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RAILWAYS AND FULL EMPLOYMENT

From our Financial Editor

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Nationalisation of the railways may be looked at from many different angles. To some it is a way of getting rid of vast and costly directorates; to others a means to greater efficiency and cheaper service, or simply u a jolly good thing." The aspect that has recently received special attention is -the connection between railway control and full employment.

In 1928 the present Lord Keynes said that the nationalisation of the railways was an unimportant and irrelevant question. To-da\ Mr. floliaod-Martin, the chairman of the Southern Railway, quoted the remar:■ with sympathy, and went on to plead for the return of the railways, after the war. to private enterprise. His case should he patiently studied from the full text of his address. It is based, on the whole, on the claim that privately controlled railways have [served this country well and would servo it better than State railways in the future. The companies, stinting their stockholders, prepared tho railways for the emergency, and when war came the system was in a high state of repair and efficiency. The Stats had done nothing to help and much to hinder. In its efforts to reduce unemployment the State had developed the roads at the expense of the railways; vet the war had proved that railways must still carry the bulk of the traffic.

Now Parliament did not prefer roads to railways out of spite. Was it not an important fact that the legal and financial machinery for capital expenditure was ready at hand in the case of roads and not in the case of railways? Mr. HoJland-Martin touches this point by saying that it should be possible to make improvements on railways which would pay nationally but not financially. Has he got a scheme by which this could be organised ? If not. nationalisation may come to be regarded as the only way in which the Government can control the capital expenditure of the railways, or at least the timing of it.

Such control will undoubtedly be demanded. Governments will be expected to pursue an active policy of full employment. This means, at the least, control of the trade cycle by expanding and reducing capital works against the tides of the cycle. The central authority can already switch local authority expenditure on and off at will—hence the past preference for [roads—but it will need to command a larger field. The railways will inevitably suggest themselves as a convenient addition and nationalisation may appear to bo the neatest method of making sure of control. Whether it would also give us better railways is another question.