree of utilisation of private transport vehicles, either private motor cars or commercial motor vehicles, in Ireland or in other countries. There are, however, over 135,000 private cars licensed in Ireland which, at five seats per car, gives a total seating capacity of over 675,000. It has been pointed out earlier in this Report that only about 608,000 people have access to a family private car. It is clear, therefore, that the transport capacity of private cars is greatly under-utilised; this is obviously a feature of such transport in all countries. No statistics are available generally as to the utilisation of commercial goods vehicles.

EMPLOYMENT

335. The low utilisation of our railways is reflected further in the numbers of railway employees as compared with those in other countries. Table 64 shows for various European countries and for C.I.E. the numbers of railway employees in relation to mileage of line and volume of passenger and freight traffic. While the number of C.I.E. employees in relation to mileage of line is very low, this basis of comparison is not an indication of the degree of utilisation of staff since employment arises primarily on account of the volume of traffic rather than on the mileage of line. In relation to the volume of traffic, the necessary figures are not available to enable the numbers employed in relation to passenger traffic to be distinguished from those whose work is related to freight traffic. For this reason the total numbers employed have been compared first with the volume of passenger traffic and

TABLE 64

NUMBERS OF RAILWAY EMPLOYEES IN RELATION TO MILEAGE OF LINE AND VOLUME OF TRAFFIC - YEAR 1954

Country	Per mile of line	Per million passengers carried	Per million passenger miles	Per million tons carried	Per million ton miles
BELGIUM	25	356	17	1,252	22
DENMARK	10	240	14	3,831	41
FRANCE	15	766	24	2,298	15
GERMANY (WEST)	25	362	23	2,079	15
GREAT BRITAIN	30	582	28	2,036	26
IRELAND (C.I.E. only)	6	1,463	46	4,615	57
ITALY	13	320	12	3,555	22
NETHERLANDS	17	197	8	1,360	16
NORWAY	10	645	27	5,137	41
PORTUGAL	12	503	29	7,194	62
SPAIN	17	1,197	28	5,166	32
SWEDEN	7	553	17	1,671	12
SWITZERLAND	20	186	10	1,714	24
Average	18	466	21	2,234	19

again with the volume of freight traffic. Though this is scientifically imperfect, it is the only possible presentation in the absence of information which is unobtainable at present. Despite its imperfections, the table has a valid significance. It shows that the number of rail staff employed by C.I.E. per million passengers is three times the average for all the countries shown and more than twice the average per million passenger miles. It also shows that the employment of rail staff by C.I.E. per million tons of freight is over twice the average for all the countries and per million ton miles is three times the average. These figures, relating as they do to the principal item of railway expenditure, are a reflection of our low traffic density and are of major significance in relation to the cost of railway operation of C.I.E. per unit of traffic. C.I.E. has fewer railway employees per mile of line than elsewhere, but, despite this, by comparison with other countries the numbers employed are relatively so large in relation to so small a volume of traffic per employee, that the resultant high unit operating costs cannot be recovered by increased charges if the volume of traffic is to be maintained. Rail transport, even when operated on an irreducible minimum of staff and equipment (and, as indicated later, we do not believe this point has been reached in C.I.E.), is a particularly uneconomic form of transport if the available volume of traffic is insufficient to secure a reasonable utilisation of the labour force and equipment employed.

336. The necessary statistics are not available for this or other countries to enable a similar examination to be carried out in respect of the utilisation of road transport.

COMPETITIVE DISABILITIES.

337. A primary cause of the deterioration in the position of our public transport undertakings is the general competitive weakness of our railways since the development of road motor transport. The development of road transport services is open to public transport undertakings but public road transport activities have been subordinated to rail transport, particularly as regards goods. And yet while rail transport has obvious advantages in the provision of heavy long distance arterial haulage it has a serious rival in road transport in other types of traffic. With its marked mobility and flexibility, its immediate availability, its door-to-door service and its avoidance of double handling, road transport as compared with rail can serve more people and more extensive areas more conveniently. On account of their limited range and inherent inflexibility railways cannot offer services which can be provided by road vehicles and in some respects can only offer less attractive alternatives - for example, in the carriage of goods from Kilkenny to Thurles a rail journey of 65 miles is involved compared with a road journey of 29 miles. Between Ballina and Sligo the rail journey of 83 miles compares with a road journey of 37 miles. Public transport undertakings cannot reasonably expect to retain traffic for their railway departments where road transport is more suitable and since our public transport organisations did not succeed in offsetting the loss of certain traffics by their railway departments through developing vigorous, enterprising, fully efficient and competitive road transport departments, it followed inevitably that private road transport has handled the traffic and in consequence has developed beyond the point which it would otherwise have reached. Furthermore, and

perhaps more important, is the fact that the development of private transport of goods has brought into existence large numbers of commercial motor vehicles which represent an alternative method of transport and thereby restricts the effective use of the power of our public transport organisations to increase their charges to cover their high costs of operation.

INABILITY TO RECOVER OPERATING COSTS.

338. It is not any substantial reduction in traffic but this inability to recover their high and rising costs by way of increased charges that is the primary cause of the financial difficulties of the railways. Costs are high because the entire railway structure - length of line, rolling stock, carrying capacity and numbers employed - is in excess of what is required for the volume of traffic available, a volume which is low because of the circumstances already outlined. Labour and fuel costs which represent so large a proportion of the cost of railway operation have increased greatly; fuel costs because of increased prices, particularly of coal prices, and labour costs because of the general increases in wages which apply to railway workers to the same general extent as to all other workers. We have already drawn attention to the fact that in the case of the G. N. R. Board wages and fuel costs now exceed the total railway receipts of the Board. These costs increase suddenly and there is a long time lag and growing customer resistance which delay and prevent the full recovery of increased costs by way of increased charges. As stated in paragraphs 65-67 the increase of 10% in rates and fares imposed by C. I. B. on the 1st February, 1956, was followed by a reduction in traffic, particularly in freight train traffic. In fact, receipts from freight train

traffic in the 28 weeks ended 14th October, 1956, were less than receipts over the same period in 1955 despite the increase of 10% in rates. In addition, the railways are particularly vulnerable in the matter of increased charges, principally because of the existence of an alternative form of transport - road transport. A large volume of traffic is tenuously held by C.I.E. and certain large customers, whose traffic represents £600,000 or about 15% of the total C.I.E. rail freight receipts, have threatened to withdraw their traffic and to substitute their own road transport, thereby effecting considerable savings in their transport costs. We are also aware that some substantial customers have left their traffic with C.I.E. only because they consider it politic to do so.

LABOUR RELATIONS.

339. Salaries and wages are a very significant element in railway operating expenditure; they account for as much as 56% of the railway operating expenditure of C.I.E. and 64% of that of the G.N.R. Board. Increases in salaries and wages therefore have a very serious effect on railway operating results. Our railways have reached the stage at which, so far from being able to obtain increased traffic, they face the risk of loss of traffic if they attempt to increase rates and fares to avoid operating losses, much less to recover increased salaries and wages. They have not earned any operating profit for many years - since 1945 in the case of C.I.E. and since 1947 in the case of G.N.R. The heavy accumulated railway operating deficits of C.I.E. and G.N.R. since those years amount to £11.3 million and £4.7 million, respectively. Insufficient regard has been paid in wage negotiations to this background and to the primary consideration that employment and the level of remuneration depend

on efficiency, prosperity and financial soundness. It seems to us that on the contrary it is being accepted far too readily that the heavy deficits should be met by State subsidies. There has been undue emphasis on the effects of the development of private road transport on railway operations; there is little evidence of a searching examination either by railway managements or by labour interests as to the real causes of the deficits and insufficient attention has been given to factors which clearly indicate that railway expenditure is at an unjustifiably high level.

340. We have also received evidence of a regrettable absence of friendly co-operation between the railway managements and the trade unions. On the one hand, the trade unions have represented to us that the railway managements have displayed resistance to innovation and change and have made little effort, by joint consultation or otherwise, to secure the full co-operation of the staff with the result that "inefficiency, waste and extravagance" evident to the employees have gone unchecked. Beyond statements to this effect the unions have produced little supporting evidence and certainly not enough to justify such serious charges. The Board of C.I.E. has stated in evidence that the unions concern themselves only with wages and conditions of employment and have shown little knowledge of or interest in the wider aspects of the Board's operations. The Board has pointed out that a total of over 2,000 meetings between the management and union representatives at various levels have been held since the establishment of the Board but that on only one occasion were matters raised other than those relating to wages and conditions of employment. The Board took strong exception to the allegation that it has displayed

resistance to innovation or change and has, in turn, alleged that the trade unions themselves have been responsible for such resistance. As an illustration the Board mentioned a trade union requirement that a locomotive driver must be paid at the overtime rate after he has driven a distance of 140 miles in a day - a requirement which is, no doubt, reasonable in the case of a slow steam driven train. The application of the requirement in the case of a driver of a fast diesel locomotive means that on the Dublin to Cork express train he is paid the overtime rate after he has driven for a little over $2\frac{1}{2}$ hours. As further examples, the Board has mentioned that the trade unions insist on conductors being employed on C.I.E. omnibuses which are hired for private use; that at Limerick, the rail and road parcels offices are adjacent but the unions would not agree to the amalgamation of the two offices; and that a traffic porter is not allowed by the unions to act as a lorry helper. Though restrictive practices of this kind were not relatively important, the Board considers that they are objectionable and militate against efficiency.

341. In the time available to us it has not been possible to enquire closely into labour relations. It is indeed regrettable that the lack of co-operation between the management and the unions is such as to find expression in evidence of the unions which has already appeared in the public press. We cannot do more than refer to the conflicting evidence and to the indications of relationships which are not conducive to harmonious or satisfactory operations or to the welfare of the transport undertaking.

OPERATING CONSIDERATIONS.

342. Importance attaches to certain operating considerations which adversely affect our public transport concerns, particularly in regard to the railway operations of C.I.E. Brief reference is made hereunder to these considerations to which we shall return later in this Report:

(i) Up to quite recent years the locomotives, carriages and wagons of C.I.E. were largely obsolete and, in consequence, there was a basis for the view, which many shared, that railways were an antiquated form of transport. During the past few years C.I.E. has expended considerable capital on the dieselisation and modernisation of its rolling stock. Though the consequent improvement in railway services has been recognised it remains to be seen how far it will contribute towards changing the attitude to railways to an extent sufficient to attract additional traffic. The capital expenditure involved has given rise to heavy additional charges for depreciation and interest which must be weighed against the increased traffic and savings in expenditure which may arise through modernisation.

(ii) Common carrier obligations weigh heavily on public transport undertakings in a sparsely populated country and limit their commercial adaptability. It would be an extreme interpretation of these obligations if a public transport undertaking were bound to transport goods, however small the consignment or awkward the load, to the most remote destinations and

hence there is necessarily some flexibility in the manner in which common carrier obligations are, in fact, discharged. As to charges, since the passing of the Transport Act, 1950, there is no statutory control of rates and fares charged by C.I.E. but under the Railway Clauses Act, 1845, and the Railway and Canal Traffic Act, 1854, railway companies are required to charge equally for the carriage of passengers and for goods of the same description over the same distance under the same circumstances and are precluded from giving any undue or unreasonable preference to any particular customer. Again a reasonable interpretation of these obligations renders them less rigid in their practical application. The fact, however, that public transport undertakings have these responsibilities exposes them, and in particular C.I.E. as the main transport undertaking, to constant pressure to maintain existing services and to provide new ones. Proposals for the closure of branch lines are consistently and vigorously opposed, often by those who provide most of their own transport and use the railway only to a very limited extent. The procedure for the closure of branch lines embodied in the Transport Act, 1950, requires that a public inquiry must be held by the Transport Tribunal where objections are received to a proposal by C.I.E. to discontinue services. That such proposals are reasonable is evident from the

fact that in no case has the application for authority to discontinue services on a branch line been refused. The procedure, however, is cumbersome and, in consequence, gives rise to long delays. In various other ways public transport undertakings are subject to demands which are unreasonable and aggravate their unsound financial plight.

- (iii) The basis of C.I.E. railway rates is a classification which dates from the last century and rates bear little relation to the cost of providing services. The classification has been modified somewhat in recent years but in the main it is inflexible, empirical and unscientific in its operation.

DEVELOPMENT OF PRIVATE TRANSPORT.

343. The cause most generally assigned by railway undertakings to explain their present difficulties is the loss of rail traffic to private transport since the development of road motor transport. This view must be carefully appraised lest undue significance be given to it. It has already been shown in paragraphs 35 and 37 that apart from loss of traffic on suburban rail services there has been no decline in the rail passenger traffic of C.I.E. as compared with 1938. There was a substantial reduction in the volume of that traffic between 1925 and 1938 but it would seem that it was largely attributable to the development of provincial road services operated by the railway undertaking itself rather than to the increase in the numbers of private motor cars. This conclusion is supported by the fact that during the 13 years between 1925 and 1938 when the numbers of railway

passenger journeys showed a considerable decline, the numbers of private cars increased by 32,388; while during the 18 years between 1938 and 1956 the numbers of railway passenger journeys, excluding suburban services, remained unchanged, though the numbers of private cars increased to a much greater extent than formerly, i.e., by 87,362. There has been a substantial reduction in the numbers of passengers using the C.I.E. suburban services between Dublin and Greystones but this loss arose largely through the transfer of passenger traffic on these rail services to the C.I.E. bus services which replaced the tramway services in 1947.

344. As to the freight train traffic of C.I.E. it has been shown in paragraphs 50 to 55 that the volume has not diminished since 1938 and that, excluding livestock, it has, in fact, increased by 17%. Some traffic has been lost by C.I.E. and some gained but the gains have more than offset the losses and, in addition, the losses have been largely in low grade traffic while many of the gains have been in high grade traffic. There has been a substantial loss in the volume of coal and livestock traffic since 1938, the loss of livestock traffic being related mainly to the transport of small animals. These traffics are, however, relatively low grade traffics and as has been pointed out in paragraphs 54 and 58 the gross receipts represented by the loss of these traffics would be of the order of £ $\frac{1}{2}$ million per annum at present rates. Figures were not available to us which would enable the additional operating expenditure involved in handling this increased traffic to be estimated but even a close estimate of net receipts would be of little value in assessing the present day effects of a restoration of the 1938 volume of traffic in these particular items. Such an

assessment would involve estimates of the additional net receipts from all traffic lost (of which coal and livestock is but a part) from which a deduction would be made for all traffic gained. The absence of realism in such calculations is obvious.

345. Equally unrealistic is the comparison made in evidence by C.I.E. between 1945 and the present time. The year 1945 was the last year in which C.I.E. made a profit on railway operations, the amount of the profit being £221,000. It was a year when the effects of World War II were at their worst and when C.I.E. came as near as possible to having a monopoly of all transport, due to petrol rationing and other war-time restrictions, and shortages which severely restricted private road transport. It was part of the C.I.E. submission to us that due to the reduced numbers of commercial motor vehicles in use in 1945 C.I.E. handled a tonnage of traffic which, if available in recent years, would convert the railway operating losses of those years into profits.

346. This view, however, overlooks the fact that the year 1945 was exceptional in that 15% of the rail freight tonnage for that year was represented by 467,000 tons of turf and firewood - a traffic attributable to emergency conditions and, which, on that account, has since ceased. Accordingly, the restoration of the 1945 volume of traffic, if feasible, would produce additional net receipts, at the present level of charges, much less than the operating deficit of £1.2 million in the year ended 31st March, 1956, and far short of the total net loss of £1.6 million, after all charges, in that year.

347. It is apparent, therefore, that the operating loss in 1955/56 as compared with the operating profit in 1945 was due largely to higher operating expenditure rather than to

a decrease in the volume of traffic because of the development of private motor transport. Railway operating expenditure increased from £5 million in 1945 to £8 million in 1955/56 as a result of higher costs generally, but particularly increases in salaries and wages, which in 1955/56 represented 56% of total operating expenditure. Increases in salaries and wages were restricted by the emergency control of wages which operated from 1941 to the establishment of the Labour Court in 1946. It seems clear, therefore, that the favourable operating position of C.I.E. in 1945 was considerably influenced by restrictions on salaries and wages which represent so high a proportion of C.I.E. rail operating expenditure. Furthermore, C.I.E. reduced railway rates by 7½% in 1946 which indicates that the level of rates in 1945 was such as could only be maintained in the monopolistic position then enjoyed by C.I.E. because of emergency conditions. It has already been indicated that the rail freight traffic lost by C.I.E. is of a type more suited to road transport than to rail transport. It is open to question whether a considerable portion of this traffic could not have been retained by C.I.E. road services if their policy had been directed towards the vigorous development of their road freight department rather than its subordination to rail transport.

OVER-CAPITALISATION

348. The evolution of the capital structure of C.I.E. is outlined in Appendix 6. On the establishment of C.I.E. in its present form in 1950 the only alteration in the capital (other than that caused by the additional capital necessitated by the acquisition of the Grand Canal Company) arose through the conversion of each £100 of the Common

Stock into £80 of 3% Government-guaranteed Transport Stock. Though this reduced the capital by £705,766 to £15.7 million, it substituted for £3.5 million of Common Stock, on which dividends were not payable unless profits so permitted, a prior-ranking liability for interest on £2.8 million of 3% Transport Stock which is payable annually irrespective of whether C.I.E. incurred a loss or made a profit. At the same time the capital was increased to £16.4 million by the issue of further Transport Stock to the former holders of Debentures, Preference Shares and Ordinary Shares of the Grand Canal Company. There was every indication of a need for radical capital reconstruction. Not only had there been heavy railway operating losses in the immediately preceding years but there were heavy over-all losses in the entire C.I.E. undertaking; locomotives, carriages and wagons were largely obsolete; renewals had been neglected for many years; and generally the railway and canal undertakings had to face a very doubtful future. In the capital structure of the newly constituted C.I.E. these facts were not reflected and hence C.I.E. had been grossly over-capitalised and has had to assume liabilities for interest charges of a magnitude which, on any reasonable expectation, could not be met from revenue. These interest charges on Government-guaranteed Transport Stock have been met only because of Government advances since the establishment of C.I.E. in its present form and the liability for the repayment of these advances appears at £3.3 million in the Balance Sheet at 31st March, 1956. C.I.E. is not only liable to repay this sum to the Government but is also liable for the further payment to the Government of £140,000 per annum in respect of interest on

the advances made up to 31st March, 1956. These liabilities represent enormous cumulative burdens which C.I.E. has no foreseeable prospect of discharging. They are responsible for a substantial part of the annual deficits of C.I.E. and, therefore, aggravate the serious financial position which adversely affects the standing of the undertaking and the morale of the workers.

OTHER FINANCIAL BURDENS

349. Other exceptional financial burdens of C.I.E. are as follows:-

- (a) Depreciation, or the cost of renewals, is a normal charge which is necessarily high in a public transport undertaking in which heavy capital expenditure on fixed assets is a usual feature. These charges in the Accounts of C.I.E. include, however, provision for the writing-off or replacement of the inherited locomotives and rolling stock which, as stated in the submission of C.I.E., "had been allowed to deteriorate to an alarming extent." In addition, therefore, to being liable for the payment of interest on a capital far in excess of the value of the assets acquired in 1950, C.I.E. has had to increase its annual deficits by these charges for depreciation and renewals necessitated by the need to write off obsolete assets or to replace them.
- (b) C.I.E. must also make heavy annual provisions for pension liabilities which, in the year ended 31st March, 1956, amounted to £180,000. While the pensions payable appear to be comparatively meagre, the liability is a heavy one because of the very high labour content in railway operation.

CONCLUSION

350. The foregoing analysis of the causes of the present unsatisfactory position of public transport undertakings may be summarised as follows:-

- (a) Because of geographic, demographic and economic considerations the volume of traffic is very low.
- (b) Despite this, the facilities available for public and private transport are much in excess of what are required for the available traffic.
- (c) The difficulties of the public transport organisations arise mainly because of their railway operations which result in heavy operating losses.
- (d) By the standards of Western European countries railway transport in Ireland presents unique features which have been illustrated for Ireland as a whole where information has been available, but otherwise by reference to C.I.E. figures. These features are:-
 - (i) low density of traffic;
 - (ii) low utilisation of locomotives and rolling stock;
 - (iii) relatively excessive numbers of railway workers.
- (e) Railway undertakings have been unable to recover their high and rising costs because of customer resistance and the existence of an alternative mode of transport.

(f) Our detailed examination of the affairs of C.I.E. indicate that:-

- (i) up to very recently the stocks of locomotives, carriages and wagons were obsolete and this affected the public attitude towards rail transport;
- (ii) the commercial adaptability of the railway undertaking is affected by its common carrier obligations and by its method of classification as a basis of charges;
- (iii) the development of road motor transport has deprived the railway undertaking of its monopolistic position. The existence of another form of transport has prevented the railways from increasing their charges to cover costs. It has also taken traffic - principally low-grade - away from the railways, but this has been more than offset by a gain of better-class traffic. The competition of road transport has given rise to a tendency for the railways to specialise in the type of traffic in which they have an advantage, i.e. the long-haul arterial bulk traffic;
- (iv) the railway undertaking is over-capitalised. C.I.E. incurs financial liabilities which are beyond its capacity to discharge; there are also substantial liabilities for pensions.

351. Our conclusion regarding C.I.E. is that the railway undertaking is and has been for many years too large for the requirements of the community. It is this and not any

calamitous loss of traffic that is responsible for the heavy operating losses. International comparisons demonstrate clearly that the railway structure is out of line with national requirements. That this weakness has not resulted in the breakdown of the undertaking is due to such circumstances as:-

- (a) a position of virtual monopoly in the early years of the State which made it possible to maintain high levels of charges;
- (b) the operating surpluses during the 1938 - 1945 emergency because of restrictions on increases in salaries and wages and of the additional traffic handled because of shortage of coal and petrol, which necessitated the transport of large tonnages of turf and firewood and diverted traffic from road to rail;
- (c) State aid amounting in all to £12 millions; and
- (d) the writing-down of capital by £13½ millions in 1933 and £700,000 in 1950.

352. We now proceed to a consideration of the steps to be taken in the circumstances outlined in the preceding parts of this report. We have examined different suggestions with which we shall deal before making our own recommendations. The first of these suggestions is that the railway system should be abandoned.

PART IIICONCLUSIONS AND RECOMMENDATIONSABANDONMENT OF RAILWAYS.

353. The case for the abandonment of our railways rests mainly on the following views:-

- (a) The services given by railways could be provided almost as well, or better, by other means of public and private transport which would avoid the heavy railway losses now borne by the community.
- (b) Railways are a necessarily expensive form of transport suited only to conditions of dense traffic since they involve heavy and relatively fixed expenditure on the maintenance of permanent way, signalling system, stations, amenities, level crossings, etc. as well as on the employment of a large staff, many of whom because of the nature of railway operations cannot be fully occupied, e.g. signal-men. Traffic density in Ireland is too low to permit of this expensive form of transport being operated economically.
- (c) As compared with road transport, railways are at a disadvantage in serving our scattered population in the circumstances of the general geographic, demographic and economic background already outlined.
- (d) It is no justification for the continuance of railways that (i) they represent an investment of large capital sums; (ii) railway transport is a feature in all countries; and (iii) the railways provide substantial employment.

As to (d)(i), railways are not necessarily of value because there has been heavy capital expenditure on them in the past. Much of the capital invested in railways has already been lost as is evident from the heavy writing-down of capital which has already taken place. Despite this, the railways have been unable to preserve much less to remunerate their capital for many years because of continued operating losses. As to (d)(ii), it is true that railway transport is a feature of almost all countries, but the continuance of railways in Ireland must be considered in relation to Irish conditions, many of which are unique when compared with those of other countries, particularly those of Western Europe. Many parts of Ireland are not served by rail but are adequately served by road. Other areas can only be served by rail inconveniently. In the area served by the Londonderry & Lough Swilly Railway Company railways have already been abandoned and public transport requirements are met solely by road transport. The Company, which formerly incurred losses on rail transport, is operating road transport at a sufficient profit to remunerate its capital. As to (d)(iii), railway operation has undoubtedly a very high employment content, but because of the low density of traffic in Ireland, which brings about a marked degree of under-utilisation of the labour force and railway equipment, this high level of employment has been maintained only through State subsidies constituting a heavy drain on the resources of the community. To consider railway employment in its proper perspective account must also be taken of the substantial employment provided by road transport. While about 11,000 railway workers are employed by C.I.E., this figure represents only about one-fifth of the employment provided by road transport, both public and private.

354. We would incline more readily towards the view that railways should be abandoned if we felt there was no possibility of radical changes being made to adapt them to the background against which they must operate and to the altered circumstances of the present time as compared with those prevailing when the railways were constructed. As now constituted and operated we see no reasonable justification for the continuance of the railway undertaking of C.I.E., but equally we consider it cannot be demonstrated clearly at present that under changed circumstances the railway undertaking would fail to justify its continued existence as part of an efficient and economically operated public transport system. We do not go so far as to say that the contrary can be demonstrated; rather is it our view that under conditions wholly different from those now prevailing, railways should be given a limited period of years in which to show that their continuance can be justified in the national interest.

355. In reaching these conclusions we have in mind the following considerations in regard to C.I.E.:

- (i) If the general structure of the railway undertaking (i.e. length of line, number of stations, numbers and carrying capacity of carriages and wagons, number of employees, etc.) had been more closely related to the volume of suitable traffic available it might have been possible to demonstrate that it could operate economically in providing the safe, speedy, organised and disciplined method of transport for which railways were designed.

- (ii) For a considerable number of years the railway undertaking has, in general, retained its total volume of traffic and, while livestock traffic has declined, merchandise traffic has increased. Admittedly rail traffic has been retained at great cost to the community, but on the other hand the railway undertaking has had to operate under grave disabilities. Locomotives and rolling stock, equipment and facilities were largely obsolete until recently; the railway structure was greatly in excess of requirements for the available volume of traffic; commercial adaptability was impeded by common carrier obligations; and a new, more flexible and rapidly expanding form of transport emerged.
- (iii) There are sections of line (e.g. Dublin to Cork, Dublin to Limerick, etc.) in respect of which the degree of under-utilisation is less marked than over the remainder of the system. It cannot be assumed that the volume of existing or potential traffic would be insufficient to justify the continuance of these lines.
- (iv) The total abandonment of the railway undertaking might reduce the volume of tourist traffic - a vital part of our economy; tourists might, perhaps, be critical of the entire absence of long distance train transport and, because of the absence of railways, might form incorrect impressions of our general amenities.

- (v) To carry by public road transport the entire traffic now carried by rail would necessitate substantial capital expenditure for new road vehicles and would give rise to increased imports at the present time when there is a shortage of capital and an urgent need to eliminate unnecessary imports and so ease the problem of our balance of payments. Regard should be had, however, to the fact that C.I.E. itself must undertake heavy capital expenditure on its railway undertaking over the coming years in respect of part of which it has entered into commitments and this expenditure would also give rise to increased imports.
- (vi) The closing down of the railway undertaking might create difficulties in the handling of peak traffics and, in addition, the transfer of rail freight traffic to the roads might give rise to problems due to increased road congestion in the Dublin area.
- (vii) From the standpoint of national security a case can be made for the retention of the railway undertaking in some form to meet War or emergency conditions. The importance of this consideration is, however, capable of considerable exaggeration.
- (viii) Railway services are accessible during periods when roads are under snow or are ice-bound and road transport is, therefore, difficult or perhaps impossible. This is not a major consideration, however, since in Ireland such

periods are of short duration and, in addition, at such times the railways themselves would be affected through the cessation or slowing-down of motor transport to and from railheads.

356. We do not accept, however, the view expressed in some of the submissions we have received that great difficulties would arise if the traffic now carried by rail was transferred to road, as would be the case, for example, in Great Britain where crowded conditions, due to density of population and traffic, are such that a transfer of all rail traffic to road would not be physically possible. The volume of traffic now carried by rail is so much smaller than that carried by road that to transfer it to road would present no great difficulty. Our road mileage is high; our rail traffic density is low, as is also our road traffic density. It would require the addition of a much greater volume of traffic than is represented by rail traffic to bring about a road traffic density which would approach that of other countries. So also, the extra number of vehicles required to convey the existing volume of rail traffic by road would represent only a small addition to the large numbers of vehicles already in use - very much smaller than the increase represented by 39,247 additional motor cars and 15,077 additional commercial motor vehicles during the past five years. As to the effect on the cost of road maintenance, expenditure on roads is necessary whether or not traffic increased beyond its present dimensions.

357. The transfer of existing rail traffic to road would increase the present hazards of the roads to some extent. The question of road safety does not come directly within our terms of reference. We feel, however, that the

diversion of existing rail traffic to road would not add appreciably to the present road safety problem and that any increase in existing road hazards which would result could be offset by measures for the better control of road traffic.

358. Neither do we accept the view supported particularly by C.I.E. that the transfer of traffic from rail to road would give rise to much higher transport costs. In this matter regard should be had to the fact that railway charges have fallen short of railway costs and if, for example, C.I.E. were to recover by way of increased charges the railway operating loss and the proportion of interest charges and other expenditure applicable to the railway undertaking there would be an increase of approximately 30 per cent on present charges. At our request C.I.E. has estimated the capital expenditure and operating costs involved in the substitution by C.I.E. of public road transport for rail transport of passengers and goods (including livestock). These estimates are set out in summary form in Appendix 9.^X We are unable to accept these estimates which seem to us to visualise far too elaborate a structure, possibly through making provision for meeting requirements which even a public transport organisation might well regard as calling for an unreasonable interpretation of its common carrier obligations. The conclusion to be drawn from the estimates of C.I.E. is that road transport is enormously wasteful, extravagant and uneconomic as compared with rail transport - a conclusion which contrasts strangely with the great and rapid increase in road transport side by side with a grave deterioration in the position of railway undertakings.

Note:

^X Capital costs of omnibuses and lorries are estimated at £2,602,000 and £10,025,000, respectively, and operating costs at £2,035,000 and £8,926,000 per annum respectively.

RESTRICTIONS ON PRIVATE TRANSPORT

359. The submission made to us by C.I.E. was to the effect that if the railway undertaking were to continue to be part of the public transport system it could function satisfactorily only by obtaining a considerable increase in traffic - principally goods and livestock traffic - and that in order to secure that traffic there should be restrictions on private motor transport of goods and livestock.

360. The scope and nature of the restrictions proposed are outlined in the following extract from the submission of C.I.E.:

"The number of commercial motor vehicles registered in August, 1955, was about 40,175. The first step to be taken is to prevent any further addition to this number. New vehicles should require a special licence which should be granted only where the public transport undertaking was satisfied that the particular service for which the new vehicle was needed was one which could be better performed by a road vehicle in private hands, rather than by the public transport undertaking. Such services are milk deliveries, bread deliveries, sand, gravel and stone deliveries, etc.

"This restriction should apply to the replacement of existing vehicles in the hands of manufacturers and merchants as well as to new additional vehicles which they might be anxious to acquire. In this way, persons owning one or more commercial vehicles at the present time would be enabled to operate them to the end of their useful life but would not be allowed to replace them if the public transport undertaking could provide the service given by them.

"This restriction should not be applied to private hauliers who have at the present time licences to haul for reward. In the case of the large number of light vans which are mostly replacing horse drawn vehicles and which work within a short radius, licences for replacements would be automatically granted. There are, however, some light vans carrying specialised goods long distances throughout the country. The owners of such vehicles would be required to satisfy the licensing authority that the service could not be satisfactorily provided by the public transport undertaking before a licence would be granted either for the replacement of such light van or the purchase of an additional one.

"All commercial vehicles at present registered should be limited in area of operation. It is suggested that the limit of operation for commercial vehicles should be 50 miles from the owner's principal place of business. This restriction should come into operation on an appointed day and should include provisions for such markings on vehicles as would make it possible for the Gardai to decide whether or not a particular vehicle was engaged in the carriage of goods outside its limited radius. Vehicles running empty would, of course, be subject to no limit. This would permit freedom of travelling anywhere for repairs, etc., and for sale or transfers. The limit of radius of working should also apply to licensed hauliers.

"The limited radius of 50 miles should remain in force for one year only. The limit should, if necessary, be reduced each succeeding year until the full traffic capacity of the railways is achieved.

"In this way, it is felt that it would be made quite clear to the public that the Government was serious in its efforts to prevent wasteful expenditure on transport, and to utilise to the full the transport equipment which the Board is operating for the State. The owners would be enabled to use all the vehicles they now operate until the vehicles reached the end of their useful life. They would not be allowed to replace their vehicles except by special licence".

361. For the reasons which follow we have no hesitation in declining to endorse these proposals and in rejecting the principle that private transport should be restricted so as to divert the transport of goods and livestock from road to rail.

362. C.I.E. has advocated the introduction of restrictions on private transport on many occasions in the past. Since the reconstruction of C.I.E. in 1950 there have been references to restrictions in a number of the annual reports of the undertaking. The first annual report for the period ended 31st March, 1951, advocated restrictions on private transport as the only "practical alternative to the continued subsidisation of public transport". No reference was made to such restrictions in the second annual report for the year ended 31st March, 1952, but mention was made of the possibility of reducing the annual loss substantially by quickly modernising equipment, particularly

motive power. In July, 1952, the Minister for Industry and Commerce announced that proposals had been made to him by C.I.E. for drastic restrictions on the operation of private road freight vehicles. The proposals, if implemented, would limit the operation of all vehicles over 2 tons unladen weight owned by firms operating their own transport to a radius of 20 miles from the place of registration, exceptions being made for bread and milk delivery, and would oblige all Government and local authority contractors, statutory companies, protected and State assisted industries to use public transport for all their transport requirements, irrespective of distance. The announcement of these proposals was followed by widespread objections from industrial and commercial interests throughout the country and no action on the proposals was taken by the Government. In January, 1953, in response to a request by the Minister for Industry and Commerce for comprehensive proposals as to the future operation of the undertaking, C.I.E. submitted proposals for the dieselisation and reorganisation of the railway undertaking and estimated that the programme when completed would eliminate losses and would enable the undertaking to remunerate all existing and new capital. This estimate of the Board was based on three main assumptions viz. (1) that the volume of traffic carried by rail would be maintained; (2) that substantial operating economies would be achieved by the changeover to diesel traction; and (3) that any increased costs would be fully recovered by increased rates and fares. There was no suggestion in these proposals that the restriction of private transport was also essential. The third annual report for the year ended 31st March, 1953, repeated the view that the dieselisation and reorganisation programme would enable C.I.E.

to pay its way. The fourth annual report for the year ended 31st March, 1954, reverted to the question of restrictions in advocating that "whatever steps may be necessary should be taken to transfer to the Board's rail services the heavy long distance loads at present carried by road". The year ended 31st March, 1955, showed a substantial improvement in railway working and no mention of the restriction of private transport was made in the fifth annual report. However, the sixth annual report for the year ended 31st March, 1956, stated that it was apparent that the economies which could be achieved by the change-over to diesel traction and otherwise would not, of themselves, be sufficient to eliminate losses and that, if the undertaking were to pay its way, steps would have to be taken to divert to the rail services all the traffic - particularly the heavy long distance traffic - which the rail services could carry. The re-appearance after 1955 of references to the need for restrictions on private transport was no doubt due to developments which showed that one of the three basic assumptions in the C.I.E. proposals, i.e. that any increased costs could be recovered by increased charges, would not be realised. While the volume of traffic carried by rail was well maintained and while the economies expected from the changeover to diesel traction were being achieved, C.I.E. found itself faced with substantially higher costs which it was unable to meet by the increased charges imposed.

363. In our view the case for restrictions on private transport has not been related to the fundamental causes, indicated earlier in this Report, of the grave deterioration in the position of the railways. The operating loss on the railway in the year ended 31st March, 1956, amounted to

£1.2 million, while the loss on the undertaking as a whole, after allowing for interest and other charges, amounted to £1.6 million. To eliminate this loss it would, therefore, be necessary, on the basis of operating results for the year ended 31st March, 1956, to secure by way of the proposed restrictions on road transport a diversion of sufficient traffic to the railway to bring in additional net receipts amounting to £1.6 million. No reasonably accurate measure is available either of the volume of existing road freight traffic which might be suitable for rail transport or of the extra cost of handling additional traffic diverted to rail. Such information as is available suggests that the volume of traffic which might be obtained by restrictions on road transport would not suffice to enable the C.I.E. undertaking to avoid operating losses and to meet all interest and other charges. The average length of haul of rail traffic, excluding livestock, has increased from 59 to 85 miles since 1925 while the total tonnage carried has remained at the 1925 level. This indicates that the railway has gained long distance traffic but has lost a greater tonnage of short distance traffic for which motor transport is particularly more suitable. It follows that much of the additional traffic which would be diverted to the railway by means of restrictions on private transport would be of the short haul variety, which, if carried by rail, would involve the undertaking in heavy handling costs. Because of this factor it may reasonably be assumed that additional gross receipts much in excess of £1.6 million would be required to yield net receipts of that amount from freight train operations, but in terms of tonnage a much greater relative increase would be required as the additional traffic would be much shorter haul than the present average length of rail

haul of 85 miles. This would involve a very substantial increase in the volume of freight train traffic for the year ended 31st March, 1956, at the same level of charges. C.I.E. has informed us that restrictions on private transport would result in a reduction in rail charges. Any such reduction would require a compensatory increase in the volume of traffic carried so that the total additional volume of freight train traffic required to eliminate the losses of the undertaking as at present organised would be of a magnitude which, we are satisfied, it would be impossible to realise. Furthermore, we are of the opinion that, even if this additional volume of freight traffic could be diverted to the railway, the imposition of restrictive measures to achieve that diversion could not be justified. Such a policy would seek to restrict the freedom of the individual to transport his own goods and would be designed not to prevent the collapse of public transport but to keep in existence a railway system clearly in excess of reasonable requirements.

364. The freedom of the individual to transport his own goods existed long before the development of public transport. To restrict that freedom would cause widespread and justifiable resentment.

365. The proposals put forward by C.I.E. would restrict a form of transport which affords a large volume of employment and is cheap, convenient and efficient. Moreover, a considerable part of the transport at present provided by private commercial motor vehicles is of a character outside the effective scope of railway operations or even of those of public transport undertakings. Much of it replaces horse transport or is entirely new transport which came into existence because of the flexibility and convenience of the privately owned commercial motor vehicle and, as such, is of

a kind for which railways or public transport undertakings have never catered or could not cater. Private transport of goods is often of restricted volume, local in its scope and in the nature of a collection and delivery service. Its range is capable of considerable extension and, in consequence, it has so developed that the volume of traffic carried by it greatly exceeds that carried by public transport. It reaches areas which are outside the range of a railway undertaking; its use avoids the expense and inconvenience of double handling which is so much a feature of rail transport; it is a form of transport entirely controlled by those who provide it; and it is immediately to hand and is readily adaptable to specific and often unpredictable day-to-day requirements. Because of such considerations there could be no justification for accepting restrictions of the kind recommended by C.I.E. unless it could be shown clearly that the development of private transport has endangered the whole system of public transport and that there is a likelihood that those who cannot provide their own transport will be without transport of any kind. There are no reasonable grounds for such assumptions.

366. Notwithstanding the growth of private transport, C.I.E. carries more goods by rail over longer distances than previously. Road transport has taken its due share of traffic where it offers advantages over rail transport but, as against this, rail transport has gained new traffic of a character particularly suited to it. Furthermore, the traffic gained the C.I.E. railway undertaking is largely high-grade, whereas much of the traffic lost is low-grade. The financial difficulties of C.I.E. are not, therefore, attributable to a large-scale diversion of goods traffic from rail to road resulting in a greatly reduced volume of rail traffic.

Because, however, of the development of private transport, which ended the virtual monopoly enjoyed by public transport undertakings, C.I.E. has been unable to increase its charges so as to cover expenditure.

367. C.I.E. has asked that restrictions should be placed on the transport of goods and livestock but not on private car transport although the growth in private car transport has been as rapid as that of commercial goods vehicles in recent years. Furthermore, the C.I.E. rail undertaking has increased its carryings of goods over the years, while it now carries much fewer passengers than in 1925. The loss of passenger traffic by the railway has, of course, been largely a loss to the road passenger department of C.I.E. We invited the views of C.I.E. on the apparent inconsistency in seeking restrictions on freight traffic and not on private car transport. C.I.E. put forward the view that private motoring is an amenity warranted by an increasing standard of living and that the use of a private car affords personal and social comforts not applicable to a commercial vehicle which is operated solely for the purpose of trade. We accept that personal transport is in its nature quite different from freight transport but we cannot accept that the demand for improved standards and amenities is applicable only to personal transport.

368. If the restrictions recommended were to be adopted it does not follow that C.I.E. would obtain the traffic now carried by privately owned commercial goods vehicles. Many owners of commercial goods vehicles would find it uneconomic to use them, and yet the railway undertaking would not be suitable for the transport of the whole of the traffic carried by those vehicles. It is not possible to

assess the extent of the loss and inconvenience which restrictions would cause to the business community and to their customers. Transport costs would increase if only because of the double handling, which is a feature of rail transport, and the more costly packaging which can be avoided through the use of one's own transport.

369. The C.I.E. submission as to the extent of the limited area of operation of commercial goods vehicles is indefinite in the sense that the radius of 50 miles suggested for one year would be subject to reduction in each succeeding year "until the full traffic capacity of the railways is achieved." It is, therefore, impossible to estimate with any reasonable accuracy the volume of additional traffic which the railway undertaking might obtain through the suggested restrictions on private transport. C.I.E. has attempted to estimate the volume of long-distance road traffic by means of a limited traffic census, particulars of which are outlined in Appendix 10. The census took the form of observations by C.I.E. officials of the movements of commercial goods vehicles in a single day at a limited number of points. In interpreting the significance of the figures, wide assumptions necessarily had to be made. We consider that if valid conclusions were to be drawn from a traffic census it would be necessary to conduct it at an authoritative level on scientific principles, over a wide area and extended period and with due regard to the volume, character, destination and general requirements of the traffic. This course was not open to C.I.E. and hence the census undertaken, helpful as it was intended to be, is of little value as a guide to the volume of long-distance traffic which the railway undertaking might reasonably expect to be able to

service satisfactorily. For this reason we do not consider it necessary to comment on the figures in any detail. The surprising feature of the census is the small number of commercial motor vehicles which travel long distances.

370. Because of the size of Ireland and the absence of through international traffic, the volume of long-distance traffic is necessarily limited. Accordingly, if the restrictions suggested by C.I.E. were to yield a sizeable volume of traffic they would of necessity extend to medium-distance traffic. Their ultimate effect would, therefore, be to ban private transport except for local use and for services which, in the view of C.I.E., could be performed more satisfactorily by private transport. Apart from being a source of continuous disputes, the arrangement visualised in the interests of railway operation would restrict the benefits of private transport to a narrow field and, in the circumstances of our dispersed and largely rural population, would be against the national interest.

371. The C.I.E. proposal would present serious administrative difficulties involving a severely restrictive licensing system which would be open to widespread abuses and injustices. The proposal would necessitate considerable supervision by the *Gárdaí* and after consultation with the Department of Justice we are satisfied that the proposed restrictions would be exceedingly difficult to enforce and would place an intolerable burden on the *Gárda Síochána*. For example it would be difficult to confine vehicles to their restricted areas; at present it is difficult to confine licensed hauliers to the areas specified on their licences and unlicensed hauliers to the "exempted areas" ^x which are also clearly defined. Frequent examination of

^x See footnote to paragraph 7.

vehicles would be necessary to ensure that vans, tankers, furniture skips and other vehicles with closed bodies were not carrying goods. Firms with branches and vehicles from the Six Counties would also create problems.

372. In the operation of a scheme to restrict private transport it would not be possible to avoid being unfair and illogical. The owners of commercial motor vehicles living in coastal districts would have their areas of operation halved as compared with those who live inland. Those whose vehicles were in need of replacement on the introduction of restrictions would be forced to use public transport much earlier than those whose vehicles were not due for replacement for a number of years and competitive disadvantages could therefore arise. So also, an initial arbitrary mileage limitation of 50 miles would result in privately owned lorries being unable to complete journeys such as are indicated in the following examples through having to stop short of the towns to which they were going at the distances indicated:-

Dublin to Carlow	(2 miles)
Dublin to Dundalk	(2 miles)
Dublin to Mullingar	(1 mile)
Dublin to Port Laoighise	(3 miles)

The effect would be to destroy the utility of a large part of the present fleet of privately owned commercial motor vehicles.

373. Private road transport has continuously developed despite increases in taxation. It has been represented to us by C.I.L. and others that private road transport unfairly competes with rail transport since it is subsidised in the sense that the cost of road improvements and upkeep are partly financed out of Government grants and local rates as

well as from the duties on motor vehicles. In the financial year 1955/56 expenditure on the improvement and upkeep of roads, amounting to £10.4 million, was financed as follows:-

Provided out of motor taxation through Road Fund	...	£5.52 million	
Provided by Local Funds	...	4.63	"
Provided by State Grants	...	<u>.25</u>	"
Total:	...	<u>£10.40</u>	"

Since roads are maintained for the use of the general community, it would be difficult to justify the view that road motor vehicles should bear the entire costs of the improvement and upkeep of roads, in addition to their already substantial contribution to public revenue. The owners of road motor vehicles are not concerned with the manner in which the State allocates to various purposes the taxes paid by them directly or indirectly on petrol and oil, vehicle parts, tyres, etc. These amounted to about £10 millions in the financial year 1955/56, so that, in all, the sums paid in taxes by motor vehicle owners amounted in that year to about £15 millions which is greater than the total amount expended on road improvement and maintenance. Since the 31st March, 1956 the taxation on petrol for use in motor vehicles has been increased by 5³/₄d per gallon by the Finance Act, 1956. By contrast, there is no tax on railway locomotives or rolling stock and fuel for rail transport was not subject to tax until the passing of the Finance Act, 1956, when a duty of 1d. per gallon was imposed on oil for rail traction. The view, therefore, that the tax contribution of road transport is inadequate and enables it to compete with railways on unfair terms is to overlook these considerations. The continued expansion of road transport,

despite liability to special taxation, is an indication of the value of this form of transport in providing the major part of the transport requirements of the community.

374. The restrictions of private transport envisaged by C.I.E. and the consequent reduction in the numbers of commercial motor vehicles would result in a substantial loss of public revenue and in reduced employment of those engaged in the assembly, operation and servicing of such vehicles and in ancillary manufacturing and commercial concerns.

375. Our views on the proposal of C.I.E. may be summarised as follows:-

Private road transport of goods has developed to such an extent that it is now more important than public transport of goods by rail and road as regards volume of traffic and employment. It has developed to meet needs which public transport cannot provide or has not provided. Its convenience and flexibility have benefited the entire community and in particular the rural community. We consider it would be a retrograde step to impose the limitations suggested by C.I.E. To do so would be to disrupt established channels and methods of industry and trade, to deny to the community the benefits of the maximum use of modern methods of transport, to reduce standards of service to consumers which can now be rendered economically, to cause unemployment in a branch of economic activity which provides much more employment than the railways, to impose an intolerable degree of regimentation and, generally, to embark on an experiment without any clear picture as to its ultimate results or any reasonable likelihood that, on balance, it would be of national

benefit. Indeed we regard the proposed restrictions as so unacceptable that if, as C.I.E. has represented to us and has stated in its published Report for 1955/56 they were the only alternative to the closure of the railway undertaking short of the continuance of subsidies on an ever-increasing scale, we feel we would have no choice but to recommend that the closure be regarded as inevitable.

376. Both C.I.E. and the G.N.R. Board urged in their submissions to us that State Departments and State sponsored bodies should not be permitted to maintain large transport fleets and that their transport requirements should be provided by the public transport concerns. C.I.E. further urged that Government and local authority contracts should contain a clause requiring the use of public transport. Submissions received by us from various State sponsored bodies indicate strong resistance to this view largely on the grounds that their own transport is cheaper and more convenient than public transport. We cannot accept the view that State Departments and State sponsored bodies and contractors tendering for Government and local authority contracts should not have the same freedom to choose the most convenient and economic form of transport as other undertakings.

SUBSIDIES

377. We have considered whether State subsidies should be continued as an alternative to abandoning the railways or restricting private transport. In the submissions received by us there is very little support for the continuance of subsidies particularly on the scale required to offset the

large deficits of our public transport undertakings. C.I.E. itself is opposed to subsidy for the reasons:

- (a) Payment of subsidy year after year must tend to destroy harmonious relations between the Government and the Board;
- (b) It tends to destroy public confidence in the undertaking;
- (c) It has a bad effect on the morale of the whole undertaking. It is discouraging for all grades to find that no matter what effort is made the result is loss and subsidy; and
- (d) It has the effect of creating in the minds of Trade Unions the feeling that increases in wages and improved conditions can be readily provided.

378. Though most of the submissions are to the effect that subsidies are undesirable, in a few instances there has been a qualified approval of subsidies if they are found to be necessary. This view is based principally on two considerations: (1) that it may be in the interest of the community to retain public transport services which, of necessity, must be operated at a considerable loss and (2) that, having no monopoly, transport undertakings tend to lose the more profitable traffic to private transport while at the same time remaining under obligation to carry the less profitable and the unprofitable traffic which those who use private transport do not wish to carry. These are valid considerations if borne out by facts. Undoubtedly some essential but unprofitable transport services not otherwise procurable are provided by the railways, but equally the railways enjoy a virtual monopoly of other

services which are profitable and, apart from railway activities, C.I.E. in particular has a most valuable monopoly of city omnibus services. It is true also that the competition of private transport is selective but it has yet to be demonstrated that the public transport undertakings could not meet this competition more successfully than heretofore by adopting more effective operating and commercial methods and by a more realistic interpretation of "common carrier" obligations.

379. Despite general disapproval of subsidies, in some of the submissions - oral and written - there has been a tendency to regard railway losses and Government subsidies with some equanimity, principally for the reason that they are features common to most countries. For example, in the evidence submitted to us by C.I.E. reference is made to the annual deficits of railways in Great Britain,^x Germany, Belgium, Denmark, Spain, France, Italy, Norway and Austria. So also, the Provisional United Trade Union Organisation gave two instances, e.g. those of the British^x and French railways, of the many railways which annually incur substantial deficits. These and similar references overlook that direct comparison of the financial results of railway operation in various countries is seldom, if ever, valid since circumstances which profoundly affect these results in one country differ greatly from those in other countries. Pension liabilities of railways in some countries are less than 20% of the wage bill; in other countries they are 30%, 40% and even as high as 70%. By this comparison C.I.E. liability is trifling. Social

^x While the British Transport Commission incurs an annual deficit because of interest charges, the railway department has an operating surplus.

liabilities other than pensions, also vary widely; in France they reached the high average of 28% of the railway wage bill in the years 1952-1954. Expenditure on arrears of replacements necessitated by war damage imposed a burden on the German Railways which was without parallel in most other countries; in addition the wage bill of the German Railways was excessively large through having to accept post-war over-staffing. These and similar wide differences present such difficulties in comparing the financial results of railways that action has been taken at international level to adjust railway accounts so as to render them generally comparable.

380. In response to a request by the European Conference of Ministers of Transport, the International Union of Railways carried out a study dated January, 1956, on "The Problem of the Financial Situation of the Railways". "The study finds its justification in a search for enlightenment and truth for, as will be seen, the concept of the railways' deficit which is unfortunately the source of a whole current of opinion and broadly conditions the policy of the Governments, is vitiated by fundamental errors." (Page 6). An examination was made of the operating results in 1952, 1953 and 1954 of the railway administrations of fourteen countries as follows:-

- (a) Those showing surpluses: Great Britain, Netherlands, Sweden and Switzerland.
- (b) Those showing deficits: Western Germany, Austria, Belgium, Denmark, Spain, France, Italy, Luxembourg, Norway, Portugal.

When adjustments had been made for exceptional items, principally those indicated above, the following countries, which showed deficits, then showed surpluses:

Western Germany,
Austria (in latest year),
Belgium,
France (in two out of three years), and
Luxembourg,

and the deficits of Denmark and Italy were reduced, the reduction being substantial in the case of Italy. Norway and Portugal were omitted as the progress of work on the figures did not permit of their inclusion. Spain was omitted because of special circumstances.

381. Losses cannot, therefore, be regarded as inherent in railway operation. In some countries railways operate at a profit. In others they operate at a loss because of liabilities which have no counterpart in Ireland. In Great Britain, where there is an operating surplus, there is an overall deficit because of interest and similar charges. In Ireland the railways operate at a loss and, in consequence, make no contribution to such charges.

While there is an obvious justification for State subsidies to meet operating deficits of some European railways because of exceptional liabilities, the same cannot be said of Irish railways which are not subject to similar liabilities. Still less can subsidies be justified where, judged by the standards of Western Europe, our principal railway undertaking has not been geared to present-day conditions and requirements, except perhaps in respect of the initial part of the transition period while our recommendations for the

reorganisation of the railway are in the course of implementation and then only in respect of sums which could not be obtained by rapidly effecting economies or through the immediate disposal of surplus assets.

REORGANISATION OF THE RAILWAY UNDERTAKING OF C.I.E.

382. As we are not prepared to recommend either the abandonment of railways, subsidisation or the acceptance of the proposals of C.I.E. to restrict private transport of goods and livestock, we have given consideration to the measures necessary, in the light of developments affecting public transport undertakings, to ensure the provision of the transport requirements of the community on a basis which will best serve the public interest. The most significant feature of internal transport is the deterioration in the position of public transport undertakings, mainly because of railway operating losses which undermine the entire structure of public transport. Since C.I.E. is our principal public transport undertaking, we deal specially with its position in succeeding paragraphs, in which we explain the considerations leading to the recommendations which follow, first in regard to its railway undertaking and later to its financial and general circumstances. Many of the considerations put forward by us are, however, generally applicable to our other public transport undertakings.

383. Our railways were constructed, equipped and staffed by reference to conditions which no longer exist. In order to secure as much traffic as possible, the fixed points (i.e. stations) to and from which traffic was to be conveyed were necessarily numerous. If they were few in number they would not serve intervening areas which were beyond the reach of horse transport from the nearest railhead and their operations

would be confined to the limited areas around each station which that type of transport could serve. The development of motor transport, however, has greatly extended the area which can be served from a railhead and has removed the need for locating stations as close to each other as was necessary in the days of horse transport.

384. In the construction of our railways regard was had to the size of our population in the middle of the 19th Century. Since then there have been fewer people for railways to serve since the population has fallen since 1861 by one-third and the rural population has halved. This is contrary to the experience in every other country in Western Europe. In each of those countries total population has increased, town population has increased greatly, while our town population has changed but little and rural population either increased or fell to a much smaller extent than ours.

385. Our railways have not been adjusted to these changed conditions. Some branch lines have been closed; a number of stations have been closed or reduced to halts and the number of railway staff has been reduced. Nevertheless, there is ample evidence that these and similar adjustments have not gone far enough. In the main, the structure of the railways has not altered in the same striking manner as the population has changed or as might be expected because of the rapid growth of motor transport. Hence, as shown by international comparisons already given in this Report, our railway system is under-utilised to a substantial extent as compared with railways in other European countries and, in consequence, its structure is too large for the available volume of traffic. There is visible evidence of this delayed adjustment, under-utilisation and over-elaborate

structure in the many small stations handling very little rail traffic; in the short distances between stations and halts (on average about 5 miles); in the relatively few services; in the large numbers employed in relation to the traffic handled; in the high ratio of numbers and capacity of carriages and wagons to the volume of passengers, merchandise and livestock and in the low average load per wagon.

386. There is not only a low traffic density because of our general geographic, demographic and economic circumstances, but there has emerged a new form of transport which has deprived the railways of the monopoly they enjoyed except in transport over short distances for which horse transport was adequate. Public transport undertakings have not endeavoured to offset this loss of monopolistic power by themselves engaging vigorously in road transport activities on the widest possible scale. Instead, they have shown a preference towards rail transport, which they alone can provide, and hence have not operated a public transport organisation in the fullest degree which implies carrying traffic in a manner which makes the maximum use of the special advantages of different types of transport. The operational instruction issued by C.I.E. to their traffic staff, to which we refer in Paragraph 113, is in itself evidence of a policy which is not designed to meet the wishes of the customer but rather to meet the view of C.I.E. that goods should only be carried by road if they cannot be carried by rail, thereby ignoring the special advantages and convenience of road transport. Again, the practice of C.I.E., referred to in paragraph 96, of charging higher fares for road passenger traffic than for rail passenger traffic is not designed to encourage road passenger transport and is unfair to users in areas where alternative rail transport is not available.

A typical and striking example of the latter is the area served by the Cork-Macroon omnibus service. Residents in this area travel to Cork daily for business purposes. Train services on the route have been discontinued and persons relying on public transport have no alternative to the C.I.E. omnibus service. The following are the omnibus fares covering the full journey between Cork and Macroon: Single - 4/10d; return - 9/8d; weekly - 38/9d. These single and return fares correspond with the fares payable on the Cork - Mallow omnibus route, which is approximately the same distance but passengers on the Cork - Mallow route have an alternative rail service available on which the following fares apply: Single - 4/4d; return - 5/11d; weekly - 18/10d.

387. It is because of these considerations we feel that if railways are to feature in the future pattern of transport they should be operated under realistic conditions, i.e. conditions related to the specific circumstances of our country, to the low density of traffic and to the emergence of another form of transport.

388. We consider it should be clearly recognised and accepted that C.I.E. as a public transport organisation should operate its undertaking with strict impartiality by utilising to the fullest extent possible the special advantages of each form of transport. Traffic which can be carried more economically, conveniently and quickly by one form of transport should not be carried by the other.

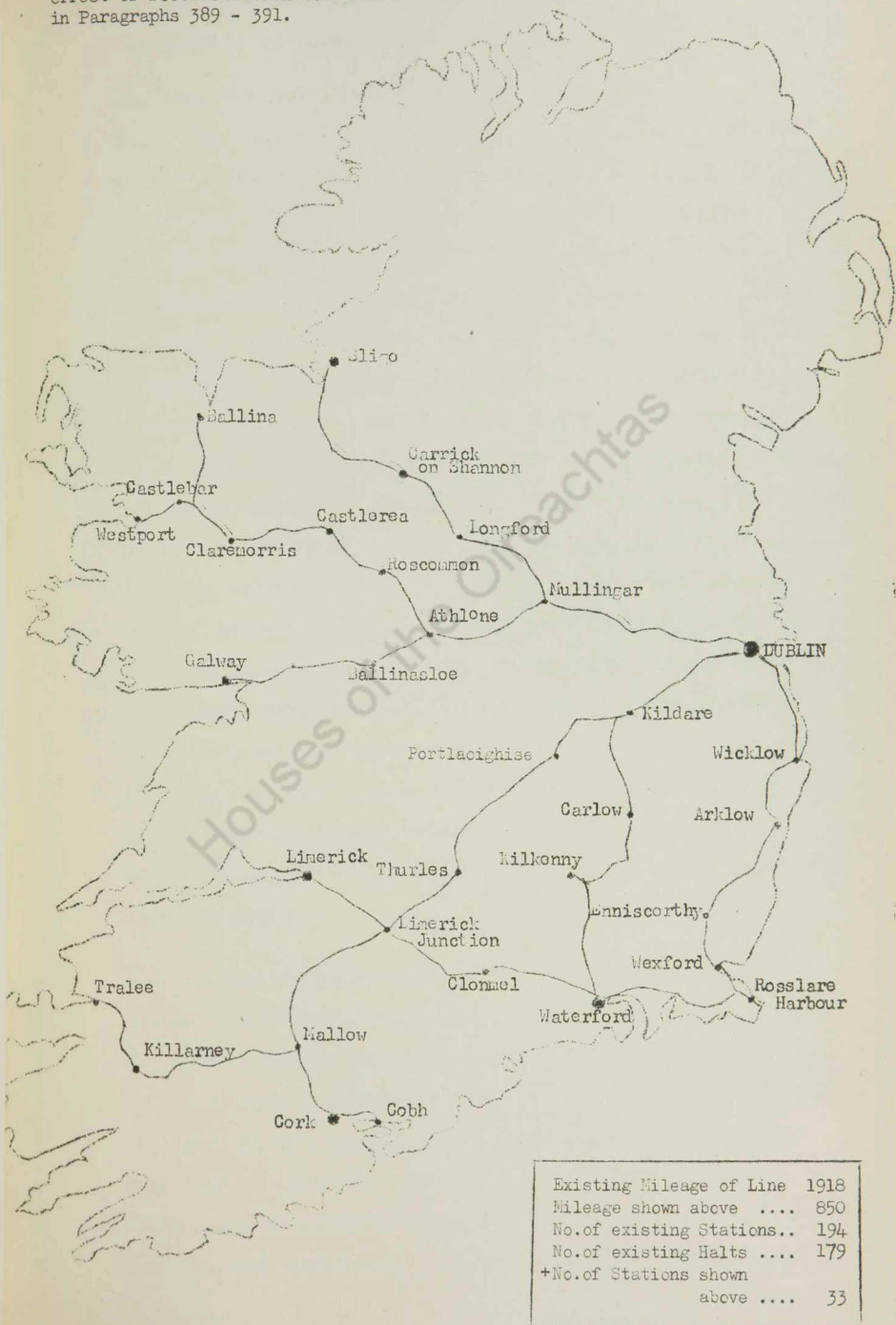
389. We are of opinion that there should be major changes in the railway undertaking of C.I.E. so that it may be operated under realistic conditions. We recommend that the length of line and the number of stations should be

reduced on the basis that as many as possible of the areas now served by C.I.E. will be within convenient reach of a railway station by short distance motor transport, either private transport (i.e. not for reward) or public transport provided by the public transport undertaking and by licensed hauliers.

390. We are unable to indicate in specific terms the altered pattern of lines and stations to which acceptance of this recommendation would give rise. We have endeavoured to obtain from C.I.E. particulars of the annual volume of traffic and gross receipts applicable to all or any of the main lines or all the branch lines but have been informed that this information is not available and would take many months to prepare. It has not been possible, therefore, for us to relate our recommendations to those sections of line over which the volume of traffic is heaviest and of a magnitude which offers operating prospects more favourable than on the remaining part of the railway system. It is a reasonable assumption, however, that the main lines offer the best operating prospects though the degree of difference between the various main lines cannot at present be stated. On this basis a general indication of the pattern we visualise may be seen from the map on page 306.

391. Generally, we recommend that the lines from Dublin to Wexford (Rosslare Harbour), Waterford, Cork (Cobh), Tralee, Limerick, Galway, Westport, Ballina and Sligo and from Limerick Junction to Rosslare Harbour should be retained. At present Limerick can be reached by rail from Dublin via Nenagh or via Limerick Junction, and Waterford can be reached from Dublin via Carlow or via Portlaoighise; we have provided

MAP to illustrate the general effect of recommendation set out in Paragraphs 389 - 391.



+ Not including 16 stations and 7 halts on the Dublin and Cork suburban lines.

for the retention of one line in each case. We have shown the effects of these recommendations on the Map (Page 306).

The Map does not include the line connecting Limerick with Sligo via Tuam and Claremorris, but we consider that the position of this line should be examined specially in the light of its present and potential volume of traffic. It may well be that in the practical application of our recommendations a somewhat different pattern might emerge e.g. if a system of "loop" lines were regarded as more desirable or if special consideration had to be given to seaside resorts. The stations at the larger towns on these main lines should be retained but intermediate stations should be reduced to the status of halts or should be closed where circumstances permit. As an illustration, the only stations which, we visualise, would remain open between Dublin and Cork would be Kildare, Portlaoighise, Thurles, Limerick Junction and Mallow. Generally, there would be on average about 25 miles between stations and few areas would be more than 20 miles from the nearest railway station. The total length of line would be reduced to less than half of the present mileage, while the numbers of stations, excluding halts, would be reduced to about one-fourth of the existing number.

392. The reorganisation of the railway system in the manner we recommend would adapt it much more closely than at present to the size and distribution of our population, to the volume of available traffic and to railway standards in other countries, and would co-ordinate it with road transport so that rail and road transport would each contribute to national transport according to their special and distinct aptitudes. Traffic would be concentrated at

fewer points; station staffs would be more fully employed; wagon-loading would improve and fewer wagons would be required; greater use could be made of containers and mechanical aids to handling so as to reduce the cost of double handling which is a formidable handicap in railway operation; there would be less permanent way and rolling stock to maintain, as well as fewer buildings; and there would be greater specialisation through closer co-ordination between two types of transport - one primarily suited for fast transport of passengers and for goods and livestock over long distances, while the other is primarily suited to meet requirements which cannot be met as conveniently, if at all, by a railway system necessarily serving only fixed points. There would thus be considerable scope for adjustments to avoid the present low utilisation of staff, of railway line, of locomotives and rolling stock and of the railway system as a whole. Substantial economies in maintenance, in operating costs and in the staffing of the various departments of the railway undertaking should result and an opportunity would be provided to demonstrate how far the railway system can hold its place in an efficiently-operated national transport system without incurring serious financial losses and thereby weakening the whole structure of public transport.

393. For passenger traffic it would be essential to co-ordinate road and rail services as closely as possible. Ideally, road services should radiate from the railway stations which would be retained and their time-tables should be co-ordinated with railway time-tables. The volume of traffic would not be sufficient, however, to warrant local road passenger services at all stations and

it would not always be feasible for C.I.E. to provide local services without incurring heavy capital expenditure on new vehicles. To overcome these difficulties private operators should be encouraged and freely licensed to provide local services connecting intervening areas with railheads. In areas where rail services would be discontinued substitute road passenger services would be required. Where such services could be more economically provided by locally based private operators they should be licensed to provide them. Where additional vehicles would be required by C.I.E. to provide new road services their acquisition should be financed by way of hire-purchase or other short-term arrangement rather than by an increase in permanent capital. In such areas and at railheads if the volume of traffic would not justify the use of a standard bus a smaller bus or vehicle operated by one man (driver/conductor) should be used.

394. As regards the transport of goods and livestock by road for reward, we have given serious consideration to the following:-

- (i) Whether C.I.E. should cease to provide road freight transport.
- (ii) Whether a new State-sponsored organisation should be established to provide road freight transport.
- (iii) Whether road freight transport for reward should be wholly decontrolled or freed partly from the restrictions imposed by the Road Transport Acts.
- (iv) Whether a system of authorised carriers be introduced under which C.I.E. would appoint one or more authorised carriers in the area served by each railway station for the collection and delivery of goods and livestock from and to a railhead.

395. As mentioned elsewhere in this Report, C.I.E. has subordinated road freight transport to rail transport. Because of the policy of diverting maximum traffic to the railway there has been no striking progress in the road freight department of C.I.E. To an extent, therefore, the community has been deprived of the benefits to be obtained from a vigorous development of public road freight transport and it is probable that in the absence of such development the growth of private transport has been more rapid than it would otherwise have been. A case might, therefore, be made for discontinuing the road freight operations of C.I.E. and entrusting them to a new and entirely separate State-sponsored body with responsibility for developing public road freight transport to the fullest extent consistent with economic operation. We consider that if, as recommended by us in Paragraph 388 the present policy of C.I.E. in regard to road freight transport is altered so that the rail and road departments are operated with strict impartiality there would be no need for a further addition to the number of public transport undertakings already existing. If road freight transport became the responsibility of a separate organisation, we fear that in the competitive struggle between two separate public transport organisations the opportunity would be lost for the fullest co-ordination between road and rail transport. We are of opinion, therefore, that, at least for the limited period of years which provides an opportunity of showing the extent to which a reorganised railway system should feature in national transport, road freight transport should continue to be provided by C.I.E.

396. In reaching this decision we considered the case for the decontrol of road freight transport from the restrictions imposed by the Road Transport Acts. The operation of public road freight services by private enterprise would, in the course of time, be likely to provide cheaper and more efficient transport for the majority of users than could be provided by a unified public transport organisation obliged to provide reasonable transport facilities for all traffic offering. Private operators would, however, have little interest in uneconomic traffic and in practice could not be compelled to carry such traffic. Hence, if a public transport system was provided by private operators, working independently and in competition with each other, many users in remote areas and those with small or awkward lots of traffic might be without access to any form of public transport. At the outset decontrol would give rise to chaotic conditions, to a speculative scramble, to over-investment in transport vehicles and to duplication of services. Initially public transport would be provided by a host of individuals with no obligations to the public and there would be a tendency towards reduced standards of service and employment which a competitive struggle in its extreme form often produces. In due time an orderly pattern of transport would emerge, though it is unlikely even then that proper provision would be made for all reasonable public transport requirements unless on the basis of a licensing system which imposed on the holders of licences the obligations of common carriers. We see no reason at present for an experiment fraught with so many difficulties. In addition, we are satisfied that the reckless competition which would arise in the years immediately following decontrol of road freight transport would make it impossible for the reorganised railway system

we have recommended to function with any likelihood of success. We understand it has been decided to decontrol road transport in the Six Counties. While conditions there are dissimilar from ours in many respects, the developments following decontrol should be watched carefully so as to see how far private enterprise can provide adequately for public transport requirements.

397. We have also examined the suggestion that there should be partial decontrol of road freight transport so that there would be no restriction on the carriage of goods and livestock for reward from and to the nearest railhead. Despite its attractions, the suggestion, if adopted, would create difficulties through providing scope for illegal haulage. Lorry owners would be tempted not only to by-pass the railway and deliver loads to their final destinations but also to undertake public transport other than to and from a railhead. To prevent such practices would add immeasurably to the existing difficulties of securing compliance with the Road Transport Acts and we are, therefore, unable to recommend acceptance of the suggestion of partial decontrol.

398. As a modification of the suggestion we have considered the advisability of adopting a system in operation elsewhere whereby one or more authorised carriers would be appointed by C.I.E. in each area served by a railway station. Each authorised carrier would provide his own vehicles and would operate in a clearly defined area capable of being served conveniently by road motor vehicles from the nearest railhead. Within his area he would solicit as much traffic as possible and would quote such rates as he wished, subject to keeping within a schedule of maximum rates and to

including in his quotations the appropriate rail rate for the traffic to be conveyed. He would also deliver goods from the railhead at rates agreed with C.I.E. Such a system would enable C.I.E. to be represented actively in each area by a carrier whose interest it would be to obtain as much traffic as possible for the railway. The fact that he would be a local man, depending for his livelihood on local traffic rather than on a large public undertaking, should create goodwill and support. It is probable that the effective area now served by the railway undertaking of C.I.E. would be enlarged through the intensive operations of authorised carriers. In addition, C.I.E. should benefit from frequent consultations with carriers on such matters as facilities to be offered to customers and the level of charges likely to secure the maximum volume of traffic which could be handled economically.

399. On the other hand, in many areas the traffic available may not be sufficient in volume or character to provide a basis for an authorised carrier to earn a reasonable income. Provision could, of course, be made to permit him to engage in general transport for reward in his area, but in these circumstances he would become a competitor of existing licensed hauliers and would tend to give precedence to his work as general carrier. A further consideration is that a system based on authorised carriers would sever direct contact between C.I.E. and customers. It is most important that C.I.E. should seek traffic much more actively than at present and it is, therefore, essential that their direct contacts with the public should be developed rather than reduced. On balance, therefore, there is so much uncertainty as to the outcome of introducing a system of

authorised carriers and so many difficulties may arise in connection with it that we are unwilling to recommend it for general application. When convenient, however, C.I.E. should hire licensed hauliers, where available, or "plate" local lorry owners for railhead collection and delivery work particularly in areas which cannot be served by existing C.I.E. road transport depots.

400. While suggesting that C.I.E. should continue to provide road freight transport, we consider it essential that there should be an entirely new approach to the method of operation of the road freight department so as to ensure that the services of that department and those of the proposed reorganised rail system be fully co-ordinated in providing for reasonable public transport requirements. In addition, licensed hauliers should be engaged and private lorry owners "plated" freely to supplement the C.I.E. fleet, where such a course is more economic than the provision of new vehicles by C.I.E. for direct road transport and for the provision of road services in areas in which train services have been discontinued as well as for the transport of goods and live-stock to and from railheads. Where it is necessary for C.I.E. to augment its road fleet by acquiring new vehicles, we consider that, as in the case of road passenger vehicles, resort should be had to hire-purchase or other similar methods of finance specially suited to assets subject to frequent renewal rather than by way of an increase in the permanent capital of C.I.E. On the general basis outlined we consider that, through co-ordination with licensed hauliers and private lorry owners, the road freight department of C.I.E. - possibly with a somewhat augmented fleet - should be in a position to provide a reasonably adequate and versatile

system of road transport closely co-ordinated with main line train services and capable of providing complementary direct road services for traffics more suited to that form of transport.

401. Under the Transport Act, 1950, C.I.E. is precluded from discontinuing train services on any branch or other line save under and in accordance with an exemption order made by the Transport Tribunal. Particulars of each application for an exemption order must be published and where objections are received the Tribunal is required to hear the objectors and C.I.E. before reaching its decision. The procedure stipulated by the Act is slow, cumbersome and, in some respects, indefinite; it usually involves the holding of a public inquiry. We are of opinion that no useful purpose would be served and that much time would be lost in applying this procedure to the closure of lines as recommended by us in paragraph 399 with a view to the reorganisation of the railway undertaking of C.I.E. We recommend, therefore, that the existing statutory provisions should be suitably amended to enable C.I.E. to proceed with the closures envisaged without having to obtain exemption orders. We feel it would be premature to consider at present the procedure which should apply should further closures of lines be necessary later.

IMPROVEMENT IN COMMERCIAL ADAPTABILITY

402. Since the purpose of our recommendations is to afford C.I.E. an opportunity of operating the railway undertaking on a basis related to present-day circumstances, we have given consideration to the disabilities imposed on the undertaking because of common carrier and other

obligations which have their origin in conditions which do not now exist. C.I.E. must accept all traffic offered and must do so at rates not exceeding its published rates. Under Section 90 of the Railway Clauses Act, 1845, C.I.E. and other railway undertakings are forbidden to prejudice or favour particular parties and are required to charge all persons equally for the carriage of either passengers or goods of the same description over the same distance and under the same circumstances. Section 2 of the Railway and Canal Traffic Act, 1854, provides that no railway company may give undue or unreasonable preference or advantage to any particular person or company or to any particular description of traffic nor may it subject any particular person or company or description of traffic to any undue or unreasonable prejudice. These obligations were necessary when railways were carried on by private enterprise and when control of a railway, at a time when there was no alternative to rail transport, could be used in a manner detrimental to the national interest or unfair to particular areas, industries, trades or individuals. Our main railways have now been brought under State control and it is a primary duty of those who operate them to do so in the national interest and to avoid unfair discrimination. Hence, the need is not apparent for restrictions on the freedom of C.I.E. to operate as far as possible on commercial lines - a freedom which is all the more important since C.I.E. and the other railway undertakings must meet the challenge of an alternative form of transport not subject to such restrictions. We recommend, therefore, that, as in the case of other State-sponsored concerns, C.I.E. should have full freedom to carry on business on lines as close as possible to normal commercial lines with due regard to the general responsibilities of a national transport undertaking towards the community as a whole.

403. Accordingly, we recommend that beyond a general obligation to provide for the reasonable public transport requirements of the community in a fair and satisfactory manner and to fix maximum rates and fares, C.I.E. should be free from the special restrictions to which it is now subject. C.I.E. should not be expected to meet unreasonable demands for transport facilities which could be provided only at a loss; neither should C.I.E. be unable, because of fear of a charge of undue preference, to quote such rates and fares as it considers appropriate to any traffic offered so long as they do not exceed the maximum published rates at which it undertakes to handle traffic. In regard to other restrictions, we see no reason for regulations other than those of general application to all industries; any concern of the status of C.I.E. would obviously have regard in such matters to the public interest.

404. At present C.I.E. fixes rates by reference to a classification which, though modified in recent years, is in essence a carry-over from a 19th century classification and is not scientifically related either to the value of the goods or to the cost of transporting them. While C.I.E. is empowered to negotiate agreed rates with customers, it does so only to a limited extent due, it seems, to the fears that it might be open to charges of undue preference and that any concession in rates given to secure new traffic would have to be extended to existing customers and that the loss in revenue thus incurred might not be offset by the increased traffic gained. Adherence to fixed published rates is an impediment in seeking increased traffic. C.I.E., because of this inflexibility, can offer no special inducement to customers and cannot put before them any particulars

regarding rates of which they are not already aware from the published rates, with the result that there is little scope for personal contact with existing or potential customers or for an effective sales policy. To free C.I.E. of obligations in the matter of rates and to rely on it to deal fairly with customers would remove the danger of legal actions on the ground of undue preference, which now gives rise to the exercise of a retarding degree of caution, and would enable C.I.E. to seek additional traffic on flexible commercial lines.

405. We realise that the freeing of C.I.E. from the obligations to which we have referred may be open to criticism on the grounds that the public may have inadequate safeguards against the abuse of this freedom - however remote this possibility may be. Elsewhere, we recommend the establishment of a Transport Council with advisory and consultative functions and we consider that the existence of such a body should provide adequate protection for the public interest.

RECONSTRUCTION OF C.I.E. BALANCE SHEET.

406. In dealing with the circumstances which account for the present unfavourable position of public transport organisations we have referred at paragraphs 348 and 349 to the over-capitalisation of C.I.E. and to the financial burdens which over-capitalisation entails. When the undertaking was reconstructed at 1st June, 1950, the necessity for a radical reconstruction of its capital was apparent. Heavy losses had been incurred for some years previously in railway operation; locomotives, carriages and wagons were over-age and in a poor state of repair, and adequate renewals had not been carried out for many years. Indeed, owing to the worn-out condition of the railway assets and the very doubtful commercial future of the railway undertaking it is difficult to see that, apart from the Road Transport and Hotels Departments, the fixed assets had any real take-over value. In addition the newly-acquired Grand Canal Company was unable to remunerate its share capital. Nevertheless, due to the conversion of Common Stock into 3% Transport Stock the commitments to stockholders in respect of annual interest on their holdings were actually increased. Substantial fresh issues of capital have since been necessary to re-equip the railway undertaking, while at the same time operating losses have had to include depreciation charges necessary to write off the book values of the rolling stock taken over at 1st June, 1950. The permanent way is stated by C.I.E. to have been in good condition when taken over but viewed against the background of heavy railway operating losses it could have had little, if any, value as a profit-earning asset.

407. Interest due annually to the stockholders, and guaranteed by the Minister for Finance, has been met out of advances by the Government specifically made for the purpose. These advances are repayable to the Central Fund and as C.I.E. has been unable to refund any advances the liability under this head has accumulated to the extent of £3.3 millions at 31st March, 1956. Interest is charged on the Government advances involving C.I.E. in an annual payment which has increased each year to the present level of approximately £140,000 per year.

408. We consider that the position should now be adjusted with the object of relieving the undertaking of the burden of interest charges on capital not represented by realistic asset values. The Balance Sheet at 31st March, 1956, should be adjusted:

- (a) to eliminate the over-capitalisation present at 1st June, 1950, by writing down to nominal values or to values representing expenditure since 1st June, 1950, the Railway Lines and Works, the Railway Rolling Stock, and such items as the Canal, Canal Barges and Equipment, Docks, Harbours and Wharves, Fishguard and Rosslare Railways and Harbours Co. and Barrow Navigation; and
- (b) to eliminate losses accumulated up to 31st March, 1956.

With this in view, the balance in respect of railway lines and works taken over at 1st June, 1950, should be eliminated as follows:

Railway Lines and Works		
(Balance at 31st March, 1956)		£6,735,097
Less Balance at 1st June, 1950	£6,374,026	
Deduct Depreciation written off (1st June, 1950, to 31st March, 1956)		
	£2,896,700	£3,477,326
Balance retained		<u>£3,257,771</u>

so that the balance retained would represent the expenditure on renewal of the lines and works, principally on the main lines, since 1st June, 1950. Similarly the rolling stock taken over at 1st June, 1950 should be eliminated from the Balance Sheet as follows:

Railway Rolling Stock at 31st March, 1956		£9,046,342
Less Balance at 1st June, 1950	£2,490,646	
Deduct Depreciation written off (1st June, 1950 to 31st March, 1956)	£1,785,400	705,246
Balance retained		<u>£8,341,096</u>

the balance retained representing expenditure less the appropriate depreciation on new rolling stock acquired since 1st June, 1950. The other over-valued items taken over at 1st June, 1950, such as Canal, Barrow Navigation, Fishguard and Rosslare Railways and Harbours Co. and Docks, Harbours and Wharves should be eliminated on the same basis from the 1955/56 Balance Sheet, together with the accumulated losses up to 31st March, 1956, and the intangible item "Issue expenses and Discounts - Transport Stocks".

409. The amounts to be written off would be approximately as follows:-

	<u>Amount of Writing Off</u>
Railway Lines and Works	£3,477,326
Railway Rolling Stock	705,246
Canal	669,360
Canal Barges, etc.	21,275
Docks, Harbours & Wharves	177,267
Fishguard & Rosslare Railways and Harbours Co.	571,072
Barrow Navigation	29,801
Issue Expenses and Discounts - Transport Stocks	231,581
Profit and Loss Appropriation Account	<u>£5,719,833</u>
	<u>£11,602,761</u>

410. The entire issued capital of C.I.E. i.e. £23,403,543 (of which £7,000,000 was issued since 1950), is in Transport Stocks, annual interest on which is guaranteed by the Minister for Finance. We recommend that C.I.E. should cease to be chargeable in respect of interest on Transport Stocks to the extent of £11,602,761, being the amount of such Transport Stocks as is sufficient to write down the values of assets taken over at 1st June, 1950, to nominal values or to such values as represent expenditure incurred since 1st June, 1950, and to eliminate other intangible items in the Balance Sheet at 31st March, 1956, as described at paragraph 408 above, and that such interest should be borne by the Minister for Finance in a manner which would not result in a liability in the Balance Sheet of C.I.E. In making this recommendation it is envisaged that the relief from interest charges would be applied in respect of the earlier issues, i.e. the 3% Transport Stock 1955/60 (£9,889,083) and part of the 2½% Transport Stock 1965/75 (£3,000,000) and that C.I.E.'s annual burden in respect of interest would be reduced by approximately £340,000. Annual depreciation provisions would also be reduced; in particular, as a result of the recommended writing off of £705,246, i.e. the balance remaining in the Balance Sheet in respect of rolling stock taken over at 1st June, 1950, C.I.E. would be relieved of a charge of £350,000 in each of the two years ending 31st March, 1957 and 1958, in respect of depreciation provisions, this being the annual provision to write off the balance remaining.

411. We consider that the writing down of assets as recommended by us above is fittingly applied to a reduction of capital in the form of Transport Stocks rather than to a

reduction in the amount shown in respect of Government grant for capital expenditure included in the Capital Reserve on the Balance Sheet or in relation to the liability to the Central Fund in respect of Advances to repay interest on Transport Stocks. Had the reconstruction of the Balance Sheet been undertaken at 1st June, 1950, the Transport Stocks would then have been reduced by the amount of the writing down of assets now recommended. In regard to the elimination of accumulated losses (£5,719,833) shown in the Balance Sheet at 31st March, 1956, £1,565,913 had accumulated at 1st June, 1950, and a further £1,134,302 is attributable to the deficits (before charging interest) in 1954/55 and 1955/56 in respect of which no subsidies were given to C.I.E. Included also in the figure of £5,719,833 are depreciation provisions which would not have arisen if the assets had been written down at 1st June, 1950, and interest on Transport Stocks which also would not have been incurred by C.I.E. if the Transport Stocks had been reduced at 1st June, 1950.

412. Because of operating losses C.I.E. has been unable to meet the annual commitment to the stockholders and the interest has been paid out of Government advances for this purpose. These advances are repayable to the Central Fund and are themselves subject to interest to the extent that such repayment is outstanding. As C.I.E. has been unable to repay any of the advances provided by the Government to meet the stockholders' interest, C.I.E.'s liability to the Central Fund has been increased each year by additional advances and, consequently, the annual burden of interest due to the Central Fund has increased to the substantial figure of approximately £140,000 per annum. The likelihood that C.I.E. will be in a position to repay the liability to the Central Fund in respect

of these advances is remote and the interest on the accumulated liability is now a considerable annual burden which serves only to increase the accumulated deficits of the undertaking. It is recommended, therefore, that C.I.E. should cease to be chargeable in respect of interest on the advances made up to 31st March, 1956, to meet interest on the Transport Stocks. It is envisaged that the effect of this recommendation would be to reduce annual deficits by about £140,000 bringing the total saving in annual interest and depreciation charges to about £830,000 as follows:-

	£
Reduction in interest on Transport Stocks	340,000
" in interest on liability to the Central Fund	140,000
" in depreciation charges	<u>350,000</u>
	<u>830,000</u>

413. Savings of £830,000 per year would substantially reduce the overall deficits of C.I.E. which in the year ended 31st March, 1956, amounted to £1,625,542. The deficit on railway operations which in the year ended 31st March, 1956, amounted to £1,223,222, would, however, be reduced by these financial reliefs only to the extent of the reduction of £350,000 in depreciation charges, so that substantial further savings would remain to be sought through physical adjustments of the railway system.

414. The effect of the foregoing recommendations to write down the values of the assets of C.I.E. is indicated in the following pro-forma Balance Sheet:

PRO-FORMA BALANCE SHEET AS AT 31st MARCH, 1956.

CAPITAL AND LIABILITIES

ASSETS

Capital Issues:

	£
3% Transport Stock 1955/60	9,889,083
2½% Transport Stock 1965/75	3,000,000
3% Transport Stock 1975/85	3,514,460
5% Transport Stock 1972/77	2,500,000
4¼% Transport Stock 1972/77	4,500,000
	23,403,543

<u>Less</u> Amount of Transport Stocks in respect of which C.I.E. is not chargeable for interest payable to the stockholders	11,602,761
	11,800,782

Capital Reserve:

Being advance in respect of Capital Expenditure 30th November, 1949, now non-repayable by virtue of Section 5, Transport Act, 1955, and Balance on Renewal Fund	3,263,212
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Current Liabilities:

Amount due to Bankers (Secured by Investments)	124,025
Sundry Creditors	1,392,013
Advances under Section 18, Transport Act, 1944, and Section 30, Transport Act, 1950, with interest thereon	3,263,256
Expenses Accrued	956,134
Taxation	158,676
	5,894,104

<u>Sinking Fund for Redemption of Transport Stocks:</u>	144,847
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21,102,945

Fixed Assets:

	£
Railway Lines and Works	3,257,771
Railway Rolling Stock	8,341,096
Road Passenger Vehicles	1,974,124
Road Freight Vehicles and Equipment	581,533
Vessels	20,864
Canal	-
Land and Buildings	1,825,841
Plant and Machinery	538,535
Docks, Harbours and Wharves	46,058
Hotels, including Catering Equipment	445,541
	17,031,363

Current Assets:

Stock of Stores	2,101,292
Payments in advance	226,813
Sundry Debtors	1,137,842
Cash at Bank and in hand	2,707
Investments at Cost (less reserve)	458,081
	3,926,735

Fishguard and Rosslare Railways and Harbours Company	-
Barrow Navigation	-
Investment on Sinking Fund Account	144,847
Issue of Transport Stocks - Discount and Expenses	-
Profit and Loss Appropriation Account	-

21,102,945

STAFF REDUNDANCY

415. Our major recommendations regarding C.I.E. are designed to relieve it of obligations which impede it in operating on commercial lines, to adjust its capital realistically and to re-shape the railway undertaking so as to adapt it to the changed conditions of to-day.

416. While greater freedom to operate on commercial lines should give rise to increased railway traffic, if availed of to pursue a vigorous policy towards this end, it would be unreasonable to expect that it would bridge the present wide gap between railway receipts and expenditure which is the core of the difficulties of C.I.E. It is a relevant consideration that it is only by reducing rates and charges that C.I.E. can hope to obtain additional traffic; in consequence, net revenue can increase only when the extra net receipts from new traffic exceed the loss of net receipts because of reduced rates and charges on existing traffic.

417. So also, to lighten the financial burdens of C.I.E. as recommended by us in Paragraphs 408-412 would relieve the undertaking appreciably, but the amounts involved, though substantial, would fall far short of making good the present heavy annual deficit of C.I.E.

418. It follows that of paramount importance is the need for effecting very large reductions in the railway expenditure of C.I.E. The persistent operating losses of the railway undertaking are so large that, as indicated in Paragraph 363, there is no reasonable prospect of offsetting them by way of increased traffic. That it is not a reasonable expectation that they can be offset by increased charges on existing traffic is evident from the fact that when C.I.E. endeavoured to recover by increased charges the additional expenditure brought about mainly by wage increases in 1955/56, it was threatened by a serious loss of traffic. In consequence, and since increases in expenditure have far outstripped increases in receipts, it is to reduced railway expenditure that C.I.E. must look for any

substantial improvement in its present position. This is all the more so because expenditure is at its present excessive level on account of the railway undertaking being too elaborate in relation to our general circumstances, to the available volume of traffic and to the reasonable transport requirements of the community.

419. Unless expenditure is greatly reduced, losses will continue on an upward scale thereby imperilling the entire structure of C.I.E. and the employment given to its workers who at present number 20,000, and the maintenance of existing conditions and wage standards. In addition, the taxpayer will continue to carry the burden of heavy subsidies which is excessive because of the circumstances in which it arises.

420. We have rejected, for what we believe are cogent reasons, the alternative proposals of C.I.E. that drastic restrictions should be imposed on private transport. The numbers employed in private transport have been estimated (Paragraph 311) at approximately 35,000. While it is not possible to indicate how many of these workers would lose their employment if the proposals of C.I.E. were accepted, we are satisfied that, since private transport employs two and a half times as many workers as are employed in rail transport, the loss of employment would be considerably greater than that which is likely to arise from the reorganisation of the railway undertaking as recommended by us.

421. We see no reasonable or justifiable alternative to our recommendations though we regret they lead inevitably to a reduction in the volume of employment given by the railway undertaking of C.I.E. since reorganisation will bring about

substantial reductions in expenditure of which wages represent the greater part. Redundancy exists, however, in that undertaking when compared with railways in other European countries (see Paragraph 335) irrespective of our recommendations and employment of railway staffs has been maintained by artificial aids. Quite apart from interest on capital and similar charges, the railway undertaking has not been able to meet that part of its expenditure not covered by receipts except by first absorbing the whole of the profits of the other departments of C.I.E. and then availing itself of heavy State subsidies and lately by resorting to the expedient of borrowing to meet losses. No staff could reasonably expect such conditions to continue. The knowledge that for eleven years the department in which they are employed cannot of itself meet operating expenses and is so great a drain on the rest of the undertaking that the survival of C.I.E. as a whole is threatened cannot be conducive to staff morale. It is not as if railway losses are unavoidable or have been at levels which represent a reasonable price for the community to pay for services not otherwise procurable. They arise from the fact that the railway structure has not been adjusted to suit altered circumstances and hence are not unavoidable. The levels at which they have been for many years are not reasonable; they have brought about a position of grave financial instability in C.I.E. and of insecurity for all its workers and have imposed excessive burdens on the tax-paying community.

422. While the extent of the present staff redundancy in the railway undertaking of C.I.E. might be judged to some extent by comparison with railway employment in other countries as related to mileage, volume and density of

traffic and similar factors, the only accurate basis of determination is by reference to the employment provided under the conditions indicated in our recommendations. This, however, cannot be estimated at present, particularly as the volume of employment will be influenced greatly by the degree of success in obtaining additional traffic under new conditions. Apart from offsetting redundancy by additional employment resulting from greater activity in the smaller number of stations, staff may be employed as authorised carriers or may be absorbed by other departments of C.I.E. as suitable vacancies arise. It is clear, however, that there would be a substantial number of workers whose employment with or in relation to C.I.E. would cease; whether or not the reduction in numbers employed would be as great as the reduction of 3,569 between 1926 and 1938 is a matter on which any comment would be mere speculation.

423. We have given earnest consideration to the position of workers whose employment would cease because of railway reorganisation. We are conscious of the long and faithful service the railway staff as a whole has given to the public and of the fact that, in general, the knowledge and experience acquired by certain grades of railwaymen in their work, being related to railway operation, do not of themselves specially qualify railwaymen for employment elsewhere. We realise and regret the serious consequences of disemployment of staff in these circumstances, but we see no acceptable alternative and indeed if steps are not taken on the lines we recommend we consider that the future holds more serious prospects of greater disemployment of rail staff in the event of the collapse of the railway undertaking which must be regarded as imminent.

424. We consider that, while the final decision as to the particular workers to be released would be a matter for C.I.E. after consultation with the trade unions concerned, a suitable balance should be preserved between younger and older men in determining the staff necessary for the efficient operation of the undertaking. We also consider that a committee should be established by C.I.E. whose function would be the resettlement of displaced staff. This committee, which should have the services of an energetic public relations officer, should enter into negotiations with Government departments, State sponsored bodies, public bodies, local authorities and private employers so as to secure the re-employment of the maximum number of the displaced staff.

425. Existing transport legislation contains provisions for the compensation of railway workers rendered redundant by the termination of services. When these compensation provisions (which are summarised in Appendix 4) were formulated, widespread closures of the order now recommended were not foreseen. It would require interpretation of the existing legislation to determine what workers would be entitled to compensation if our recommendations were implemented. Irrespective, however, of the scope of existing legislation, we consider that the existing compensation provisions should be applied to all railway staff losing their employment as a direct or indirect consequence of acceptance of our recommendations for the closing of lines and stations. We have specially considered the position of tradesmen at the Inchicore and other workshops who would be in a position to obtain alternative employment in their respective trades more readily than other grades of railway staff.

However, in view of the hardships which would be occasioned by widespread closures, we recommend that the existing compensation provisions should be applied to all railway staff suffering a loss of employment, including shop, clerical and headquarter staffs. Similarly, we recommend that the existing compensation provisions should be applied to staff suffering loss of employment as a result of curtailment of capital works arising from acceptance of our recommendation in Paragraph 443 or as a result of the withdrawal by C.I.E. of its barges from the Grand Canal dealt with in Paragraph 450. Redundant workers who find alternative employment with C.I.E. would not, of course, be entitled to compensation unless their conditions were worsened. The usual arrangements governing the total amount of wages and compensation should apply to workers finding alternative employment with Government departments, State sponsored bodies or local authorities.

426. We assume that, in the release of staff, a suitable balance would be preserved between younger and older men, but despite the consequent effect on compensation payments, we consider that compensation of the magnitude involved in the railway reorganisation would be an unreasonable burden on C.I.E. and an insupportable charge on the reorganised railway undertaking. Since the staff redundancy is attributable partly to railway facilities being in excess of requirements and since the growth of road transport prevents an increase in rail charges so as to cover operating expenses we consider that the cost of compensation should be borne by transport as a whole. We recommend that the compensation payable to railway employees and other employees of C.I.E. should be

provided by means of a special annual levy on road motor vehicles in the form of a percentage addition to the existing motor vehicle duties. C.I.E. in paying this levy on its road passenger and road freight fleets would make a substantial contribution towards the cost of compensation. We have considered the extent (if any) to which C.I.E. should be required to make an additional contribution, which would be a charge on rail transport, but because of the present serious financial difficulties of the railway undertaking we recommend that at least for a period of three years C.I.E. should not be called upon to contribute towards the cost of compensation other than by way of the levy on road motor vehicles, which it would bear in common with other motor vehicle owners. After three years the incidence of cost of compensation should be reviewed by the Transport Council in the light of the circumstances of the reorganised railway system.

427. While the amount required to meet the compensation payments arising out of the reorganisation of the railway undertaking as recommended by us cannot be estimated, some broad indication of the resultant probable increase in motor vehicle duties may be provided by estimates submitted, at our request, by C.I.E. on a number of assumptions selected at random for this purpose only. The total motor vehicle duties collected in the year ended 31st March, 1956, amounted to £5 million. A levy equivalent to 5% on the existing motor vehicle duties would, therefore, provide £250,000; a levy equivalent to 10% would provide £500,000. The estimates which in the early stages of our inquiry we asked C.I.E. to furnish show the annual cost of staff compensation on the basis of a redundancy in rail staff and workshop staff of (a) 100%, (b) 40% and (c) 20%. In each case the

estimates are based on prior displacement of (i) older staff and (ii) younger staff. The cost of compensation on these various assumptions may be summarised as follows:-

	100% Redundancy	40% Redundancy			20% Redundancy		
	1.	2. Older Staff	3. Younger Staff	4. Av. of Cols. 2 & 3	5. Older Staff	6. Younger Staff	7. Av. of Cols. 5 & 6
	£ thousand						
1st year	1,759	716	348	532	155	110	132
2nd year	1,709	678	230	454	116	27	72
20th year	1,063	15	222	118	15	20	17

Note: The estimates in each column include compensation for the temporary staff, all of whom would be released irrespective of the pattern of redundancy. The number of temporary staff is approximately 1,900, of which one-fifth would qualify for compensation.

It will be observed that, on the assumption that equal numbers of older and younger men would be displaced and that redundancy would be as high as 40% of the entire rail staff, the cost of compensation on average over the first two years would represent about 10% of the existing motor vehicle duties, while a redundancy of 20% would represent 2% of the existing motor vehicles duties. The cost of compensation would, of course, decrease each subsequent year and would disappear entirely in due course.

428. We recommend further that the proceeds of the special levy should be paid into a special compensation fund which would be available solely for the payment of compensation and could not be used for any other purposes. Compensation for redundancy arising out of acceptance of our recommendations should be financed out of this fund. No change should be made in the existing method of calculation of compensation to railway workers as summarised in Appendix 4.

C.I.E. RAIL UTILISATION

429. In Paragraphs 325 to 333 we have already drawn attention to the marked degree of under-utilisation of the C.I.E. railway system because of the low density of traffic in relation to seating and carrying capacities of carriages and wagons.

430. In the case of passenger traffic the numbers of passenger miles per seat in 1954 and 1955, as compared with the average for other Western European countries are as follows:-

	Passenger miles per Seat			
	1954	Index No.	1955	Index No.
C. I. E.	6,300	(100)	7,000	(100)
Average of other Western European Countries	13,400	(213)	13,900	(199)

The details for each of the European countries appear in Table 62 from which it can be seen that C.I.E. utilisation is lower than that of any of the countries shown.

431. The C.I.E. figure for 1954 is too low since it is related to a seating capacity which includes old seats which were replaced by approximately 3,000 new seats in that year but were not withdrawn from service until the following year. As against this, the 1955 C.I.E. figure is above normal as it represents the utilisation of seating capacity in a year with a very fine summer. Generally, the figures may be taken as indicating that, taking one year with another, C.I.E. utilisation is somewhat less than one-half of the Western European average; alternatively, utilisation in the European countries is rather more than double that of C.I.E.

432. This low utilisation of seating capacity is illustrated by figures furnished to us by C.I.E. at our request, for one week in the middle of June, 1956; the figures compare the average daily numbers of passengers carried on C.I.E. main line trains^X with the average daily seating accommodation provided on those trains. June was selected as being a month with average traffic. The figures show that of 1,215 seats provided for first-class passengers only 261 were occupied and of 6,916 seats provided for second-class passengers only 3,694 were occupied. It follows that the first-class carriages were almost four-fifths empty and the second-class carriages were nearly half empty. Under-utilisation in valley traffic periods would, of course, be greater and it is not unreasonable to assume it would also be greater on secondary and branch lines. In peak traffic periods it would be less.

433. As already pointed out in Paragraph 331, the peak passenger traffic of C.I.E. is exceptionally steep as compared with the other Western European countries inasmuch as it represents a relatively greater increase over the average level of traffic during the year. As shown by Table 65, columns 10 and 11, the peak utilisation of passenger capacity of the European countries in 1954 and 1955 was 35% and 34%, respectively, in excess of the annual level of utilisation, while the corresponding increases for C.I.E. in those years were 87% and 104% respectively. The latter figure reflects the very fine summer of 1955 and hence a figure of between 90% and 95% may be a more accurate measure of the true extent of the C.I.E. peak. Reference has already been made in Paragraph 332 to the fact that the exceptional percentage borne by the peak passenger traffic of C.I.E. to average passenger traffic is a reflection of a deviation from a very low average level of traffic and though relatively high it is not so in the absolute sense judged by European standards.

^X Between Dublin and Cork, Limerick, Waterford, Galway, Sligo, Westport and Wexford.

TABLE 65.

UTILISATION OF RAIL PASSENGER CAPACITY - YEARS 1954 and 1955

COUNTRY	Whole Year				Annual Utilisation on basis of Peak Month				Increase in Utilisation in Peak Month over Annual Level	
	1954		1955		1954		1955		1954	1955
	Pass. Miles (Av. = (000) per Seat)	Indices (Av. = 100)	Pass. Miles (Av. = (000) per Seat)	Indices (Av. = 100)	Pass. Miles (Av. = (000) per Seat)	Indices (Av. = 100)	Pass. Miles (Av. = (000) per Seat)	Indices (Av. = 100)		
Netherlands	44.7	334	46.9	337	54.5	301	56.3	303	22	20
Spain	21.0	158	21.3	153	27.7	153	27.9	150	32	31
Italy	20.4	152	21.6	155	26.7	148	26.1	140	31	21
Switzerland	16.7	125	16.6	119	18.9	104	18.6	100	13	12
Germany (west)	15.5	116	16.2	117	19.8	109	20.7	111	28	28
Portugal	14.3	107	14.6	105	18.3	101	19.7	106	28	35
Sweden	14.5	108	14.3	103	16.7	92	15.6	84	15	9
Denmark	14.5	108	14.0	101	19.1	106	18.5	99	32	32
Norway	14.4	107	14.6	105	19.7	109	19.7	106	37	35
Belgium	12.9	96	13.5	97	14.1	78	14.6	78	9	8
France	12.4	93	13.3	96	18.0	99	19.4	104	45	46
Gt. Britain	8.4	63	8.3	60	12.9	71	13.1	70	54	58
Ireland (C.I.E.)	6.3	47	7.0	50	11.8	65	14.3	77	87	104
Average (excluding Ireland)	13.4	100	13.9	100	18.1	100	18.6	100	35	34

Note: Figures for countries other than Ireland are based on statistics contained in the E.C.E. Annual Bulletin of Transport Statistics for Europe, Years 1954 and 1955.

Passenger miles for Gt. Britain and Sweden are estimated on the basis of passenger receipts and numbers of passenger journeys, respectively.

434. The increased passenger traffic in the peak month considerably improves the C.I.E. utilisation figures, but the extent to which even in that period C.I.E. utilisation is below that of the other Western European countries may be seen from the following figures:-

	Passenger miles per Seat			
	(Rate per annum during Peak Month)			
	1954	Index No.	1955	Index No.
C. I. E.	11,800	(100)	14,300	(100)
Average of Other Western European countries	18,100	(153)	18,600	(130)

Making allowance for the considerations which, as mentioned above, distort the 1954 and 1955 figures, it is probable that in the peak month, utilisation of seating capacity in the European countries is approximately 38% above that of C.I.E; alternatively, C.I.E. utilisation is about 73% of that of the European countries. It would also appear that, in the peak month, utilisation of C.I.E. seating capacity reaches approximately the same level as is found on average throughout the year in the European countries.

435. In the case of C.I.E. freight traffic, the numbers of ton miles in relation to freight carrying capacity, over the whole year and in the peak month, compare as follows with the average for other Western European countries:-

	Ton miles per ton carrying capacity			
	Whole Year	Index No.	Annual Rate during Peak Month	Index No.
C. I. E.	1,780	(100)	2,300	(100)
Average of Other Western European Countries.	2,870	(161)	3,250	(141)

The details for each of the European countries appear in Table 66 which shows that both over the whole year and in the peak month C.I.E. utilisation is lower than that of any of the countries shown, with the exception of Great Britain. The exceptionally low utilisation in that country reflects such considerations as the unusually high carrying capacity in relation to countries such as Germany and France with a higher volume of traffic than that of Great Britain; the high percentage (57%) of that capacity attributable to the large numbers of wagons used for mineral traffic, mainly coal, and the fact that the turn-round time of wagons (about twelve days per wagon) is the highest recorded in Europe and is almost twice that of the average of other European countries.

436. A comparison of the figures in Paragraphs 430 and 435 shows that for freight traffic the annual level of under-utilisation of C.I.E. carrying capacity is not so great as for passenger traffic; it is 38% below that of the other European countries as compared with 51% in the case of passenger traffic; alternatively, utilisation in the case of freight traffic in the other European countries is 60% greater than that of C.I.E., while in the case of passenger traffic it is more than double that of C.I.E.

437. In regard to freight traffic in the peak month, Table 66, column 6, shows that the C.I.E. peak of 29% over the annual level of utilisation is not at all as steep as the peak of 90% to 95% for passenger traffic. Furthermore, while it is higher than that of the peak month in the European countries (13% over the annual level) it is much closer to the European peak than in the case of passenger traffic, the extent of the variation from the annual level being only 14% greater than that of the European countries. C.I.E. peak traffic in freight does not, therefore, present the same problem as passenger peak traffic.

TABLE 66.

UTILISATION OF RAIL FREIGHT CAPACITY - YEAR 1954

Country	Whole Year		Annual Utilisation on basis of Peak Month		Increase in Utilisation in Peak Month over Annual Level
	Ton Miles per Ton Capacity	Indices (Average = 100)	Ton Miles per Ton Capacity	Indices (Average = 100)	
	Thous- ands		Thous- ands		%
Germany (West)	5.59	195	6.24	192	12
Sweden	5.16	180	5.80	178	13
Switzerland	4.94	172	5.49	169	11
Netherlands	4.10	143	4.62	142	13
Spain	3.70	129	3.97	122	7
Norway	3.31	115	3.69	114	12
Italy	3.20	111	3.51	108	10
France	3.13	109	3.77	116	21
Denmark	2.88	100	3.38	104	17
Portugal	2.85	99	3.63	112	28
Belgium	2.19	76	2.61	80	19
Ireland (C.I.E.)	1.78	62	2.30	71	29
Gt. Britain	1.44	50	1.57	48	9
Average (excluding Ireland)	2.87	100	3.25	100	13

Note: Figures for countries other than Ireland are based on statistics contained in the E.C.E. Annual Bulletin of Transport Statistics for Europe, year 1954.

438. As in the case of passenger traffic, the increased freight traffic in the peak month improves the C.I.E. utilisation figure but even in the peak month utilisation in the European countries is 41% above that of C.I.E., or alternatively C.I.E. utilisation is 71% of that of the European countries. Broadly, therefore, for both passengers and freight traffic in the peak month utilisation in the European countries is of the order of 40% over that of C.I.E., while their annual level of utilisation is double that of C.I.E. for passenger traffic and is 60% more than that of C.I.E. for freight traffic.

439. The general pattern of the monthly traffic of C.I.E. is similar to that of the European countries but the peaks and valleys of C.I.E. traffic are steeper, the peak months being July and August for passenger traffic and November and December for freight traffic. There may be daily or weekly peaks which are exceptional by comparison with European experience but the necessary information is not available on which to express an opinion on this matter. In the case of passenger traffic, since the European utilisation figure is rather more than double that of C.I.E. for the whole year and 38% greater than that of C.I.E. for the month of heaviest traffic, it follows that, outside the two peak months European utilisation during the remaining ten months of the year is distinctly more than double that of C.I.E. In the case of freight traffic, since European utilisation is 60% greater than that of C.I.E. for the whole year and is 41% over that of C.I.E. for the month of heaviest freight traffic, it follows that for ten months of the year European utilisation is more than 60% in excess of that of C.I.E. in those months. A calculation would show that, without increased traffic, C.I.E.

annual level of utilisation could not equal that of the European countries unless passenger seating capacity was less than one-half of existing capacity and freight carrying capacity was 38% less than at present. Similarly, C.I.E. utilisation in peak periods could not equal that of European countries without a reduction of 27% in passenger seating capacity and nearly 30% in freight carrying capacity. The disparity between the annual and peak percentages for passenger traffic would, of course, be much less remarkable if the intensity of the C.I.E. passenger peak could be reduced.

440. It is clear from these considerations that it is a matter of urgent necessity for C.I.E. to substantially improve present utilisation of rolling stock by adjusting the numbers of carriages and wagons to the volume of traffic so as to approach as nearly as possible to the utilisation levels of other countries both over the whole year and in peak periods. By so doing it should be possible to effect considerable savings in expenditure on replacements, renewals, maintenance and running costs of rolling stock. We consider it is not reasonable that in order to cater for peak traffic for a very small part of the year, particularly the exceptional C.I.E. peak passenger traffic, a utilisation far below standards in other countries should be accepted for the rest of the year. It should be a special aim of C.I.E. to reduce the intensity of peak traffic by offering facilities such as reduced passenger fares for travel outside the peak periods, by reorganising services and handling traffic in the most appropriate and effective manner and by availing of the advantage of having a road passenger fleet and a road freight section which permit of dovetailing rail and road services to maximum advantage at peak periods.

441. The comparisons made and the figures shown in the immediately preceding paragraphs are not intended as precise indications of the measure of under-utilisation of the C.I.E. railway system. International comparisons present many difficulties because of the many differences in the circumstances of each country as compared with others. Nevertheless, they have a valid general significance and they clearly illustrate the wide scope for substantial improvement in C.I.E. utilisation. In an endeavour to bring about this improvement many technical, practical and complex aspects of railway administration and operation require careful study and experiment at expert level. We attach considerable importance to the need for carrying out such examination as a matter of urgency and we recommend that it should be undertaken forthwith by C.I.E. who in doing so should seek the services of one or more consultants with wide experience of the handling of the utilisation problems of a European railway system or preferably of a number of such systems.

FUTURE C.I.E. CAPITAL EXPENDITURE

442. Particulars of capital expenditure under the Dieselisation and Reorganisation Programme of C.I.E. have already been given in Table 32. That table shows the following programme of expenditure for future years:

Year ended	Diesel Loco-motives	Carriages	Wagons	Other Programme Expend-iture	Oil/Turf Locos.	Total
	£ thousand					
31/3/58	735	11	387	26	-	1,159
31/3/59	24	395	359	50	360	1,188
31/3/60	24	238	302	50	360	974
After 31/3/60	-	2,077	597	197	750	3,621
	783	2,721	1,645	323	1,470	6,942

As indicated in paragraph 168, C.I.E. has stated that, of this expenditure, contractual commitments amount to £733,000 for locomotives and components and to £127,000 and £706,000, respectively, for components and materials for carriages and for wagons, making total contractual commitments of £1,566,000 for locomotives and rolling stock.

443. The Dieselisation and Reorganisation Programme was drawn up by C.I.E. on the basis of requirements for the operation of the whole railway system. Most of the diesel locomotives provided for in the programme have already been acquired at a capital cost of £5,606,000 and have been brought into service. Under the main Dieselisation and Reorganisation Programme and the earlier programme approved in 1952, C.I.E. has, apart from normal renewals and

diesel railcars (which also serve as carriages), provided approximately 141 new carriages and 2,326 new wagons. It is proposed to provide 316 further new carriages and 2,235 further new wagons of which 6 carriages and 580 wagons would be completed in the present year ending on 31st March, 1958, and the balance over the five subsequent years. It has already been shown by the international comparisons in Part II of this Report that the carriage and wagon stocks of C.I.E. are under utilised in comparison with other European countries. Furthermore, if our recommendations for the reorganisation of the railway are adopted much of the new rolling stock provided for in the Dieselisation and Reorganisation Programme should not be required. We recommend, therefore, that the need for any further capital outlay on locomotives and rolling stock should be carefully reassessed in the light of these considerations. In the meantime and also while this Report is under consideration by the Government we recommend that there should be no further capital expenditure on the railway undertaking save expenditure representing inescapable commitments and that new capital commitments in respect of the undertaking should not be entered into except with the prior sanction of the Minister for Industry and Commerce. We further recommend that C.I.E. should dispose of any surplus rolling stock, components and materials and other equipment on the best terms obtainable and that the proceeds should be used in such manner as the Minister for Finance may direct.

INTERNAL ADMINISTRATION OF C.I.E.

444. It has been suggested in a number of submissions made to us that the efficiency of the day-to-day administration of C.I.E. and the operation of its various services admitted of considerable improvement. Our terms of reference required us to complete our inquiry by 1st November, 1956, a period which proved to be too short to enable us to deal properly with the wide issues covered in this Report. If we were to enlarge the field of our inquiry so as to cover the administrative and operational activities of the various public transport undertakings there would be a very considerable delay in presenting our Report. On any reasonable interpretation, our terms of reference were not intended to require the close examination by us of the internal daily working arrangements of the public transport undertakings. Such an examination would necessarily be lengthy and would cover so many aspects that it could best be undertaken by an experienced team of technical and professional consultants. It seems to us that it would well repay a concern such as C.I.E., with an organisational pattern which has been fashioned over a period of a century, to itself commission such an inquiry. We are aware that C.I.E. has already engaged industrial consultants to carry out a survey of the working of some of its departments, but we recommend that the organisation, as a whole, should be the subject of specialised inquiry by one or more suitably experienced firm or firms of consultants.

BOARD OF C.I.L.

445. The Board of C.I.E. consists of a full-time Chairman and six part-time members, appointed by the Minister for Industry and Commerce under the Transport Act, 1950. The Chairman and members are appointed for a period of five years and are eligible for reappointment on expiry of that period. We are not satisfied that a Board, of which only one member is in daily contact with the affairs of the undertaking, is appropriate to the circumstances of an organisation of the magnitude and nature of C.I.E. whose annual receipts amount to £15 million, whose labour force numbers 20,000 men and whose problems are diverse, complex and grave. In addition to its railway operations, the varied activities of the undertaking include the very extensive road services operated in the cities and throughout most of the country, the workshops at Inchicore and other centres as well as water services, hotels, docks, harbours and wharves. These varied activities give rise to heavy responsibilities at Board level. Moreover, as the Board has been faced with such heavy operating losses since its establishment as to endanger the entire undertaking and has been engaged on a large-scale capital programme of railway dieselisation and modernisation, its responsibilities have been particularly onerous. They will be still heavier if, through the adoption of our recommendations, a programme is to be carried out speedily and vigorously which involves widespread and fundamental changes - operating, commercial and financial.

446. To discharge this formidable responsibility it is, in our view, an imperative necessity that on the part of the Board there should be a greater measure of close and continuous contact with the undertaking than is possible when all but one of the members of the Board act in a part-time

capacity. We recommend, therefore, that in addition to the Chairman there should be two full-time members of the Board with extensive knowledge, wide experience and outstanding competence in their particular fields of activity. In view of the size of the undertaking, its critical financial position and the need for major reorganisation, we consider that one of the full-time members whose appointment we recommend should be specially experienced in the financial administration of large undertakings. As the future of C.I.E. must depend on vigorous development on commercial lines aimed at the retention and expansion of traffic, we consider that the other full-time member to be appointed should be specially experienced in large-scale commercial operation.

447. We have rejected the alternative of a Board consisting wholly of full-time members since part-time members bring to the deliberations of a Board not only a varied knowledge and experience but, because of being detached from daily operations, an objectivity not otherwise readily obtainable. We recommend a change, however, in the method of appointment of part-time members of the Board. While quinquennial appointments of whole-time members of a Board are usual and are of obvious advantage in preserving continuity in management, there are advantages, however, in the case of part-time members in adopting the practice of most public companies whereby a proportion of the part-time members retire each year but are eligible for re-appointment. This arrangement makes it possible to effect a gradual change in the composition of a Board so as to benefit from the introduction of new ideas and freshness of outlook. Abrupt changes in personnel, which are in themselves undesirable, would be required at the end

of each period of five years if the composition of a Board appointed quinquennially was to change over any reasonable period. We recommend, therefore, that the appointment of part-time members of the Board of C.I.E. should be on the basis that two such members should retire each year in rotation but should be eligible for reappointment.

CANALS.

448. Some of the submissions received by us advocated the development of our canals and referred to the valuable contribution of internal waterways in meeting transport requirements in a number of other countries.

449. In countries in which water transport is extensively used, e.g. Netherlands and Western Germany, geographic, demographic and economic circumstances are entirely different from ours and provide a more favourable background for the use of rivers and canals for transport purposes. For reasons which are apparent from our examination of the causes of the unsatisfactory position of our public transport undertakings (Part II of this Report), we are satisfied that the necessary volume of suitable traffic is not available to enable our canal system to be operated economically, having regard to the other forms of transport available.

450. As already stated in Paragraphs 124 and 128, the owners of privately operated barges have almost ceased to use the Grand Canal and C.I.E. has indicated to us that it would benefit to the extent of £108,000 per annum by withdrawing its own barges from the canal and carrying the traffic by its rail and road

services. We see no good reasons why C.I.E. should not secure this economy. Accordingly, we recommend that C.I.E. should be free to withdraw its barges from the canal but that the necessary care and maintenance of the canal, as well as that of the Royal Canal, should remain the responsibility of C.I.E.

451. Complete abandonment of the canals would give rise to considerations which could be dealt with only at a technical level and in consequence we regard it as not being within our competence and make no recommendations as to its desirability or feasibility.

GREAT NORTHERN RAILWAY BOARD

452. Earlier in this Report (Paragraphs 176 to 181) we have indicated the special position of the Great Northern Railway. About two-thirds of the railway system of the undertaking is in the Six Counties; the capital is held jointly by two Governments; the Board is required to comply with the joint directives of the Minister for Industry and Commerce and the Minister of Commerce on matters of policy and with directives of either Minister on matters of policy relating exclusively to the conduct of the undertaking in his area; of a Board of ten members five are appointed by the Minister for Industry and Commerce and a similar number by the Minister of Commerce and the Chairmanship and Vice-Chairmanship of the Board alternate each year between the two senior nominees of the Ministers; special statutory provisions exist regarding common service lines.

453. We have also drawn attention to the proposal of the Minister of Commerce to discontinue rail services in the Six Counties on certain sections of common service lines. The Minister for Industry and Commerce did not concur in this proposal and the matter was referred to the Chairmen of the Transport Tribunals whose separate Reports, following a joint Public Inquiry, differ in their conclusions and recommendations. No agreement has been reached between the Ministers and in its absence the Board has no basis for future planning or administration of the undertaking.

454. Against this background it has not been possible for us to make a comprehensive survey of the activities of the Board and there is insufficient data for a limited survey relating only to the Twenty-six Counties. A more important consideration, however, is that we see no purpose in our making recommendations regarding the Great Northern Railway system since its future must be determined by the decisions of the Minister for Industry and Commerce and the Minister of Commerce who may not be ad idem on questions of major policy.

455. It seems to us that there is a void in the present machinery which contains no provisions for the effective settlement of differences between the Ministers. It may be regarded as outside our scope to make recommendations on this matter but the absence of machinery to bring about a unified policy on matters jointly affecting the two administrations to which the G.N.R. Board is answerable gives rise to a position of such uncertainty that clearly it is not conducive to the efficient conduct of the undertaking and is detrimental to the interests of all concerned. Hence we offer for consideration the suggestion that in the absence of agreement resort should be had to arbitration as being the

only machinery likely to bring about expeditious and decisive resolution of differences on fundamental questions. Should this suggestion find favour it should be possible to secure the services of an arbitrator acceptable to both Ministers together with those of two assessors to assist the arbitrator, one of whom would be appointed by the Minister for Industry and Commerce and the other by the Minister for Commerce.

OTHER RAILWAY COMPANIES.

456. In view of the present uncertain position of the G.N.R. we are not in a position to make any positive recommendations regarding other undertakings, namely, Londonderry and Lough Swilly Railway Company, County Donegal Railways Joint Committee and Sligo, Leitrim and Northern Counties Railway Company. The Londonderry and Lough Swilly Railway Company and the County Donegal Railways Joint Committee serve County Donegal and we are aware that proposals have been made for the reorganisation of public transport in that county. Clearly, however, it must be closely coordinated with transport between Donegal and the rest of the State which is at present provided mainly by the G.N.R. rail services. Until the future of transport between Donegal and the rest of the State is clear no purpose would be served by considering any possible reorganisation of public transport within the County. Similarly it has not been possible for us to make any recommendations regarding the Sligo, Leitrim and Northern Counties Railway Company, whose railway connects with the G.N.R. system at Enniskillen. The future of that undertaking is largely dependent on whatever decision is taken regarding the proposed closure of the G.N.R. line through Enniskillen.

LICENSED HAULIERS

457. We received representations from the two associations representing licensed hauliers advocating that the present restrictions on licensed hauliers in respect of standard lorry weight, area of operation and the goods permitted to be carried should be substantially eased. We realise that these restrictions are operated as part of governmental transport policy aimed at protecting the public transport undertakings who are charged with the responsibility of providing wide-spread public transport services some of which are inherently unprofitable. The scope of the operations of each licensed haulier is limited to the extent of the haulage business operated by him prior to the introduction of restrictions in 1933. Licensed hauliers are thus precluded from expanding their haulage operations but on the other hand they are protected by restrictions on new entrants to the haulage business.

458. Because of this background and also on account of the present critical position of the principal public transport undertakings and the existing surplus provision for transport requirements as a whole, we are not prepared to recommend any general relaxation of the restrictions applicable to licensed hauliers. In the course of oral evidence given by the licensed hauliers' associations we were impressed by the case made for an increase in standard lorry weights to permit of the use of diesel engines and tipping gear thus enabling licensed hauliers to operate the most modern and efficient type of vehicle. The case made to us seems to have been adequately met, however, by the subsequent decision of the Minister for Industry and Commerce to authorise increases in standard lorry weights to permit of the use of diesel and tipper lorries by licensed hauliers.

459. Some adjustments in the areas of operation of individual licensed hauliers may be necessary in the event of acceptance of our recommendations for the reorganisation of the C.I.E. railway undertaking. If as the result of the implementation of these recommendations the nearest railway station is outside the permitted area of operation of a licensed haulier we recommend that a suitable extension of his licence should be granted to enable him to collect and deliver goods at that station.

ILLEGAL HAULAGE

460. C.I.E. submitted proposals to us for amending existing legislation with a view to the prevention of illegal haulage for reward. Briefly these proposals envisaged that all commercial vehicles engaged in private transport should be subject to licensing; that licences should authorise the use of such vehicles for purposes connected with the owner's trade or business only; that the name of the owner and his trade or business should be displayed on each vehicle; that licensed hauliers, who engage in other business activities, should not be permitted to use their plated vehicles otherwise than in connection with their haulage businesses and that drivers of licensed hauliers' vehicles should obtain and retain for production to the Garda Síochána, if required, delivery dockets signed by persons engaging them giving particulars of the merchandise, and destination. The C.I.E. proposals also envisaged that merchandise licences and licences in respect of vehicles engaged in private transport should contain conditions that the vehicles should be maintained in a fit

and serviceable condition, that there should be compliance with statutory provisions relating to speed limits, weight and lighting and that drivers' permitted hours of continuous driving and stipulated periods of rest should be observed. C.I.E. also proposed, in regard to penalties for failure to comply with merchandise licences or licences in respect of vehicles engaged in private transport, that they should include revocation of the licences; that minimum fines should be prescribed and that the Probation of Offenders Act should not apply.

461. We are not prepared to recommend acceptance of these proposals which seem to us to be too elaborate. After consultation with the Department of Justice we are satisfied that many of the proposals would be extremely difficult to enforce and it is doubtful if they would effectively prevent illegal haulage; indeed, it appears to us that some of them may not be feasible at all.

462. Allegations have been made from time to time by the public transport undertakings that illegal haulage is both widespread and considerable but there is no means available by which its volume or nature can be properly assessed. No doubt where it is carried on systematically and extensively it is detrimental to the public transport undertakings and is a challenge to the law. We are of opinion that in cases of conviction the penalties should be sufficient to render illegal haulage unprofitable to the operator and so deter him from engaging in it. We consider, therefore, that a strong case exists for statutorily prescribed minimum fines especially in cases of repeated offences. We are aware of the objections in principle to minimum fines but we are satisfied that in the absence of effective penalties there is

little likelihood of eliminating illegal haulage. We recommend, therefore, that for second and subsequent offences by persons convicted of illegal haulage, statutory provision should be made whereby the Probation of Offenders Act would not apply and minimum fines would be imposed at a level which initially would not be unduly punitive, but would increase steeply for subsequent offences. We have in mind that for a second offence a minimum fine of the order of £10 should be prescribed and that the minimum fine should be progressively doubled for each subsequent offence.

AGRICULTURAL TRANSPORT

463. Representations have been made to us that farmers should be permitted to transport their neighbours' goods for reward particularly by means of tractor and trailer. The main arguments in favour of this proposal may be summarised as follows:-

- (a) Public transport concerns or licensed hauliers cannot conveniently meet the multitudinous local transport needs of farmers and public transport costs are more than the traffic can bear especially in the case of small loads and short haul traffic. This inherent disability of public transport to cater for the transport needs of farmers has already been recognised in relation to the transport of milk to creameries which has been exempted from the restrictions imposed by the Road Transport Acts and which may now be done for reward by a farmer with a tractor and trailer taxed at the annual rate of £8.

- (b) Most farmers reside a considerable distance from the nearest licensed haulier or public transport depot and as farmers' transport requirements mainly originate on the farm the most economic arrangement is that transport should, in so far as is possible, be based on the farm. This arrangement is also desirable as much of the farmer's transport requirements must dovetail with other farming operations and often arise at short notice and at irregular times.
- (c) The tractor is displacing the horse on the land on an increasing scale and this development should not be retarded by means of restrictions which were never applicable to horse transport and which were designed before the development of the modern tractor suitable for both road and land work.
- (d) At present there are in the country approximately 250,000 agricultural holdings over 10 acres in size while there are 16,000 agricultural tractors taxed for road work, 12,000 tractors taxed in the 5/- class and an estimated 3,000 tractors used solely on the land, making a total of approximately 31,000 agricultural tractors of all classes. There is, therefore, one tractor to every 8 holdings over 10 acres in size. Many small holdings would not provide sufficient work for a tractor and the practice has grown up whereby tillage and harvesting operations are done on contract by a neighbouring farmer who possesses a tractor and the necessary equipment. Tractor owning farmers are, however, precluded from undertaking the local transport needs of their neighbours on the same basis. At present they may not, without contravening the Road

Transport Acts, carry for reward the seeds, manures etc. required for tillage work being done by them under contract. A farmer may, therefore, engage a tractor-owning neighbour to do his tillage, harvesting etc. but he cannot hire him to do his local transport work, with the result that he must either retain his horses or acquire a tractor for which he would not have sufficient work. The effect of present restrictions must, therefore, tend towards the under-utilisation of tractors or the retention of horses which could otherwise be replaced by other stock.

- (e) The tractor and trailer is a more suitable form of transport for use on bad roads or on soft ground. For short haul transport to or from the fields or haggards the tractor and trailer is, therefore, more efficient than a lorry because the lorry would generally have to pick up or set down the traffic at the road side thus necessitating double handling.
- (f) The comparatively low speeds and discomfort of an agricultural tractor limit the scope of its operation as a road vehicle and these limitations automatically preclude it from use for transport for reward on an extensive scale.

464. The main arguments against the proposed easement of the Road Transport Acts in relation to agricultural transport may be summarised as follows:-

- (a) The scope of tractor transport is much greater than that of horse transport as a tractor and trailer is speedier, has a much longer range and a far greater carrying capacity. The number of agricultural

tractors licensed for road work increased from 2,976 in 1947 to 15,852 in 1956 while the number of horses used for agricultural purposes decreased from 350,000 to 250,000 in the same period. Having regard to the number of horses still employed in agriculture it cannot be said, without qualification, that the tractor has replaced the horse. Furthermore it was not generally the practice in the past for a farmer to carry his neighbour's goods for reward by horse transport - rather he carried his neighbour's goods as an obligation without cash payment, which he may continue to do by means of motor transport without infringement of the law.

- (b) The low speed (maximum 14/15 miles per hour) and relative discomfort of agricultural tractors are not such as to preclude the use of the agricultural tractor and trailer for transport for reward on an extensive scale (e.g. beet haulage).
- (c) A farmer wishing to carry his neighbour's produce and requisites for reward would under existing legislation be required to tax his tractor at the annual rate of £31.10 instead of the present annual rate of £8. His comprehensive insurance premium would be increased from £8 to £35 approximately. Unless he intended to engage in transport for reward on a more extensive scale than merely obliging his neighbour he would scarcely assume such additional costs.
- (d) Any easement of the restrictions imposed by the Road Transport Acts would encourage farmers and their sons to become part time hauliers to the serious disadvantage of the public transport concerns and licensed hauliers much of whose business is in the transport of products and requisites of agriculture.

- (e) Any concession to farmers on the lines proposed would offer wide scope for evasion and make detection and proof of evasion virtually impossible. It would be difficult to enforce the limitations which would inevitably have to be imposed on the concession and to ensure that fuel obtainable for agricultural purposes at a reduced rate of tax would not be used for road haulage on a commercial scale

465. We have been impressed by the view that much of a farmer's transport requirements - particularly the short haul of small loads which must often be done in conjunction with other farming operations - is of a nature which cannot be conveniently or economically catered for by public transport. We have also been impressed by the view that it is in the national interest that the maximum degree of co-operation between neighbouring farmers should be facilitated and that a tractor-owning farmer should be enabled not only to undertake his neighbour's tillage and harvesting etc. for payment but that he should also be permitted to undertake the local transport needs of his neighbour on a like basis. We have also considered the question in the light of our recommendations for the reorganisation of the railway. We have pointed out earlier in this Report that the railway was originally, and still largely is, designed to meet conditions existing before the development of motor transport. Stations are located at frequent intervals to facilitate collection by means of horse transport. We have recommended the closure of a large number of intermediate stations and the retention of the main stations at which collection and delivery would be done by means of motor transport. It is

desirable that the many farmers who have not been or may no longer be within the range of horse transport of their nearest railhead should be in a position to avail themselves of their neighbours transport for the collection and delivery of their goods at the nearest railway station.

466. We are of opinion, however, that any concession given to facilitate local co-operation should not be sufficiently wide to enable farmers to undertake haulage for reward on an extensive scale in competition with the public transport concerns and licensed hauliers. We consider, therefore, that the concession should apply only to tractor and trailer transport, which is physically limited as to range and speed, used for the transport of a near neighbour's goods. Accordingly we recommend that the provisions of the Road Transport Acts should be amended to permit farmers to carry for reward by means of tractor and trailer the goods of neighbouring farmers resident within a radius of two miles of the tractor owner and that the carriage for reward of the farm produce and farming requisites of neighbouring farmers within this radius should not affect the eligibility of the tractor owner for the present annual taxation rate of £8.

TRANSPORT OF FRESH SEA FISH

467. We have received representations that the transport of fresh sea fish from point of landing to the main marketing centres should be exempt from the restrictions on carriage for reward imposed by the Road Transport Acts. The arguments in favour of this proposal are based mainly on the

perishable nature of fish, the remoteness of many fishing centres from the main markets in Dublin and Cork, and the seasonal and capricious nature of the traffic. Due to such factors as the uncertainty as to time, quantity and place of landing, the long distances between many points of landing and the main centres of distribution and the need to preserve freshness so as to avoid loss of selling value, a highly flexible road transport service is essential in order to ensure that fish will be delivered to market with the least possible delay and with the minimum amount of handling. The transport of fish undoubtedly presents special problems, but we think that these are not such as to justify the general exemption of fish transport from the restrictions imposed by the Road Transport Acts. We recommend that the circumstances of each fishing area should be considered separately and if it is established that existing transport facilities at the point of landing are not reasonably adequate, convenient and economic, additional facilities should be afforded by the grant of a new licence to a group of fishermen in the area who acquire and operate a vehicle co-operatively for the transport of their own and other fish landed in the locality to the marketing centres. Where the need for additional facilities in a fishing area is established and local fishermen do not provide their own transport co-operatively the licences of existing licensed hauliers in the area should be suitably extended or a new licence should be granted to a suitable local applicant. In addition to the carriage of fresh sea fish from the point of landing to marketing centres, new licences and extensions of existing licences should authorise the licence holders to carry fish containers, ice, fishing gear and other fishing requisites for reward.

MOTOR COACH TOURS

468. We have received representations from interested parties advocating the grant of the necessary duty-free and licensing facilities for the operation of extended coach tours in Ireland by outside operators. In considering this matter we have had before us the arguments for and against the admission of outside operators put forward by the various interests concerned when the question was discussed at meetings in the Department of Industry and Commerce. We have had particular regard to the position of C.I.E. who derive considerable income from the operation of extended coach tours and whose coaches are built here from dutiable components. We have similarly had regard to the employment provided by the coach building industry and in the operation of the C.I.E. tours. We consider, however, that the admission of outside operators in respect of tours which originate outside the State should do much to attract new tourist business which would not otherwise come to this country or accrue to the C.I.E. coach tour services. We recommend, therefore, that the necessary duty-free and licensing facilities should be afforded for the operation of extended coach tours which originate and are booked outside the State. Motor coaches which might be stationed here by outside operators should not, however, be permitted to engage in any work (e.g. private hire) other than the operation of licensed extended tours.

TRANSPORT COUNCIL

469. There is no need for us to stress the importance of internal transport. Transport features prominently in the social and economic life of our widely scattered population and in our tourist industry, and represents an appreciable part of the cost of production and distribution. It follows that an efficient, cheap and convenient system of transport is essential to the welfare and progress of the entire community.

470. The pattern of internal transport has changed greatly and is likely to continue to change in the future. Among the features which have been or may be responsible for change are the growth in the numbers of motor vehicles, improvements in their design, carrying capacity and general performance, reduced operating costs, the marked tendency towards the use of diesel road vehicles, new and better mechanical methods of loading and unloading, specialised construction to suit the particular transport requirements of certain products, diesel rail traction, automatic wagon-braking, automatic signalling and level-crossing control and extended use of containers. Transport is at a stage of rapid change and development and the pattern which is best suited to the public interest has yet to be ascertained. In particular, so critical a point has been reached in rail transport that, in our view, the extent to which it should feature in the ultimate pattern of transport should be determined only in the light of its performance when reorganised on the basis recommended by us.

471. At all times transport is a matter of national importance; it is increasingly so against a background of change and of a far-reaching reorganisation of the railway

system of our principal transport undertaking. The manner in which it develops has such widespread effects and is so significantly related to national welfare that, in the public interest, it should be the subject of continuous review. In the past there has been no provision for a regular periodic overall assessment of transport developments and, because of this, the general pattern of transport as a whole has been fully examined only when the persistent deterioration in the position of public transport undertakings has reached a stage at which, as in 1938, 1948 and 1956, the Government has found it necessary to institute special inquiries (Tribunal of Inquiry in 1938; the Milne Inquiry in 1948 and the present Inquiry). An obvious disadvantage in this method is that in the intervals between such inquiries, changes may be made, decisions taken and policies adopted different from those which a continuous survey of transport developments would indicate as necessary or desirable. We are of opinion that, at least for the period required to carry out the reorganisation of the railway system we recommend and to judge its performance, the position of internal transport as a whole should be kept under continuous review. We recommend that this should be undertaken by a Transport Consultative Council consisting of not more than seven persons of eminence in spheres of activity not connected directly with transport and selected for their outstanding personal abilities and wide general experience. We consider it important to preserve the independence of the Council and we are, therefore, of opinion that the members should not be representative of particular interests and should be unpaid.

472. The Council should be a purely consultative body. It should be available for consultation by public and private transport organisations, by representatives of agriculture, industry and trade, by trade unions, professional organisations and by any member of the public. It should have power to initiate discussions with those engaged in transport or with others on matters relating to transport and should have power to obtain such reasonable information regarding transport as it requires from public and private transport operators and other bodies in a position to supply relevant material. The Council would also consider and report on any matters affecting transport policy referred to it by the Minister for Industry and Commerce. It would deal with broad questions of transport policy and would keep under review trends and developments in both public and private transport. It would have no function in regard to the details of day-to-day working of transport organisations and would have no responsibility for the policy of these organisations. The Council should publish annually a report, and where necessary interim reports, of its proceedings, together with a summary of significant transport developments. It should be provided with a Secretary and staff drawn from the public service.

MAIN CONCLUSIONS AND RECOMMENDATIONS

473. We consider it would be unsatisfactory and inadequate to set out our conclusions and recommendations in summary form. Such a summary might impair their significance by removing them from their context. For ease of reference, however, our conclusions on the three broad issues before us, viz. abandonment of railways, restrictions on private transport and continuance of subsidies, together with our main recommendations and suggestions, may be found in the paragraphs listed hereunder. The numbers underlined indicate the paragraphs containing specific conclusions, recommendations or suggestions.

<u>Paragraphs.</u>	<u>Subject.</u>
353, <u>354</u> -358	Abandonment of railways
359- <u>375</u> and 376	Restrictions on private transport
377- <u>381</u>	Subsidies

CÓRAS IOMPAIR ÉIREANN

382- <u>388</u> -392	Reorganisation of railway:
<u>389</u>	(a) Reduction in length of line and number of stations
<u>391</u>	(b) Future pattern of railway system
<u>393</u>	Road passenger transport
394, <u>395</u> - <u>400</u>	Road freight transport
<u>401</u>	Procedure for closure of lines
402, <u>403</u> -405	Removal of obligations which restrict commercial adaptability
406- <u>408</u> -414	Capital reconstruction
<u>410</u>	Interest on Transport Stocks

<u>Paragraphs.</u>	<u>Subject.</u>
<u>412</u>	Interest on advances to meet Transport Stock interest up to 31st March, 1956.
415-428	Staff redundancy:
<u>424</u>	(a) Committee for the resettlement of displaced staff;
<u>425</u>	(b) Compensation of redundant staff;
<u>426</u>	(c) Levy on road motor vehicles to meet cost of compensation;
<u>428</u>	(d) Establishment of Special Compensation Fund.
429-440 and <u>441</u>	Rail Utilisation
442 and <u>443</u>	Further capital outlay on locomotives and rolling stock.
<u>444</u>	Internal administration.
445, <u>446</u> and <u>447</u>	Constitution of Board.
448- <u>450</u> and 451	Canals.
452- <u>455</u>	Great Northern Railway Board.
<u>456</u>	Other Railway Companies.
457- <u>459</u>	Licensed hauliers.
460- <u>462</u>	Prevention of illegal haulage.
463- <u>466</u>	Carriage of neighbours' goods by farmers.
<u>467</u>	Carriage of sea fish from point of landing to marketing centres.
<u>468</u>	Admission of coach tours originating outside the State.
469- <u>472</u>	Continuous review of internal transport by a transport consultative council.

ACKNOWLEDGEMENTS

474. A considerable amount of information and assistance was made available to us during the course of our inquiry from the following sources:

Córas Iompair Éireann,
Great Northern Railway Board,
Department of Industry and Commerce,
Department of External Affairs,
Central Statistics Office,
Revenue Commissioners,
Department of Local Government,
Department of Justice,
Department of Defence.

We are very appreciative of the help and co-operation willingly afforded and wish to place on record our sincere thanks to the officers of the bodies concerned. We should like particularly to acknowledge the assistance given to us by the Board and officers of C.I.E., who in the course of the inquiry were asked for very detailed and elaborate information on the various aspects of the undertaking. The preparation of information involved much time and effort and we are appreciative of the courtesy and speed with which it was made available to us, often at short notice. We also wish to make grateful acknowledgement of the assistance afforded us by all those who presented evidence, oral or written.

We wish to record our appreciation of the services of our Secretary, Mr. T. Nally, Assistant Principal in the Transport Section of the Department of Industry and Commerce. Mr. Nally's knowledge and experience, together with his administrative and organising ability, were of very considerable help to us. He was assisted by Mr. C.K. McGrath, Higher Executive Officer in the Transport Section of the

Department of Industry and Commerce, and by Mr. P. Lalor, A.S.A.A., Senior Professional Accountant in that Department, whose services were kindly made available to us by the Industrial Development Authority. We were most fortunate in having so experienced and competent a Secretariat whose energy in dealing with a large volume of exacting and arduous work merits our wholehearted thanks. The preparation of the Report necessitated on the part of the Secretariat extensive research and much care and skill in analysing and interpreting a complicated mass of statistical, financial and general data. We were impressed by the interest displayed by Mr. Nally and his colleagues in dealing with this work, as well as by their friendly co-operation with us at all stages of the Inquiry which, of its nature, imposed on them a special burden of working at high pressure for prolonged periods.

J.P. BEDDY, Chairman.

J.F. DEMPSEY

JUAN N. GREENE (with Addendum)

J.J. STAFFORD

S.F. THOMPSON

T. NALLY, Secretary.

4th May, 1957.

APPENDIX I.PART I.List of Submissions

Artane and District Householders' Association, Dublin.
 Association of Chambers of Commerce of Ireland.
 Ballinamore and District Traders' Association.
 Berehaven Development Association.
 Bórd Fáilte Éireann.
 Bórd Iascaigh Mhara.
 Browne, M., Bansha.
 Bulmers Ltd.
 Campbell, J.C., Newry.
 Carrigtwohill Ground Limestone Works.
 Cement Ltd.
 Clonmel Foods.
 Clossick, Thomas J. & Son, Portumna.
 Comhlucht Siúicere Éireann Teo.
 Conroy, M., Dublin.
 Córas Iompair Éireann.
 Corcoran, M., Dublin.
 Cork Chamber of Commerce.
 County Cork Committee of Agriculture.
 County Donegal Railways Joint Committee.
 Courtmacsherry Development Association.
 Courtney, J., Castlegregory.
 Creedon, C., Cork.
 Cusack, J.E.A., Clonmel.
 D'Alton, Maurice W., Dundrum Road, Co. Dublin.
 Desmond, D., Cork.
 Donegal County Council.
 Donnelly, H.A., Delgany, Co. Wicklow.
 Drennan, J., Lisdoonvarna.
 Drumcondra Football Club Ltd., Dublin.
 Dundalk Chamber of Commerce.
 Electricity Supply Board.

Federation of Builders, Contractors and Allied Employers of
Ireland.

Federation of Irish Manufacturers.

Fisheries Branch, Department of Agriculture.

Flour Millers' Irish Wheat Association.

Fogarty, E., Palmerstown, Co. Dublin.

Galway Chamber of Commerce.

Glass, John R., Kingscourt.

Goulding, W. & H.M., Ltd.

Grace, Edmond, A.C.A., Dublin.

Great Northern Railway Board.

Greenmount Oil Company Ltd.

Guinness, Arthur Son & Co. (Dublin) Ltd.

Hegarty, D.J., Cork.

Horgan, M.S., Dublin.

Hygeia Ltd., Galway.

Hyland, L., Dublin.

Inland Waterways Association of Ireland.

Irish Agricultural Organisation Society Ltd.

Irish Brewers' Association.

Irish Builders' Providers' Association.

Irish Catholic Ltd.

Irish Conference of Professional and Service Associations.

Irish Fishermen's Co-operative Society.

Irish Flour Millers' Association.

Irish Housewives' Association.

Irish Licensed Haulage Contractors' Association.

Irish Port Authorities' Association.

Irish Seed and Nursery Trades' Association.

Irish Sugar Beet Growers' Association Ltd.

Irish Tourist Association.

Johnson, R.D.F., Tralee.

Johnston, Joseph, Stradbally.

Jordan, E., Kiltimagh.

Kanturk Parish Council.

Keane, F.J., Dublin.

Kearney, Mrs. B., Inchigeela.

Kelly, D., Dublin.

Kildare Products Ltd., Rathangan.

Lawler, L., Cork.

Le Clere, R.C., Dalkey.

Leitrim County Council.

Letterkenny Urban District Council.

Lever Bros. Ltd.

Licensed Road Transport Association. . .

Limerick Chamber of Commerce.

Limerick County Committee of Agriculture.

Limerick Employers' Federation.

Limerick Harbour Commissioners.

Londonderry & Lough Swilly Railway Company.

Longford County Council.

Mac Aonghasa, B., Dublin.

Mac Bride, Seán, S.C.

McDonnell, A., Dublin.

Mac Eoin, U., M.R.I.A.I., A.M.T.P.I.

McGahon, C., Dundalk.

McGrath, W., Cork.

McGuire, Martin, Ltd., Limerick.

McKeon, P., Longford.

Mayo County Committee of Agriculture.

Merchant Lorry Owners' Association.

Metal Products (Cork) Ltd.

Mooney, Joseph M., Co. Councillor, Drumshambo.

Moore, E. G., Dublin.

Moroney, R., Cork.

Mortished, R.J.P., Dublin.

Muinntir na Mara.

National Executive of the Irish Live Stock Trade.

- National Farmers' Association.
- Native Timber Merchants' Federation (Ireland)
- Newham, Alan T., Dun Laoghaire.
- New Ross Harbour Commissioners.
- O'Connor, M., Kilmacud.
- O. H. Agencies, Dublin.
- Orpen & Co., Solicitors, Dublin.
- Portumna and District Development Co. Ltd.
- Provisional United Organisation of the Irish Trade Union Movement.
- Roscommon County Council.
- Ross, Norman, Valentia Island.
- Ryan's Car Hire Ltd.
- Salts (Ireland) Ltd.
- Seymour, D., Dublin.
- Shale Bricks (Kingscourt) Ltd.
- Shannon Steamship Co. Ltd.
- Shorten, B.J., B.E., Cork.
- Sligo Leitrim & Northern Counties Railway Company.
- Smithwick, E. & Sons, Ltd.
- Society of Irish Motor Traders Ltd.
- Soft Drink and Beer Bottlers' Association Ltd.
- St. Leger J.F., Cork.
- Tarrant, John, Mallow.
- Transport Salaried Staff's Association.
- Whittaker's (Irish and Continental) Tours.

PART II

ORAL EVIDENCE.

- Córas Iompair Éireann.
- Great Northern Railway Board.
- Guinness, Arthur Son and Co. (Dublin) Ltd.
- Irish Licensed Haulage Contractors' Association.
- Licensed Road Transport Association.
- Merchant Lorry Owners' Association.
- Provisional United Organisation of the Irish Trade Union Movement.
- Reynolds, A.P., Chairman, Great Northern Railway Board.
- Transport Salaried Staff's Association.

APPENDIX 2CÓRAS IOMPAIR ÉIREANNRailway operating results during the five years
ended 31st March, 1956.

1. The losses sustained on C.I.E.'s railway operations are by far the most important item contributing to the present serious position of the undertaking. In this Appendix the recent railway operating results are examined. Consideration is given elsewhere in the Report to the burden of fixed charges in relation to the stock issues of the undertaking and to the capital expenditure undertaken in connection with the railway dieselisation programme.

2. Table (a) shows the gross railway receipts and expenditure for the five years ended 31st March, 1956. Receipts and expenditure for the 10 months ended 31st March, 1951, are given in the table to show the heavy increases in expenditure which occurred in the year ended 31st March, 1952.

Table (a)Railway Receipts and Expenditure

Period	Gross Receipts	Expenditure	Deficits
£ thousand			
<u>10 Months</u> to 31/3/1951	4,234	5,183	949
<u>Year Ended</u> 31/3/1952	5,769	7,456	1,687
31/3/1953	6,019	7,554	1,535
31/3/1954	6,596	7,470	874
31/3/1955	6,706	7,429	724
31/3/1956	6,737	7,961	1,223
<u>INDICES</u> (1952 = 100)			
<u>Year Ended</u> 31/3/1951	88 ^x	83 ^x	
31/3/1952	100	100	
31/3/1953	104	101	
31/3/1954	114	100	
31/3/1955	116	100	
31/3/1956	117	107	

x Adjusted to an annual index by addition of one fifth.

The deficits shown are the operating losses after charging depreciation but before making provision for Interest on Capital, Sinking Fund, or Pension Trust Fund Contributions. Receipts show an increase in each year. These increases are the result of a number of increases in rates and fares, partly offset by reductions in the volume

of traffic. On the expenditure side it will be noted that following the exceptional rise in costs in the year ended 31st March, 1952, expenditure remained constant until the year ended 31st March, 1956, and that in the two years ended 31st March, 1955, the increased receipts brought about a considerable reduction in the level of annual deficits.

Receipts:

3. Increases in rates and fares affecting the receipts of the past five years were:-

<u>Date of Increase</u>	<u>Goods and Livestock Rates</u>	<u>Passenger Fares</u>
15th September, 1951	16 ² / ₃ % increase	Single 14 ² / ₇ % increase Return 12 ¹ / ₃ % "
1st July, 1952	5% "	5% "
2nd February, 1953	7 ¹ / ₇ % "	7 ¹ / ₇ % "
1st February, 1956	10% "	10% "

Equating these increases to average increases effective for the full accounting years, Table (b) compares indices of actual receipts with the indices of the freight rates and passenger fares which would have resulted had there been no changes in the volume of traffic.

Table (b)

Year	Goods (including Live-stock)			Passengers		
	Receipts		Average Rates	Receipts		Average Fares
	£	Indices	Indices	£	Indices	Indices
1950/51 (10 mths)	2,641,051	85 ⁽¹⁾	92	1,098,176	96 ⁽¹⁾	94
1951/52	3,717,434	100	100	1,378,251	100	100
1952/53	3,724,155	100	113	1,539,168	112	111
1953/54	4,140,915	111	121	1,666,303	121	119
1954/55	4,114,731	111	121	1,803,456	131	119
1955/56	4,052,611	109	123 ⁽²⁾	1,887,325	137	121 ⁽²⁾
1956/57	-	-	133	-	-	131

NOTES

- (1) Adjusted to annual index by the addition of one fifth.
- (2) It should be noted that the increase of 10% on 1st February, 1956, was effective only for 2 months of the year 1955/56 and that the full effect would not appear until the year 1956/57.

4. It will be seen from Table (b) that actual freight train traffic receipts did not increase to the extent which might have been expected if the increases in rates had been fully effective, while receipts from passenger traffic increased by more than the amount attributable to increases in fares. It is evident, therefore, that there were considerable variations in the volume of both traffics, with an overall decline in the volume of goods traffic and an overall increase in the volume of passenger traffic. These variations in volume may be seen in some detail in Tables (c), (d) and (e).

Table (c)
Goods

Year	Merchandise		Coal and Coke		Other Minerals		Total	
	Ton Miles (Thous-ands)	Indices (1952 =100)	Ton Miles (Thous-ands)	Indices (1952 =100)	Ton Miles (Thous-ands)	Indices (1952 =100)	Ton Miles (Thous-ands)	Indices (1952 =100)
1951/52	163,946	100.0	10,584	100.0	31,050	100.0	205,580	100.0
1952/53	146,160	89.2	7,711	72.9	25,418	81.9	179,289	87.2
1953/54	152,117	92.8	7,248	68.5	37,869	122.0	197,234	96.0
1954/55	152,008	92.7	7,131	67.4	30,632	98.7	189,771	92.3
1955/56	160,529	97.9	7,977	75.4	27,663	89.1	196,170	95.4

Table (d)
Livestock

Year	Numbers Carried		Average length of haul	Indices of Numbers carried weighted for average length of haul
	Thousands	Indices (1952 = 100)	Miles	
1951/52	912	100.0	74.27	100.0
1952/53	843	92.4	72.22	89.9
1953/54	741	81.2	73.55	80.5
1954/55	862	94.5	77.83	99.0
1955/56	661	72.5	79.29	77.4

Table (e)
Passengers

Year	Passenger Miles	
	Thousands	Indices (1952 = 100)
1951/52	222,142	100.0
1952/53	217,588	97.9
1953/54	231,074	104.0
1954/55	263,627	118.7
1955/56	274,394	123.5

5. Tables (a) to (e) read in conjunction show the effects on the gross railway receipts of rates and fares increases and changes in the volume of traffic, in each of the years 1951/52 to 1955/56. In particular it will be noted that there has been a marked contrast as between freight traffic and passenger traffic.

6. In the case of freight traffic, receipts in 1955/56 show an increase of only 9% as compared with 1951/52 despite an increase in the level of freight rates of 23%. Of the four categories of freight train traffic the volume of traffic in each category was less in every year than in 1951/52, with the exception of "Other Minerals" in the year 1953/54 when extra quantities of beet and turf were carried. The volume of traffic in "Merchandise" (which accounts for 80% of gross receipts from freight train traffic) fell only slightly (by 2.1%) which explains the total fall of only 4.6% in total freight train traffic (excluding livestock).

7. On the other hand, Table (e) shows that except for a small reduction in 1952/53, an increased volume of passenger traffic was obtained each year. Comparing the year 1955/56 with 1951/52 the increase in passenger traffic was 23.5%. This increase in volume, together with the increase of 21.4% in fares should have given rise to a larger increase in receipts than is shown in Table (b) (36.9%) and an increase in travel at cheap excursion fares is evident.

Expenditure:

8. Table (f) gives an analysis of the railway expenditure in recent years. Very substantial increases in costs may be observed in the year 1951/52 as compared with the previous period. While some of this increased cost is attributable to the higher volume of traffic in 1951/52 the principal causes are to be found in substantial increases in wage rates during

Railway Working (C.I.E.)

Analysis of Expenditure

	10 Months ended 31/3/1951	Year Ended				
		31/3/52	31/3/53	31/3/54	31/3/55	31/3/56
£ thousand						
Salaries & Wages	3,054	4,157	4,081	4,133	4,208	4,428
Fuel	867	1,614	1,352	1,234	1,281	1,462
Materials other than Fuel	440	698	705	732	683	712
Depreciation and/or Provision for Renewals	512	637	974	953	861	858
Other Expenditure	311	350	441	418	397	501
TOTAL:	5,183	7,456	7,553	7,470	7,429	7,961
Indices (1952 = 100)						
Salaries & Wages	88	100	98	99	101	107
Fuel	64	100	84	76	79	91
Materials other than Fuel	76	100	101	105	98	102
Depreciation and/or Provision for Renewals	96	100	153	150	135	135
Other Expenditure	107	100	126	119	113	143
TOTAL:	83	100	101	100	100	107

* Adjusted to annual index by addition of one fifth.

CÓRAS IOMPAIR ÉIREANN

Revenue Receipts and Expenditure of the Whole Undertaking

Year ended	31/12/1925	31/12/1938	31/12/1944	31/12/1945	31/12/1946	31/12/1947	31/12/1948	31/12/1949
	£	£	£	£	£	£	£	£
GROSS RECEIPTS								
Rail	4,294,382	3,166,128	4,847,335	5,201,677	4,972,557	4,878,585	5,249,025	5,283,386
Road Passenger	} 2,260	629,249	1,214,648	2,820,123	2,808,106	2,551,472	3,191,982	3,806,780
Road Freight								
Canal	5,101	2,614	6,218	(a)	(a)	(a)	(a)	(a)
Hotels, Refreshment Rooms, and Restaurant Cars	113,704	131,077	127,427	150,030	240,757	254,277	324,684	327,152
Docks, Harbours and Wharves	15,072	13,571	3,615	(a)	(a)	(a)	(a)	(a)
TOTAL RECEIPTS	4,430,519	4,279,788	6,854,615	8,921,364	8,848,355	8,825,523	9,832,301	10,389,214
EXPENDITURE								
Rail	3,902,528	2,916,167	4,490,754	4,980,492	5,406,468	5,874,482	6,524,480	6,374,651
Road Passenger	} 2,071	564,600	803,208	1,863,047	1,982,502	2,089,473	2,882,343	3,276,967
Road Freight								
Canal	16,381	8,642	14,134	(a)	(a)	(a)	(a)	(a)
Hotels, Refreshment Rooms, and Restaurant Cars	107,835	120,450	120,706	141,508	209,371	240,106	301,299	312,167
Docks, Harbours and Wharves	21,314	14,546	12,704	(a)	(a)	(a)	(a)	(a)
TOTAL EXPENDITURE	4,050,129	3,964,642	6,101,512	7,792,392	8,433,138	9,328,969	10,768,955	10,916,616
NET BALANCES ON WORKING ACCOUNTS:								
Rail	391,854	249,961	356,581	221,185	Dr. 433,911	Dr. 995,897	Dr. 1,275,455	Dr. 1,091,265
Road Passenger	} 189	64,650	411,440	957,076	825,604	461,999	309,639	529,813
Road Freight								
Canal	Dr. 11,280	Dr. 3,088	Dr. 4,634	Dr. 57,811	Dr. 7,862	16,281	5,777	19,065
Hotels, Refreshment Rooms and Restaurant Cars	Dr. 5,869	Dr. 6,028	Dr. 7,916	(a)	(a)	(a)	(a)	(a)
Docks, Harbours and Wharves	5,869	10,627	6,721	8,522	31,386	14,171	23,385	14,985
	Dr. 6,242	Dr. 976	Dr. 9,089	(a)	(a)	(a)	(a)	(a)
TOTAL NET BALANCES	Cr. 380,390	Cr. 315,146	Cr. 753,103	Cr. 1,128,972	415,217	Dr. 503,446	Dr. 936,654	Dr. 527,402

(a) Included in rail figures.

10. Compared with the increase in average wage rates from 119/6d in 1952 to 148/8d in 1956, or approximately 25%, the expenditure on wages for the year 1955/56 is only 7% over that of 1951/52. The expenditure on wages in the past five years has been kept down by a substantial reduction in the numbers employed on the railway i.e. from 12,614 male employees in 1952 to 10,969 in 1956, a reduction of 13%.

11. Fuel costs declined in the years 1952/53 and 1953/54 due to the use of more suitable British coal instead of the highly priced American and German coal in use in 1951/52 and to the introduction of diesel railcars. Fuel costs again increased steeply in 1955/56 due to a substantial increase in coal prices in that year. A number of new diesel electric locomotives were brought into service but not until the end of the year.

12. The increase in the depreciation provision in the year ended 31st March, 1953, was due to a revision of the basis of the provision to cover the cost of a programme of renewals of railway lines and works necessary to enable the current services of trains to be operated with existing motive power units, and to write off the value of the steam locomotives in the Balance Sheet over a period of ten years. The annual charges in respect of railway lines and works were subsequently reduced because of the longer life expected following the introduction of diesel units to replace the steam locomotives. The new diesel units and rail cars are being depreciated on the basis of their original cost and the depreciation of coaching stock and wagons is provided on the basis of the replacement cost of the vehicles necessary for future working.

APPENDIX 2:

TERMINATION OF TRAIN SERVICES ON C.I.E. BRANCH LINES

Branch	Mileage of Line	Services Terminated	Year.
Bagenalstown-Palace East (a)	25	Passenger	1931
Bagenalstown-Palace East (c)	25	Merchandise	1947
Ballina-Killaloe (a)	8	Passenger	1931
Ballina-Killaloe (b)	8	Merchandise	1934
Ballinascarthy- Courtmacsherry (c)	9	All Services	1947
Banteer-Newmarket (d)	9	All services except livestock specials from fairs	1955
Birdhill-Killaloe (a)	4	Passenger	1931
Birdhill-Killaloe (d)	4	Merchandise	1953
Castlecomer Junction- Castlecomer (a)	7	Passenger	1931
Castlegregory Junction- Castlegregory (b)	6	All Services	1939
Clara-Banagher (c)	19	Passenger	1947
Clara-Streamstown (c)	8	All Services	1947
Clonsilla-Kingscourt (c)	43	All Services	1947
Coachford Junction- Donoughmore (b)	10	All Services	1934
Cork-Coachford (b)	16	All Services	1934
Cork-Macroon (b)	25	Passenger	1935
Cork-Macroon (d)	25	Merchandise	1953
Cork-Monkstown (a)	8	All Services	1932
Crossdoney- Killeshandra (d)	8	All Services	1955
Enfield-Edenderry (a)	11	Passenger	1931
Enfield-Edenderry (a)	11	Merchandise (except livestock specials)	1932
Fermoy-Mitchelstown (d)	12	All Services	1953.

Branch		Mileage of Line	Services Terminated	Year
Galway Clifden	(b)	50	All Services	1935
Goolds Cross-Cashel	(d)	6	All Services	1953
Gortatlea-Castleisland	(c)	5	All Services	1947
Inny Junction-Cavan	(c)	25	Passenger	1947
Kilmessan-Athboy	(d)	13	All Services	1954
Kinsale Junct.-Kinsale	(a)	11	All Services	1931
Monkstown-Crosshaven	(a)	9	All Services	1932
Patrickswell-Charleville	(b)	19	Passenger	1934
Portlaoise-Mountmellick	(c)	8	All Services	1947
-Tullow	(c)	35	All Services	1947
Schull-Skibbereen	(d)	15	All Services	1953
Tralee-Dingle	(b)	32	Passenger	1939
Tralee-Dingle	(d)	32	Merchandise	1953
Tralee-Fenit	(b)	8	Passenger	1934
Tralee-Fenit	(c)	8	Merchandise	1947
Westport-Achill	(b)	27	Passenger	1934
Westport-Achill	(b)	27	Merchandise	1937
Woodenbridge-Shillelagh	(d)	17	All Services	1953.

Mileage on which services have been terminated.

Passenger and Merchandise Services	<u>Miles.</u> 438
Passenger Services only	<u>70.</u>
Total:	508.

- (a) Terminated prior to the Railways Act, 1933.
- (b) Authorised by Order made by the Minister for Industry and Commerce under the Railways Act, 1933.
- (c) Temporarily discontinued under the Emergency Powers (Coras Iompair Eireann) (Reduction of Railway Services) Order, 1944.
- (d) Authorised by Exemption Order made by the Transport Tribunal under the Transport Act, 1950.

APPENDIX 4.COMPENSATION TO RAILWAY EMPLOYEES FOR
LOSS OF EMPLOYMENT OR WORSENING OF
CONDITIONS OF SERVICE.

1. Section 9 of the Railways Act, 1933, provides for the payment of compensation to all employees of a railway company dismissed on grounds of redundancy arising out of the termination of train services permitted by an Order made by the Minister for Industry and Commerce under that Section. The Section ceased to apply to C.I.E. on the enactment of the Transport Act, 1950, and to the G.N.R. Board on the enactment of the Great Northern Railway Act, 1953.

2. The Transport Act, 1950, provides in the case of C.I.E. for the payment of compensation in the following circumstances:-

- (1) Lump sum compensation to employees who suffered a worsening of conditions of service as a result of the amalgamation of C.I.E. (1945) and the Grand Canal Co. under the Act or as a result of their transfer from one position in the service of C.I.E. to another, arising out of the amalgamation;
- (2) Compensation in accordance with the scale set out in the Act to employees rendered redundant as a result of the amalgamation and to whom C.I.E. are unable to offer suitable alternative employment;

- (3) Compensation in accordance with the scale set out in the Act to employees whose services have to be dispensed with on the grounds of redundancy by reason of the termination of train services or canal services permitted by an Order made by the Transport Tribunal established under the Act; and
- (4) Lump sum compensation to employees rendered redundant by reason of the termination of train services or canal services who suffer a worsening of conditions of service by being transferred to another position in the Board's service.

To qualify for compensation an employee must have been employed in a permanent capacity or must have had not less than three years continuous service. The scale of compensation set out in the Act provides that -

- (1) An employee with less than five years service receives a gratuity equal to one-sixth of his annual remuneration for every completed year of pensionable service;
- (2) An employee with five years service or more receives a pension equal to one-sixtieth of his annual remuneration for each completed year of service with certain additions, depending on the length of service. The maximum amount of pension payable in any case is two-thirds of annual remuneration.

3. The Transport Act, 1955, provides for the payment of compensation to permanent employees of C.I.E. or employees with not less than three years service at the time of the

passing of the Act, who became redundant as a consequence of the substitution of diesel for steam traction. Compensation on the scale set out in the Transport Act, 1950, is payable where C.I.E. are unable to offer alternative employment to a redundant employee and his services have to be dispensed with. Lump sum compensation is payable where an employee is transferred on grounds of redundancy from one position in the service of C.I.E. to another and thereby suffers a worsening of his conditions of service.

4. The Great Northern Railway Act, 1953, provides for the payment of compensation to employees of the G.N.R. Board resident in the State who become redundant by reason of the termination of the train services on which they had been directly employed or in connection with which they had been wholly employed. Compensation on the scale set out in the Transport Act, 1950, is payable where the services of the redundant employee have to be dispensed with. Lump sum compensation is payable if the redundant employee suffers a worsening of conditions of service by being transferred to another position in the service of the Board.

5. All four Acts provide for the settlement by a standing arbitrator of any disputes or differences regarding the compensation payable under these Acts.

CÓRAS IOMPAIR ÉIREANN.

Revenue Receipts and Expenditure of the Whole Undertaking.

Year ended	31/5/1950 (5 Mths.)	31/3/1951 (10 Mths.)	31/3/1952	31/3/1953	31/3/1954	31/3/1955	31/3/1956
	£	£	£	£	£	£	£
GROSS RECEIPTS:							
Rail	2,020,252	4,234,451	5,769,209	6,018,589	6,596,125	6,705,618	6,737,410
Road Passenger	1,505,423	3,383,070	4,426,405	4,642,104	4,965,122	5,062,264	5,326,014
Road Freight	401,900	920,126	1,362,004	1,542,047	1,811,438	1,879,563	1,847,745
Vessel	-	-	2,677	7,657	8,028	9,480	14,021
Canal	(a)	120,583	149,170	157,633	159,731	155,841	163,114
Hotels, Refreshment Rooms, and Restaurant Cars	89,500	291,246	373,054	440,671	473,922	497,964	513,143
Docks, Harbours and Wharves	(a)	8,494	15,006	13,385	13,796	15,623	13,942
TOTAL RECEIPTS	4,017,075	8,957,970	12,097,525	12,822,086	14,028,162	14,326,353	14,615,389
EXPENDITURE:							
Rail	2,582,152	5,183,488	7,455,970	7,553,605	7,470,292	7,429,158	7,960,632
Road Passenger	1,369,490	3,027,310	4,033,571	4,382,312	4,404,968	4,403,390	4,645,650
Road Freight	421,419	950,035	1,372,620	1,508,134	1,641,318	1,732,183	1,765,120
Vessel	-	-	5,053	12,144	16,556	18,890	23,429
Canal	(a)	149,802	201,902	199,690	201,963	207,680	228,236
Hotels, Refreshment Rooms, and Restaurant Cars	113,679	285,071	398,166	433,430	455,464	471,386	484,251
Docks, Harbours and Wharves	(a)	19,356	24,367	28,574	27,498	28,273	23,677
TOTAL EXPENDITURE	4,486,740	9,615,062	13,419,649	14,117,889	14,218,059	14,290,960	15,130,995
NET BALANCES ON WORKING ACCOUNTS:							
Rail	Dr. 561,900	Dr. 949,037	Dr. 1,686,761	Dr. 1,535,016	Dr. 874,167	Dr. 723,540	Dr. 1,223,222
Road Passenger	135,933	355,760	392,834	259,792	560,154	658,874	680,364
Road Freight	Dr. 19,519	Dr. 29,909	Dr. 10,616	33,913	170,120	147,380	82,625
Vessel	-	-	Dr. 2,376	Dr. 4,487	Dr. 8,528	Dr. 9,410	Dr. 9,408
Canal	(a)	Dr. 29,219	Dr. 52,732	Dr. 42,057	Dr. 42,232	Dr. 51,839	Dr. 65,122
Hotels, Refreshment Rooms, and Restaurant Cars	Dr. 24,179	6,175	Dr. 25,112	7,241	18,458	26,578	28,892
Docks, Harbours and Wharves	(a)	Dr. 10,862	Dr. 9,361	Dr. 15,189	Dr. 13,702	Dr. 12,650	Dr. 9,735
TOTAL NET BALANCES	Dr. 469,665	Dr. 657,092	Dr. 1,394,124	Dr. 1,295,803	Dr. 189,897	Cr. 35,393	Dr. 515,606

(a) Included in rail figures.

CÓRAS IOMPAIR ÉIREANN

Net Income and Expenditure of the Whole Undertaking

Year ended:	31/12/1925	31/12/1938	31/12/1944	31/12/1945	31/12/1946	31/12/1947	31/12/1948	31/12/1949
Total Net Balances on Working Accounts	Cr. £ 380,390	Cr. £ 315,146	Cr. £ 753,103	Cr. £ 1,128,972	Cr. £ 415,217	Dr. £ 503,446	Dr. £ 936,654	Dr. £ 527,402
Other Income and Expenditure (Net)	Dr. 41,603	Dr. 49,563	Dr. 294,973	Dr. 94,438	Cr. 10,914	Cr. 43,640	Dr. 27,528	Dr. 90,986
Balances Available for Dividends and Interest	Cr. 338,787	Cr. 265,583	Cr. 458,130	Cr. 1,034,534	Cr. 426,131	Dr. 459,806	Dr. 964,182	Dr. 618,388
Dividends and Interest Payments:								
Debenture Interest	337,527	308,595	290,722	296,673	296,673	317,683	360,146	407,358
Dividends and Interest on Stocks	435,825	-	172,114	140,709	105,532	-	-	-
Sinking Fund	-	-	-	-	-	-	-	-
Interest on Advances for Guaranteed Interest on Stocks	-	-	-	-	-	-	-	-
Pension Trust Fund	-	-	-	150,000	150,000	100,000	100,000	180,000
	Dr. 434,565	Dr. 43,012	Dr. 4,706	Cr. 447,152	Dr. 126,074	Dr. 877,489	Dr. 1,424,328	1,205,746
Year ended:	31/5/1950 (5 Mths.)	31/3/1951 (10 Mths.)	31/3/1952	31/3/1953	31/3/1954	31/3/1955	31/3/1956	
Total Net Balances on Working Accounts	Dr. £ 469,665	Dr. £ 657,092	Dr. £ 1,394,124	Dr. £ 1,295,803	Dr. £ 189,897	Cr. £ 35,393	Dr. £ 515,606	
Other Income and Expenditure (Net)	Dr. 44,395	Dr. 12,173	Dr. 19,240	Dr. 26,513	Cr. 6,327	Cr. 8,669	Cr. 24,833	
Balances Available for Dividends and Interest	Dr. 514,060	Dr. 669,265	Dr. 1,413,364	Dr. 1,322,316	Dr. 183,570	Cr. 44,062	Dr. 490,773	
Dividends and Interest Payments:								
Debenture Interest	157,794	-	-	-	-	-	-	
Dividends and Interest on Stocks	-	397,589	477,106	477,106	568,356	602,106	755,669	
Sinking Fund	-	-	-	-	27,375 ^(a)	37,500 ^(a)	78,000 ^(b)	
Interest on Advances for Guaranteed Interest on Stocks	-	6,117	21,250	37,661	61,768	90,991	121,100	
Pension Trust Fund	75,000	150,000	180,000	180,000	180,000	180,000	180,000	
	Dr. 746,854	Dr. 1,222,971	Dr. 2,091,720	Dr. 2,017,083	Dr. 1,021,069	Dr. 866,535	Dr. 1,625,542	

(a) 5% Transport Stock 1972/77

(b) 5% Transport Stock 1972/77 and 4½% Transport Stock 1972/77

CÓRÁS IOMPAIR ÉIREANN

BALANCE SHEET: POSITION AS AT 31st MARCH, 1956.

	£		£
CAPITAL ISSUES:		FIXED ASSETS:	
3% Transport Stock, 1955/60	9,889,083	Railway Lines and Works	6,735,097
2½% Transport Stock, 1965/75	3,000,000	Railway Rolling Stock	9,046,342
3% Transport Stock, 1975/85	3,514,460	Road Passenger Vehicles	1,974,124
5% Transport Stock, 1972/77	2,500,000	Road Freight Vehicles and Equipment	581,533
4½% Transport Stock, 1972/77	4,500,000	Vessels	20,864
	<u>23,403,543</u>	Canal	669,360
		Canal Barges and Equipment	21,275
CAPITAL RESERVE:		Land and Buildings	1,825,841
Being advance in respect of Capital Expenditure 30th November, 1949, now non- repayable by virtue of Section 6, Transport Act, 1955, and Balance on Renewal Fund	3,263,212	Plant and Machinery	538,535
		Docks, Harbours and Wharves	223,325
CURRENT LIABILITIES:		Hotels, including Catering Equipment	445,541
	£		<u>22,081,837</u>
Amount due to Bankers	124,025	CURRENT ASSETS:	€
Sundry Creditors	1,392,013	Stock of Stores (less reserve)	2,101,292
Advances under Section 18, Transport Act, 1944, and Section 30, Transport Act, 1950, with interest thereon	3,263,256	Payments in Advance	226,813
Expenses Accrued	956,134	Sundry Debtors	1,137,842
Taxation	158,676	Cash at Bank and in Hand	2,707
	<u>5,894,104</u>	Investments at Cost (less reserve) (Market Value £422,761)	458,081
SINKING FUND FOR REDEMPTION OF TRANSPORT STOCKS	144,847		<u>3,926,735</u>
		FISHGUARD AND ROSSLARE RAILWAYS AND HARBOURS COMPANY	571,072
		BURROW NAVIGATION	29,801
		INVESTMENTS ON SINKING FUND ACCOUNT	144,847
		ISSUE OF TRANSPORT STOCKS - DISCOUNT AND EXPENSES (Less amounts written off)	231,581
		APPROPRIATION ACCOUNT (Balance) Transferred)	5,719,833
	<u>€32,705,706</u>		<u>€32,705,706</u>

Revenue Receipts and Expenditure of the Whole Undertaking

Year ended:	31/12/1925	31/12/1938	31/12/1944	31/12/1945	31/12/1946	31/12/1947	31/12/1948	31/12/1949
	£	£	£	£	£	£	£	£
GROSS RECEIPTS								
Rail	1,854,779	1,111,799	3,021,618	2,946,254	2,837,588	2,850,170	3,090,811	2,947,294
Road Passenger	-	155,643	195,818	241,971	277,372	338,424	389,376	429,012
Road Freight	-	30,112	98,090	126,786	147,476	173,461	162,987	161,862
Hotels, Refreshment Rooms and Restaurant Cars.	44,300	54,066	173,213	198,638	206,534	221,451	245,164	231,728
TOTAL RECEIPTS	1,899,079	1,351,620	3,488,739	3,513,649	3,468,970	3,583,506	3,888,338	3,769,896
EXPENDITURE								
Rail	1,610,859	1,071,794	2,397,035	2,539,166	2,689,429	2,777,901	3,135,082	3,162,565
Road Passenger	-	151,232	154,328	182,425	213,490	267,130	336,164	347,890
Road Freight	-	35,299	88,609	105,294	117,709	147,518	152,455	152,478
Hotels, Refreshment Rooms and Restaurant Cars.	42,446	51,488	152,919	184,441	182,491	199,105	237,299	225,256
TOTAL EXPENDITURE	1,653,305	1,309,813	2,792,891	3,011,326	3,203,119	3,391,654	3,859,000	3,888,189
NET BALANCES ON WORKING ACCOUNTS								
Rail	243,920	40,005	624,583	407,088	148,159	72,269	Dr. 42,271	Dr. 215,271
Road Passenger	-	4,411	41,490	59,546	63,882	71,294	53,212	81,122
Road Freight	-	Dr. 5,187	9,481	21,492	29,767	25,943	10,532	9,384
Hotels, Refreshment Rooms and Restaurant Cars.	1,854	2,578	20,294	14,197	24,043	22,346	7,865	6,472
TOTAL NET BALANCES	245,774	41,807	695,848	502,323	265,851	191,852	29,338	Dr. 118,293
Other Income and Expenditure (Net)	127,128*	1,606	40,499	35,833	46,253	49,088	41,203	26,796
Balances Available for Dividends and Interest	372,902	43,413	736,347	538,156	312,104	240,940	70,541	Dr. 91,497
Dividends and Interest	Deduct	Deduct	Deduct	Deduct	Deduct	Deduct	Deduct	Add
Debenture Interest	93,673	93,673	93,195	92,995	92,995	92,995	92,995	92,995
Dividends and Interest on Stocks } G.N.R. Company	236,259	-	256,512	236,258	236,258	155,245	34,771	
Interest on Government Advances in respect of:-								
Capital Liability } G.N.R.								
Capital Expenditure } Board								
Working Losses } Board								
Balances after Dividends and Interest on Capital	42,970	Dr. 50,260	386,640	208,903	Dr. 17,149	Dr. 7,300	Dr. 57,225	Dr. 184,492

* Including £80,000 compensation under Irish Railways (Settlement of Claims) Act, 1921.

APPENDIX 6

Memorandum showing how the present capital
structure of C.I.E. has emerged and Interest
and Dividend Payments since 1938.

1. Following the Railways Act, 1924, the issued capital of the Great Southern Railways Company amounted to £26,008,707 made up as follows:-

	£
4% Debenture Stock	8,323,797
4% Guaranteed Preference Stock	3,885,374
4% Preference Stock	5,068,464
Ordinary Stock	<u>7,767,123</u>
	25,044,758
Loans and Redeemable Debentures	306,919
Subsidiary Stocks	<u>657,030</u> <u>963,949</u>
	<u>26,008,707</u>

2. The capital reconstruction effected by the Railways Act, 1933, reduced the capital as follows:

	Reduced by	£
4% Debenture Stock	15% to	7,076,972
4% Guaranteed Preference Stock	50% to	1,943,167
4% Preference Stock	65% to	1,776,224
Ordinary Stock	90% to	<u>777,927</u>
		11,574,290
Subsidiary Stocks and Loans		<u>772,230</u>
		<u>12,346,520</u>

∅ The slight difference between this figure and that in the First Schedule to the Railways Act, 1933, is accounted for by fractional differences which arise in the application of the percentages.

3. The capital reconstruction effected by the Transport Act, 1944, was as follows:

<u>Existing Stocks</u>		<u>New Stocks</u>	
<u>Great Southern Railways Company</u>		<u>Córas Iompair Éireann</u>	
	£	<u>3% Debenture</u> £	<u>Common</u> £
4% Debenture	7,076,972	7,076,972 (G)	-
4% Guaranteed Preference	1,943,167	971,076 (G)	971,076
4% Preference	1,776,224	-	1,768,792
Ordinary	777,927	-	777,858
Issued to Subsidiary Stock Holders		14,599 (G)	
	<u>£11,574,290</u>	<u>£8,062,647 (G)</u>	<u>£3,517,726</u>
<u>Dublin United</u>			
<u>Transport Company</u>			
	£		
6% Preference 600,000			
Ordinary <u>660,000</u>	1,260,000	1,826,436 (G)	-
	<u>£12,834,290</u>	<u>£9,889,083 (G)</u>	<u>3,517,726</u>

(G) Guaranteed by Minister for Finance.

NOTE: The following loans were redeemed at par in 1947:
 £37,200 - 4% Redeemable (1947) Debenture Stock issued by G.S.R. in 1942.
 £300,000 - 3½% Mortgage Debentures 1947 issued by D.U.T.C. in 1896 - 1900.

The basis of the reconstruction effected by the Transport Act, 1944, was as follows:

<u>Existing Stocks</u>		<u>New Stocks</u>	
<u>Great Southern Railways Co.</u>			
£100	4% Debenture	= £100	3% Debenture (G)
£100	4% Guaranteed Preference	= (£50 (£50	3% Debenture Common Stock (G)
£100	Preference	= £100	Common Stock
£100	Ordinary	= £100	Common Stock
<u>Dublin United Transport Co.</u>			
£100	6% Preference Stock	= £145	3% Debenture Stock (G)
£100	Ordinary Stock	= £145	3% Debenture Stock (G)

Stocks registered in the name of the Great Southern Railways Company, viz. £45 4% Guaranteed Preference, £7,432 4% Preference and £69 Ordinary, were cancelled. Fractional parts of £1 Stock arising in the conversion, totalling £1,534, were paid off in cash at par.

In 1947 and 1948 issues amounting to £3,000,000 2½% Debenture Stock were made, bringing the total issued capital to £16,406,809.

(G) Guaranteed by Minister for Finance.

4. The capital reconstruction effected by the Transport Act, 1950, was as follows:

<u>Existing Stocks</u>		<u>New Stocks</u>	
C.I.E. (1945)		C.I.E.	
	£		£
3% Debenture Stock	9,889,083 (G)	3% Transport Stock	9,889,083 (G)
2½% Debenture Stock	3,000,000 (G)	2½% Transport Stock	3,000,000 (G)
Common Stock	3,517,726	3% Transport Stock	2,811,960 (G)
	<hr/>		<hr/>
	16,406,809		15,701,043
 <u>Grand Canal Company</u>			
3% Debenture	} 702,500	3% Transport Stock	702,500 (G)
3% Preference			
Ordinary Shares)			
	<hr/>		<hr/>
	17,109,309		16,403,543

The basis of this reconstruction was as follows:

<u>Existing Stocks</u>		<u>New Stocks</u>	
C.I.E. (1945)			
£100 3% Debenture (G)	=	£100 3% Transport Stock 1955/60 (G)	
£100 2½% " (G)	=	£100 2½% " " 1965/75 (G)	
£100 Common Stock	=	£80 3% Transport Stock 1975/85 (G)	
		(subject to fractional parts of £1 Stock being refunded in cash at par.)	

Grand Canal Co.

£100 (3% Debenture) (3% Preference) (Ordinary)	=	£100 3% Transport Stock 1975/85 (G)
---	---	-------------------------------------

Since the reconstruction of C.I.E. in 1950 the 5% Transport Stock 1972/77 (£2,500,000) was issued in 1953 and the 4½% Transport Stock 1972/77 (£4,500,000) in 1955 bringing the present issued capital to £23,403,543, all of which is guaranteed by the Minister for Finance.

(G) Guaranteed by Minister for Finance

5. Interest and Dividend payments on G.S.R. and C.I.E. Debentures and Stock between 1.1.1938 and 31.3.1956 were as follows:-

Period 1.1.1938 to 31.12.1944.

4% Debentures	- Interest paid for whole period.	- Stock converted into 3% Debenture Stock in 1944.
4% Guaranteed Preference Stock.	- Interest paid for whole period.	- Stock converted into 3% Debenture Stock and Common Stock in 1944.
4% Preference Stock	- Interest paid for 1943 and 1944.	) - Stocks converted into Common Stock in 1944
Ordinary Stock	- 3% Dividend paid in 1943 and 1944.)	

Period 1.1.1945 to 31.5.1950.

3% Debentures))	
2½% Debentures))	
(Issued in 1947 and 1948)	)	)	Converted into Transport Stock in 1950.
Common Stock	- 4% Dividend paid in 1945 and 3% in 1946.)	

Period 1.6.1950 to 31.3.1956.

Transport Stock - Interest paid for whole period.

6. Interest and Dividend payments on the Debentures and Stocks of the Dublin United Transport Company and the Grand Canal Company in the two years immediately preceding their amalgamation were as follows:-

Dublin United Transport Company.

	<u>1943.</u>	<u>1944.</u>
6% Preference	6%	6%
Ordinary	6%	6%

Grand Canal Company:

	<u>1948.</u>	<u>1949.</u>
3% Debenture	3%	3%
3% Preference	3%	Nil.
Ordinary	3%	Nil.

Revenue Receipts and Expenditure of the Whole Undertaking

Year ended:	31/12/1950	31/12/1951	31/12/1952	31/8/1953 (8 Mths.)	30/9/1954 (13 Mths.)	30/9/1955	30/9/1956
	£	£	£	£	£	£	£
GROSS RECEIPTS							
Rail							
Road Passenger	2,807,085	2,804,398	2,970,233	2,145,629	3,272,096	2,897,908	2,867,841
Road Freight	415,721	374,497	446,126	320,841	491,690	472,003	468,899
Hotels, Refreshment Rooms and Restaurant Cars	168,086	193,343	215,692	161,372	261,036	247,365	254,655
	222,975	227,624	219,977	148,445	224,150	201,130	205,141
TOTAL RECEIPTS:	3,613,867	3,599,862	3,852,028	2,776,287	4,248,972	3,818,406	3,796,536
EXPENDITURE							
Rail							
Road Passenger	3,036,418	3,406,307	3,838,935	2,655,054	3,821,066	2,701,439	3,749,232
Road Freight	354,954	376,033	470,670	310,996	453,827	443,858	463,622
Hotels, Refreshment Rooms and Restaurant Cars	157,978	185,942	199,243	145,563	226,258	220,329	222,622
	218,830	228,888	214,621	150,528	218,412	199,949	204,681
TOTAL EXPENDITURE:	3,768,180	4,197,170	4,723,469	3,262,141	4,719,563	4,565,575	4,640,157
NET BALANCES ON WORKING ACCOUNTS							
Rail	Dr. 229,333	Dr. 601,909	Dr. 868,702	Dr. 509,425	Dr. 548,970	Dr. 803,531	Dr. 881,391
Road Passenger	60,767	Dr. 1,536	Dr. 24,544	9,845	37,863	28,145	5,277
Road Freight	10,108	7,401	16,449	15,809	34,778	27,036	32,033
Hotels, Refreshment Rooms and Restaurant Cars	4,145	Dr. 1,264	5,356	Dr. 2,083	5,738	1,181	460
TOTAL NET BALANCES:	Dr. 154,313	Dr. 597,308	Dr. 871,441	Dr. 485,854	Dr. 470,591	Dr. 747,169	Dr. 843,621
Other Income and Expenditure (Net)	<u>26,337</u>	<u>15,019</u>	<u>18,632</u>	<u>2,241</u>	<u>2,269</u>	<u>10,612</u>	<u>10,019</u>
Balances Available for Dividends and Interest	Dr. 127,976	Dr. 582,289	Dr. 852,809	Dr. 483,613	Dr. 472,860	Dr. 736,557	Dr. 833,602
Dividends and Interest							
Debenture Interest	<u>Add</u> 92,995	<u>Add</u> 92,995	<u>Add</u> 92,995	<u>Add</u> 61,997	<u>Add</u> -	<u>Add</u> -	<u>Add</u> -
Dividends and Interest on Stocks	-	-	-	-	-	-	-
Interest on Government Advances in respect of:-							
Capital Liability	} G.N.R.				219,144	202,849	202,618
Capital Expenditure	} Board				-	12,302	23,314
Working Losses					18,276	37,313	118,353
Balances after Dividends and Interest on Capital	Dr. 220,971	Dr. 675,284	Dr. 945,804	Dr. 545,610	Dr. 710,280	Dr. 989,021	Dr. 1,177,887

G.N.R. BOARD

BALANCE SHEET : Position as at 30th September, 1956.

		£	FIXED ASSETS:		£
Capital Liability		4,495,813	Lines open for Traffic		8,274,272
Payments and Advances to meet:-			Rail Rolling Stock		2,054,548
Revenue Loans	£		Land, Buildings and other Property		195,992
Ulster Transport Authority	1,835,628		Plant and Machinery		94,223
Minister for Industry & Commerce	<u>979,340</u>	2,814,968	Road Vehicles		607,779
Capital Expenditure			Garages, Stables etc.		72,822
Ulster Transport Authority	126,743		Cost of acquiring Road Motor Services		186,747
Minister for Industry & Commerce	<u>445,700</u>	572,443	Hotels		88,706
Interest payable:-					<u>11,575,089</u>
Ulster Transport Authority	16,203		Less Assets Displacement Account		7,874,944
Minister for Industry & Commerce	<u>126,601</u>	142,804			3,700,145
Pension and Provident Funds		292,184	Lines Jointly owned C.D.R.J.C.		177,043
Wages Staff Pension Reserve		178,427	Additional Assets since 31st August, 1953		580,254
Creditors		358,536	CURRENT ASSETS:		
			Stocks and Work in Progress		678,773
			Sundry Debtors		292,918
			Cash at Bankers and in hand		27,825
			Investments at cost		521,029
			REVENUE ACCOUNT . - LOSSES		2,877,188
		<u>8,855,175</u>			<u>8,855,175</u>

NUMBERS OF MECHANICALLY PROPELLED VEHICLES UNDER LICENCE IN SELECTED YEARS (a)

Year (b)	Private Cars.	Motor Cycles etc.	Public		Commercial Goods Vehicles						(d)			
			Service Vehicles			CARRIERS			OTHERS			Total Commercial Goods Vehicles.	Tractors (excluding 5/- class)	
			(c) Small	Large	Total	Unladen	Weight	Total	Unladen	Weight	Total			
						Not exceeding 2 Tons.	Over 2 Tons		Not exceeding 2 Tons.	Over 2 Tons				
1925	16,211	7,369	n.a.	n.a.	8,208	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4,950	98	
1938	48,599	2,724	4,411	838	5,249	1,412	544	1,956	6,946	1,454	8,400	10,356	365	153
1944	6,566	156	4,015	700	4,715	1,539	1,246	2,785	4,692	1,391	6,083	8,868	620	133
1947	52,187	4,645	5,399	816	6,215	1,462	2,954	4,416	9,738	4,582	14,320	18,736	2,976	311
1950	85,140	5,291	6,759	1,231	7,990	1,358	3,428	4,786	14,400	5,358	19,758	24,544	7,527	400
1951	96,714	6,405	6,885	1,229	8,114	1,222	3,975	5,197	15,339	5,984	21,323	26,520	9,543	404
1952	104,900	7,980	6,719	1,230	7,949	1,046	3,377	4,423	16,184	6,647	22,831	27,254	11,190	404
1953	108,805	11,317	5,088	1,224	6,912	998	3,277	4,275	21,348	7,573	28,921	33,196	10,918	390
1954	117,460	15,052	5,343	1,245	6,588	1,132	3,431	4,563	24,383	8,144	32,527	37,090	12,736	517
1955	127,511	21,436	5,013	1,301	6,314	1,018	3,390	4,408	27,037	8,730	35,767	40,175	14,819	476
1956	135,961	26,539	4,472	1,372	5,844	990	3,325	4,315	28,856	8,426	37,282	41,597	15,852	483

(a) The table does not include (1) certain road vehicles, e.g. ambulances, Government vehicles, etc., which are exempt from motor vehicles duties; the number of such vehicles in 1956 was 3,643 including 2,287 Government vehicles and (2) hearses (419 in 1956) and vehicles specially designed for conveyance of machines etc. (170 in 1956).

(b) As in August of each year.

(c) A small public service vehicle is a vehicle having seating accommodation for not more than six passengers (Road Traffic Act, 1933).

(d) "5/- class" comprises - agricultural tractors, excavators etc. not used on public roads except for certain limited purposes. The number in this class in 1956 was 12,253.

CÓRAS IOMPAIR ÉIREANNESTIMATED COST OF PROVIDING SUBSTITUTE ROAD PASSENGER
SERVICES FOR EXISTING RAILWAY SERVICES.

(Based on Peak Period Requirements)

	500 Single Deck 'Buses	50 Double Deck 'Buses	TOTAL
CAPITAL COST	£2,350,000	£252,500	£2,602,000
Annual Mileage	20,850,000 Miles	1,680,000 Miles	22,530,000 Miles

ANNUAL OPERATING COSTS

	£	£	£
<u>Maintenance of Buildings</u>			6,000
<u>Maintenance of Vehicles & Equipment (a)</u>	371,964	37,674	409,638
<u>Traffic Expenses</u>			
Wages of Crews	414,081	93,828	507,909
Fuel	280,641	26,670	307,311
Road Tax	90,000	13,200	103,200
Insurance	33,500	3,350	36,850
<u>Depreciation of Vehicles</u>	156,500	16,850	173,350
<u>Interest on Capital 6%</u>	141,000	15,150	156,150
<u>Other Expenditure (b)</u>	304,410	30,660	335,070
TOTAL	1,792,096	237,382	2,035,478
Schedule	A	B	

Notes: (a) Including Cleaning, Washing, Greasing and Lubricating.

(b) Administration and Other Indirect Expenses.

SCHEDULE A.(a) ESTIMATED ANNUAL COST OF OPERATING 500 SINGLE
DECK 'BUSES.

	One Single Deck 'Bus	500 Single Deck 'Buses
CAPITAL COST	£4,700	£2,350,000
Annual Mileage	50,000 Miles	20,850,000 Miles (b)
	ANNUAL OPERATING COSTS	
	£	£
<u>Maintenance of Vehicle & Equipment</u> (including Tyres, Cleaning, Washing, Greasing and Lubricating)	892	371,964
<u>Traffic Expenses</u>		
Wages of Crews (c)	993	414,081
Fuel @ 3.23 Pence per mile	673	280,641
Road Tax	180	90,000
Insurance	67	33,500
<u>Depreciation of Vehicles</u> (Life - 15 years).	313	156,500
<u>Interest on Capital (6%)</u>	282	141,000
<u>Other Expenditure</u> (Administration and Other Indirect Expenses)	730	304,410
<u>TOTAL</u>	4,130	1,792,096

Notes: (a) Based on current average costs.

(b) 417 Working Vehicles.

(c) Including Provision for Annual Leave, Public Holidays,
National Insurance and Meal Allowances.

SCHEDULE B.(a) ESTIMATED ANNUAL COST OF OPERATING 50 DOUBLE DECK
'BUSES.

	One Double Deck 'Bus	50 Double Deck 'Buses
	£	
CAPITAL COST	5,050	£252,500
Annual Mileage	40,000 Miles	1,680,000 Miles (b)

ANNUAL OPERATING COSTS

	£	£
<u>Maintenance of Vehicle and Equipment.</u> (Including Tyres, Cleaning, Washing, Greasing and Lubricating)	897	37,674
<u>Traffic Expenses</u>		
Wages of Crews (c)	2,234	93,828
Fuel @ 3.81 Pence per mile.	635	26,670
Road Tax	264	13,200
Insurance	67	3,350
<u>Depreciation of Vehicles</u> (Life - 15 years)	337	16,850
<u>Interest on Capital (6%)</u>	303	15,150
<u>Other Expenditure</u> (Administration and Other Indirect Expenses)	730	30,660
<u>TOTAL</u>	5,467	237,382

- Notes: (a) Based on current average costs.
 (b) 42 Working Vehicles.
 (c) Including Provision for Annual Leave, Public Holidays and National Insurance.

(a) ESTIMATED ANNUAL COST OF OPERATING 240
SINGLE DECK 'BUSES.

(Based on Valley Period Requirements)

	One Single Deck 'Bus	240 Single Deck 'Buses
CAPITAL COST	£4,700	£1,128,000
Annual Mileage	53,000 Miles	11,130,000 Miles (b)

ANNUAL OPERATING COSTS

	£	£
<u>Maintenance of Vehicle & Equipment.</u> (Including, Tyres, Cleaning, Washing, Greasing and Lubricating)	945	198,450
<u>Traffic Expenses</u>		
Wages of Crews (c)	993	203,530
Fuel @ 3.23 pence per mile	713	149,730
Road Tax	180	43,200
Insurance	67	16,080
<u>Depreciation of Vehicles</u> (Life -15 years)	313	75,120
<u>Interest on Capital (6½)</u>	282	67,680
<u>Other Expenditure</u> (Administration and Other Indirect Expenses)	730	153,300
<u>TOTAL</u>	4,223	912,090

Notes: (a) Based on current average costs.

(b) 210 Working Vehicles.

(c) Including Provision for Annual Leave, Public Holidays, National Insurance and Meal Allowances.

REVENUE EXPENDITURE: ROAD PASSENGER SECTION.1st APRIL, 1955 to 28th MARCH, 1956.Calculation of Amount per Vehicle per Annum for Overhead Expenses.(Administration, Rent/Rates, &c.)

	Total Revenue Expenditure	Overhead Expenses	Amount per Vehicle per annum.
	£	£	£
<u>Maintenance of Buildings.</u>	11,789		
<u>Maintenance of Vehicles.</u>	628,151		
<u>Traffic Charges (a)</u>	3,302,616	355,481	407
	3,942,556	355,481	407
<u>General Charges (b)</u>	349,133	280,838	323
<u>Depreciation.</u>	352,403	-	-
<u>TOTAL</u>	<u>4,644,092</u>	<u>636,319</u>	
Total Vehicle Weeks		45,232 weeks	
Amount per Vehicle per week		£14. 0. 10d.	
Amount per Vehicle per annum		£730	£730

(a) Salaries, Wages, Road Tax, Fuel, Tickets, Uniforms etc.

(b) Salaries and Office Expenses, Insurance, Rents, Rates, Stationery, Pensions, Sickness Benefit etc.

ESTIMATED COST OF PROVIDING SUBSTITUTE ROAD MERCHANDISE SERVICES FOR EXISTING RAILWAY SERVICES.
(Based on Peak Period Requirements)

	1035 "A" Class Lorries	517 "B" Class Lorries with 615 Trailers	1121 "A" Class Lorries	350 "C" Class Lorries; 300 Trailers and 650 Containers	TOTAL
CAPITAL COSTS	£3,073,950	£2,298,375	£3,329,370	£1,323,750	£10,025,445
Annual Mileage - Power Units	33,541,500 Miles	16,754,500 Miles	17,645,320 Miles	7,000,000 Miles	74,941,320 Miles
- Trailers		16,754,500 Miles		6,000,000 Miles	22,754,500 Miles
ANNUAL OPERATING COSTS.					
	£	£	£	£	£
Maintenance of Buildings.					100,000
Maintenance of Vehicles & Equipment (Including Tyres, Cleaning, Greasing and Lubricating)	954,497	712,785	501,335	286,500	2,455,117
<u>Traffic Expenses.</u>					
Wages of Crews	639,206	325,995	346,679	237,650	1,549,530
Fuel	375,665	270,944	198,250	89,200	934,059
Road Tax	294,975	226,963	191,651	59,300	772,889
Insurance	35,190	17,578	38,114	11,900	102,782
Depreciation of Vehicles.	294,975	207,875	212,990	116,000	831,840
Interest on Capital 6%	184,230	138,161	199,538	79,600	601,529
Other Expenditure.	229,041	114,409	124,555	83,650	551,655
Superintendence, Salaries and Ground Staff.	426,641	213,022	231,445	155,750	1,026,858
	3,434,420	2,227,732	2,044,557	1,119,550	8,926,259
Schedule	(A)	(B)	(C)	(D)	

NOTE: An "A" class lorry is capable of taking a 10-ton pay load. A "B" class lorry is capable of taking a 12-ton pay load. When hauling a trailer it can take a combined load of 20 tons. A "C" class lorry is capable of taking an 8-ton pay load. When hauling a trailer it can take a combined load of 14 tons.

SCHEDULE A.ESTIMATED ANNUAL COST OF OPERATING 1035 "A" CLASS LORRIES.

	One Lorry	1,035 Lorries
CAPITAL COST (a)	£2,970	£3,073,950
Annual Mileage	35,000 Miles	33,541,500 Miles (c)

ANNUAL OPERATING COSTS

	£	£
<u>Maintenance of Vehicle & Equipment.</u> (Including Tyres, Cleaning, Greasing and Lubricating).	996	954,497
<u>Traffic Expenses</u>		
Wages of Crews (b)	667	639,206
Fuel @ 2.69 pence per mile	392	375,665
Road Tax	285	294,975
Insurance	34	35,190
<u>Depreciation of Vehicles</u> (Life - 9 years)	285	294,975
<u>Interest on Capital (6%)</u>	178	184,230
<u>Other Expenditure</u>	239	229,041
<u>Superintendence, Salaries and Ground Staff.</u>	445	426,641
TOTAL	3,521	3,434,420

Notes: (a) Capital Cost of Lorry (excluding Tyres) - £2,565.

(b) Including Provision for Annual Leave, Public Holidays, National Insurance, five Meal Allowances and 12½% (on Standard Rate) for Night Duty and Lodging Allowances.

(c) 958 Working Vehicles.

SCHEDULE B.

ESTIMATED ANNUAL COST OF OPERATING 517" B" CLASS
LORRIES WITH 615 TRAILERS (a).

	Lorry	Trailer	One Lorry and Trailer	517 Lorries and 615 Trailers
CAPITAL COST (b)	£ 3,375	£ 900	£ 4,275	£ 2,298,375
<u>Annual Mileage</u> (Each Unit)			35,000 Miles	16,754,500 Miles (c)

ANNUAL OPERATING COSTS

			£	£
<u>Maintenance of Vehicle: and Equipment.</u> (Including Tyres, Clean- ing, Greasing and Lubricating).			1,489	712,785
<u>Traffic Expenses:</u>				
Wages of Crews (d)			681	325,995
Fuel @ 3.88 pence per mile			566	270,944
Road Tax	385	54	439	226,903
Insurance			34	17,578
<u>Depreciation of Vehicles</u> (Life - 9 years)	320	69	389	207,875
<u>Interest on Capital (6%)</u>	203	54	257	138,161
<u>Other Expenditure</u>			239	114,409
<u>Superintendence, Salaries and Ground Staff.</u>			445	213,022
TOTAL			4,539	2,227,732

- Notes:
- The excess Trailers over Lorries (615-517) 98, has been included in respect of Depreciation and Interest on Capital only.
 - Capital Cost (excluding Tyres) - Lorry £2,880 & Trailer (£621)
 - 479 Working Vehicles.
 - Including Provision for Annual Leave, Public Holidays, National Insurance, five Meal Allowances and 12½% (on Standard Rates) for Night Duty and Lodging Allowances.

SCHEDULE C.ESTIMATED ANNUAL COST OF OPERATING 1121 "A" CLASS
LORRIES (FOR PEAK TRAFFIC)

	One Lorry	1121 Lorries
CAPITAL COST (a)	£2,970	£3,329,370
Annual Mileage	17,000 Miles	17,645,320 Miles (c)

ANNUAL OPERATING COSTS

	£	£
Maintenance of Vehicle & Equipment. (including Tyres, Cleaning, Greasing and Lubricating)	483	501,335
<u>Traffic Expenses:</u>		
Wages of Crews (b)	334	346,679
Fuel @ 2.69 Pence per mile	191	198,250
Road Tax (Two Quarters)	171	191,651
Insurance	34	38,114
<u>Depreciation of Vehicles</u> (Life - 13 years)	190	212,990
<u>Interest on Capital 6%</u>	178	199,538
<u>Other Expenditure</u>	120	124,555
<u>Superintendence, Salaries and Ground Staff.</u>	223	231,445
TOTAL	1,924	2,044,557

Notes: (a) Capital Cost of Lorry (excluding Tyres) - £2,565

(b) Including Provision for Annual Leave, Public Holidays, National Insurance, five meal Allowances and 12½% (on Standard Rate) for Night Duty and Lodging Allowances.

(c) 1,038 Working Vehicles.

ROAD FREIGHT MOTOR WORKINGEXPENDITURE : YEAR ENDED 31st MARCH, 1956.Calculation of amount per Vehicle per annum for Other Expenditure.

	TOTAL	Other Expenditure	Amount per Vehicle per annum.
<u>Traffic Charges:</u> (Including Wages, Road Tax, Salaries, Supervision, Office Expenses etc.)	£ 705,955	£ 36,918	£ 74
<u>Fuel</u>	210,247		
<u>Maintenance of Vehicles.</u>	392,980		
<u>Maintenance of Buildings.</u>	7,598		
<u>Depreciation of Vehicles.</u>	146,940		
<u>General Charges:</u> (Including Salaries, Office Expenses, Rents, Rates, Pensions, Accident Insurance, Law Costs etc.)	103,714	79,419	158
<u>Total Expenditure</u>	1,567,434	116,337	232

Total Vehicle Weeks

26,066

Amount per Vehicle per week

£4. 9. 3d.

Amount per Vehicle per annum

£232

£232 applied to the working vehicles of the proposed substitute Road Freight Fleet gives an annual amount of

£
535,015

Add provision for Superannuation Contributions in respect of existing railway staff to be retained for the substitute Road Freight Services

15,000
£550,015

This amount divided by the proposed working fleet gives a rate per vehicle per annum of

£238. 10. 2d.£239.

ESTIMATED ANNUAL COST OF OPERATING 350 "C" CLASS LORRIES, 300 TRAILERS AND 650 LIVESTOCK CONTAINERS.

(a)	Lorry	Trailer	Container.	One Lorry, Trailer and Container	350 Lorries, 300 Trailers and 650 Containers
CAPITAL COST	£2,175	£900	£450	£3,525	£1,323,750
Annual Mileage				20,000 miles	Lorries (b) (7,000,000 Miles) Trailers (6,000,000 Miles)

ANNUAL OPERATING COSTS

	(1) One Lorry and Container	(2) One Lorry Trailer and Two Containers	(3) 50 Lorries and 50 Containers	(4) 300 Lorries 300 Trailers and 600 Containers	(3)+(4) 350 Lorries 300 Trailers and 650 Containers(d)
<u>Maintenance of Vehicle: and Equipment</u> (Including Tyres, Cleaning Greasing and Lubricating).	£ 528	£ 867	£ 26,400	£ 260,100	£ 286,500
<u>Traffic Expenses:</u>					
Wages of Crews (c)	667	681	33,350	204,300	237,650
Fuel	194	265	9,700	79,500	89,200
Road Tax	142	174	7,100	52,200	59,300
Insurance	34	34	1,700	10,200	11,900
<u>Depreciation of Vehicles (e)</u>	226	349	11,300	104,700	116,000
<u>Interest on Capital 6%</u>	158	239	7,900	71,700	79,600
<u>Other Expenditure</u>	239	239	11,950	71,700	83,650
<u>Superintendence, Salaries & Ground Staff.</u>	445	445	22,250	133,500	155,750
TOTAL:	2,633	3,293	131,650	987,900	£1,119,550

NOTES: (a) Capital Cost (excluding Tyres) - Lorry £1,958 and Trailer £621. (b) 350 Working Vehicles (c) Including Provision for Annual Leave, Public Holidays, National Insurance, five meal allowances, and 12½% (on Standard Rate) for Night Duty and Lodging Allowances. (d) It has been assumed that the Vehicles will operate as follows: (i) 50 Lorries with 50 Containers; (ii) 300 Lorries with 300 Trailers and 600 containers. (e) Life - Lorry and Trailer 13 years; Container 6 years.

ESTIMATED ANNUAL COST OF SUPERINTENDENCE, SALARIES
AND GROUND STAFF INCLUDED IN ANNUAL COST OF
OPERATING SUBSTITUTE ROAD MERCHANDISE
SERVICES FOR EXISTING RAILWAY SERVICES

	Number	Rate per week.	Total per week.	Total per Annum	Add 10% for Night Duty Over-time, etc.	Total Cost per Annum
		£	£	£	£	£
Salaries:						
Superintendence						61,780
Station Masters	174	12	2,088	108,576	10,858	119,434
Clerks	396	10	3,960	205,920	20,592	226,512
<u>Depot Keepers:</u>	133	7	931	48,412	4,841	53,253
Supervision:						
Inspectors	30	10	300	15,600	1,560	17,160
Foremen	101	8	808	42,016	4,201	46,217
Ground Staff:						
Porters	758	7	5,306	275,912	27,591	303,503
Junior Porters	53	3	159	8,268	827	9,095
Goods Checkers	415	8	3,320	172,640	17,264	189,904
TOTALS	2,060		16,872	877,344	87,734	£1,026,858

This amount divided by the proposed Working Fleet gives a rate per vehicle per annum of £445.

ESTIMATED COST OF PROVIDING SUBSTITUTE
ROAD MERCHANDISE SERVICES^x FOR EXISTING
RAILWAY SERVICES

(Based on Valley Period Requirements)

	1,000 "A" Class Lorries	500 "B" Class Lorries	Total
CAPITAL COST	£2,970,000	£1,687,500	£4,657,500
Annual Mileage	30,450,000 Miles	15,225,000 Miles	45,675,000 Miles
ANNUAL OPERATING COSTS	£3,164,930	£1,711,294	£4,876,224
Schedule	(E)	(F)	

^x Excluding Livestock Services.

ESTIMATED ANNUAL COST OF OPERATING 1,000 "A" CLASS AND 500 "B" CLASS LORRIES
(See Page 13 of this Appendix)

	Schedule (E)		Schedule (F)	
	"A" Class Lorries		"B" Class Lorries	
	One Lorry	1,000 Lorries	One Lorry	500 Lorries
CAPITAL COST (a)	£2,970	£2,970,000	£3,375	£1,687,500
Annual Mileage	35,000 miles	30,450,000 miles (b)	35,000 miles	15,225,000 miles (c)

ANNUAL OPERATING COSTS

	£	£	£	£
<u>Maintenance of Vehicle and Equipment</u> (including Tyres, Cleaning, Greasing and Lubricating)	996	866,520	1,076	468,169
<u>Traffic Expenses</u>				
Wages of Crews (d)	667	580,290	667	290,145
Fuel ("A" Class Lorry 2.69 pence per mile)				
("B" " " 2.91 " " " ")	392	341,040	424	184,440
Road Tax	285	265,000	385	192,500
Insurance	34	34,000	34	17,000
<u>DEPRECIATION OF VEHICLES</u> (Life - 9 years)	285	285,000	320	160,000
<u>Interest on Capital (6%)</u>	178	178,000	203	101,500
<u>Other Expenditure</u>	239	207,930	239	103,965
<u>Superintendence, Salaries and Ground Staff</u>	445	387,150	445	193,575
TOTAL	3,521	3,164,930	3,793	1,711,294

- NOTES:
- (a) Capital Cost (excluding Tyres) : "A" Class Lorry £2,565 and "B" Class Lorry £2,880.
- (b) 870 Working Vehicles.
- (c) 435 " "
- (d) Including provision for Annual Leave, Public Holidays, National Insurance, five meal Allowance and 12½% (on Standard Rate) for Night-Duty and Lodging Allowances.

SUMMARY OF TRAFFIC CENSUS MADE BY CÓRAS IOMPAIR ÉIREANN

ON
TUESDAY, 28th AUGUST, 1956.

1. A small-scale traffic census was made between 7 a.m. and 9 p.m. on Tuesday, 28th August, 1956, mainly for the purpose of recording the pattern of long distance commercial goods vehicle traffic on the roads. It was confined to the three arterial roads linking Cork, Limerick and Waterford with Dublin. Through traffic between these three cities and Dublin was recorded. Also recorded were vehicles which were travelling 35 or more miles to or from Dublin, e.g. as far as or beyond Monasterevan on the southern route and beyond Kilcullen on the Carlow-Kilkenny route. Census points were established at:

Rathcoole for Dublin,
Sarsfield's Court for Cork,
Lisnagry for Limerick,
Ballyhale for Waterford,
Monasterevan,
South of Kilcullen.

2. Vehicles making long distance journeys were identified by comparison of the registration numbers noted at each census point.

3. The following tables set out the numbers of passes made by commercial goods vehicles travelling long distance to or from Dublin:-

Table (a)

Commercial goods vehicles travelling 35 or more miles
to or from Dublin.

	Census Points	
	Monasterevan	S. of Kilcullen
X Heavy Trucks	52	71
Light Trucks	164	125
Vans	91	64
Oil Tankers	26	27
Heavy Cattle Trucks	11	15
Light Cattle Trucks	7	13
Total passes	351	315

Table (b)

Commercial goods vehicles on inter-city journeys.

	Dublin to or from		
	Cork	Limerick	Waterford
Heavy Trucks	5	14	12
Light Trucks	21	26	4
Vans	7	16	10
Oil Tankers	1	3	3
Heavy Cattle Trucks	2	1	2
Light Cattle Trucks	-	1	-
Total passes	36	61	31

X Vehicles of 4 tons or more unladen weight.

4. The following table shows the percentages of total traffic which comprised long distance traffic passing the various census points:-

Table (c)

Census Points	Over 35 miles	Inter-City
	%	%
Rathcoole	50	10
Monasterevan	71	20
Kilcullen	67	7
Cork	n. a.	9
Limerick	n. a.	15
Waterford	n. a.	14

5. The tonnages of merchandise and the numbers of cattle carried by road have been roughly estimated on the following assumptions:

- (a) Road traffic between 9 p.m. and 7 a.m. to be 6% of traffic between 7 a.m. and 9 p.m.
- (b) Total traffic on arterial roads in C.I.E. territory to be 2.73 times the traffic in the area covered by the census. This assumption is based for the most part on Dublin County Council's statistics of vehicle passes as follows:

	Average vehicle passes per day
x Rathcoole 1955 July-August	4,630
Leixlip 1955 August	4,150
Mulhuddart 1955 July-August	2,367
Bray-Wexford (assume)	1,500
Total for C.I.E. territory	12,647
x Census Point	

(c) No allowance is made for cross-country long distance traffic, as for example:

Sligo-Limerick,
Limerick-Tralee,
Tralee-Cork,
Cork-Waterford, etc.

- (d) In the absence of census counts at points 35 miles distant from Cork, Limerick and Waterford, all vehicles bearing registration index letters other than those of the undermentioned licensing authorities were deemed to be travelling 35 miles or more:

Cork - Cork City and Cork County registrations,
Limerick - Limerick City, Limerick County and
Tipperary N.R. registrations.

Waterford - Waterford City, Waterford County
and Kilkenny registrations.

Due account was taken of all vehicles with the foregoing registration index letters, which were known to be making long distance journeys.

- (e) Tuesday, 28th August, has been assumed to be an average day for road traffic, excluding seasonal traffic like grain and beet for which no allowance is made in the calculations which follow. It is assumed that traffic operates on $5\frac{1}{2}$ days per week.

- (f) Assumptions as to average loads on vehicles which were not empty:

Heavy truck	..	8 tons
Light truck	..	5 "
Van	..	$\frac{1}{4}$ ton
Heavy cattle truck	..	12 cattle
Light cattle truck	..	10 "
Tankers	..	Not taken into account

6. The results of the census in so far as it related to long distance merchandise and cattle traffic are summarised in the following Tables (d) - (f):-

Table (d)

Merchandise: 35 miles or over.

Census Points	Heavy Trucks	Light Trucks	Vans	Totals
	Tons			
Monasterevan	288	530	11	829
Kilcullen	424	430	8	862
Cork	48	105	4	157
Limerick	32	170	10	212
Waterford	160	30	3	193
Totals	952	1,265	36	2,253

(Estimated annual tonnage of merchandise carried)
 (by road in C.I.E. territory:)
 ($(2,253 + 6\%) \times 5\frac{1}{2} \times 52 \times 2.73 = 1,864,500$ tons)

Table (e)

Cattle: 35 miles or over.

Census Points	Heavy Trucks	Light Trucks	Totals
	Numbers of Cattle		
Monasterevan	108	50	158
Kilcullen	131	100	231
Cork	12	10	22
Limerick	100	36	136
Waterford	12	12	24
Totals	363	208	571

(Estimated annual number of cattle carried by)
 (road in C.I.E. territory:)
 ($(571 + 6\%) \times 5\frac{1}{2} \times 52 \times 2.73 = 472,372$)

Table (f)

Merchandise: Inter-City

Dublin to or from	Heavy Trucks	Light Trucks	Vans	Totals
	Tons			
Cork	32	55	1	88
Limerick	88	75	2	165
Waterford	72	15	2	89
Totals	192	145	5	342

(Estimated annual tonnage of merchandise carried)
 (by road in C.I.E. territory:)
 ((342 + 6%) x 5 $\frac{1}{2}$ x 52 x 2.73 = 283,423 tons))

Table (g)

Cattle: Inter-City

Dublin to or from	Heavy Trucks	Light Trucks
	Numbers of Cattle	
Cork	12	-
Limerick	12	-
Waterford	12	-
Total	36	-

(Estimated annual number of cattle carried by road)
 (in C.I.E. territory:)
 ((36 + 6%) x 5 $\frac{1}{2}$ x 52 x 2.73 = 29,670))

ADDENDUM
BY
DR. JUAN N. GREENE, M.B.

It is clear from the Report that the economic future of our public transport undertakings is dependent on their earning for themselves a competitive position with other forms of transport. Our personal income figure is amongst the lowest in Europe, and our position in relation to trade and commerce is already so overburdened that it can ill-afford inflated transport charges. The paramount public interest in this country is undoubtedly best served by cheap, efficient and convenient transport from some source. If public transport is to provide that source it can only do so by becoming a competitive commercial enterprise.

While I agree that the recommendations embodied in this Report will place C.I.E. in greatly improved economic circumstances, which might confidently be expected to enable it to reduce fares, it is possible to go even further towards assisting its competitive ability on grounds that can be justified.

It is my opinion that C.I.E. should not be expected to operate uneconomic services for the community for considerations other than those that are purely transport in character. In so far as these obligations are accepted they should be remunerated from some relevant authority.

For example, there are important social aspects apart from transport considerations which require C.I.E. to maintain such a service as the Dun Aengus link with the Aran Islands. The Board is obliged to incur substantial capital commitments on this service as well as incurring annual operating deficits.

Further, the maintenance of abandoned canals and waterways is an example of another uneconomic obligation placed on C.I.E. for reasons which are mainly concerned with the interests of public health, tourism and land drainage.

A substantial case might also be made in support of some concessions in the remission of rates on land where the railway and canal undertakings are concerned, since these are rapidly becoming a form of local taxation, unrelated to income, by which national projects are partly financed.

These few examples indicate the type of recurring annual expenditure which must be reflected in C.I.E.'s general transport charges, and militates against its competitive position in relation to other forms of transport.

The growing expansion in private transport is a reflection of the failure of our public transport enterprise to meet the urgent needs of the public interest. The recommendations in the Report offer the alternatives to the reorganised system, of maintaining fares at the risk of reducing traffic, or of having competitive fares and maintaining or possibly even increasing traffic. The increasing competitive position of a public transport system could itself substantially reduce the volume of other forms of transport, which would also serve the public interest. For the public to press for too liberal a view of common carrier obligations on their own public transport system would be to act against their own best interests.

JUAN N. GREENE.

IRELAND

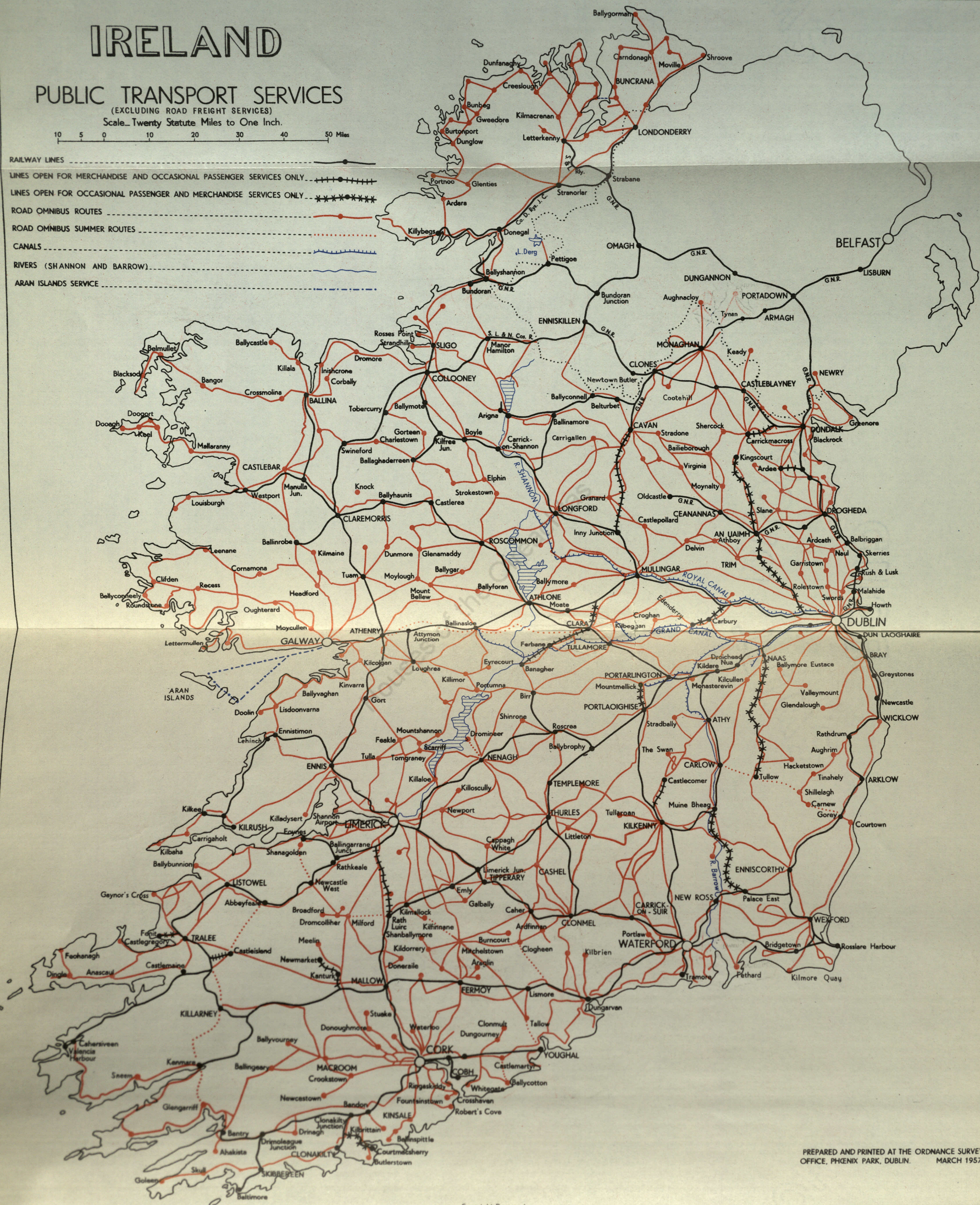
PUBLIC TRANSPORT SERVICES

(EXCLUDING ROAD FREIGHT SERVICES)

Scale Twenty Statute Miles to One Inch.

10 5 0 10 20 30 40 50 Miles

- RAILWAY LINES
- LINES OPEN FOR MERCHANDISE AND OCCASIONAL PASSENGER SERVICES ONLY
- LINES OPEN FOR OCCASIONAL PASSENGER AND MERCHANDISE SERVICES ONLY
- ROAD OMNIBUS ROUTES
- ROAD OMNIBUS SUMMER ROUTES
- CANALS
- RIVERS (SHANNON AND BARROW)
- ARAN ISLANDS SERVICE



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