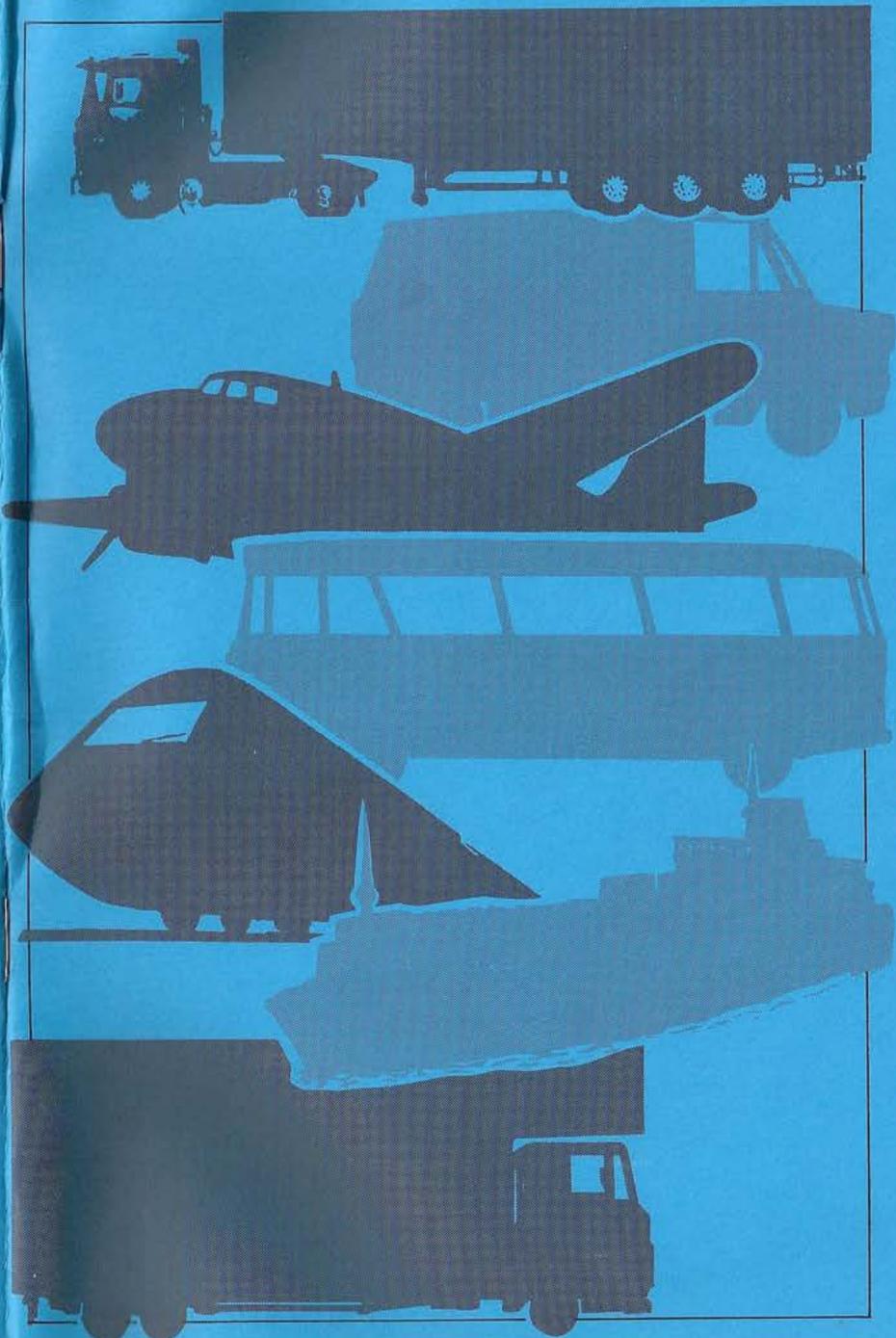


# TRANSPORT

# ECONOMIST

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MAGAZINE OF THE TRANSPORT ECONOMISTS GROUP

VOLUME 15 NUMBER 2

Transport for Tropical Transport and Trade  
to Overseas Markets in Britain  
Peter Stansfield (London, 1977)

The Black Sea  
Michael J. ...

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**THE TRANSPORT ECONOMIST**

**MAGAZINE OF THE TRANSPORT ECONOMISTS GROUP**

**VOLUME 15 NUMBER 2**

**EDITOR: Stuart Cole, Polytechnic of North London**

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RECENT MEETINGS

MANCHESTER AIRPORT RAIL LINK

Phil Jobling, Greater Manchester PTA (Northern Meeting, November 1987)

From the beginning of the talk, the speaker made it clear that the argument for a rail link to Manchester Airport was as much about broader development benefits as about narrow transport economics. Existing traffic levels, with only 9% of trips to and from the airport being by public transport, did not necessarily make the case look strong. But a combination of planned expansion at the airport, diversion of some existing traffic from car and taxi and generation of new trips to the airport - in part by providing more convenient services from Manchester for passengers who at present have to travel from Heathrow or Gatwick - formed the basis of the case. Benefits from a reduction in the need for car parking and future likely road congestion in the vicinity of the airport were also brought into the picture. All of this was against a background of a strong commitment to the development of the airport as a generator of employment, and a feeling that, if Stansted could have a rail link, why couldn't Manchester - the third busiest airport in the country - have one too?

Three main alternative schemes for a branch from the Styal line had been examined; a single track unelectrified branch with a junction facing the Manchester direction only, the same only with electrification, and a double track option which would also have a spur facing South. The intended service would be a train every 20 minutes, alternately from Liverpool, Blackpool and Altrincham with cross platform connection at Manchester Piccadilly from West and South Yorkshire. If the South facing spur were provided, then services from Crewe and Birmingham would also be possible. Only a small increase in resources and costs would be involved, as much of the service could be fitted in by extending trains from Manchester Piccadilly, utilising

existing layover time at the carriage sidings at Manchester. Thus it was hoped that the traffic attracted by the new service would improve the position of the existing Section 20 supported services.

Funding for the scheme would be from a variety of sources. An agreement between the various parties had been drawn up, under which British Rail would provide 50% of the capital cost, and the airport company 25%. That left the PTA to find the remaining 25%. An application had been made both for Section 56 and for European Regional Development Fund grants. Some of the costs could also be recouped from passengers by effectively charging a toll, over and above the normal fare, for use of the line.

Much of the discussion centred on whether it was possible to achieve most of the benefits much more cheaply by providing an improved coach service to the airport, either from Central Manchester, or from an existing or new station on the Styal line itself. In part the answer to this was that such a service would not be as attractive as a rail link, especially on a regional level as opposed to simply for passengers from Manchester itself. But it was clear that there were also institutional factors involved. For instance, there were now severe constraints on the ability of the PTE to secure provision of an improved coach service on a route where a service was already being provided on a commercial basis. At the same time, with a purely commercial service, no guarantee could be given to airlines and tour operators on the standard of service they would receive more than 6 weeks ahead. On the financial front, much of the capital cost of a rail link would come from other sources, whereas support for a coach service would have to be found entirely from the resources of the PTE.

Even if a number of members of the audience remained sceptical of the case for the link, we came away having learned a good deal about both the politics and the economics of the proposal.

Report by Chris Nash, Institute of Transport Studies, Leeds University

## TRANSPORT FOR TOURISTS: TRANSPORT OF AND TRAVEL BY OVERSEAS VISITORS IN BRITAIN

Peter Stonham, "Bus Business" (London, November 1987)

At a well-attended meeting in PCL, Peter Stonham, the Managing Editor of "Bus Business", introduced a paper based on an earlier research report\*. He adopted a marketing approach based on his experience as the co-ordinator of National Bus Company's 'Explorer' Ticket programme and research which covered multi-mode/operator tickets in the United Kingdom and Switzerland. He took as his theme the catch phrase "Getting there is half the fun ... and only half the movement". He explained that the other half was travel as leisure.

The potential market, derived from International Passenger Survey (IPS) figures for 1981, consisted of some 6.5 million overseas visitors who arrived in Britain without private transport (cars) and 'independently' (i.e. not on package tours). Table 1 shows the breakdown: over four times as many people came to Britain independently rather than in 'packages'.

The result, confirmed by a second table quoted from the 1978 IPS in Peter Stonham's research report, is that nearly 1 in 2 of foreign tourists use either hire-car (10%), coach tour (5%) or scheduled public transport (33%) as their main means of travel during their stay in Britain.

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\* "Opportunities for and benefits from the wide use of conventional bus and rail services by overseas visitors". BTET (British Travel Educational Trust) 1985. Available from ETB/BTA price £6.95.

TABLE 1  
OVERSEAS VISITORS TO BRITAIN IN 1981

	ALL	ON BUSINESS	ON HOLIDAY/VFR	
			'PACKAGE'	'INDEPENDENT'
By Air	6.9M	2.2M	0.8M	4.0M
By Ferry	4.6M	0.2M	0.5M	1.2M 2.5M with car without car
Totals	11.5M	2.46M	1.3M	3.8M holiday 2.8M VFR 1.7M other

SOURCE: International Passenger Survey. OPCS  
VFR stands for 'Visiting Friends and Relations'

This major market for discretionary public transport travel is divided into two distinct parts, suggests Peter Stonham. First there is the 'TRANSPORT', which he defines as airport, seaport links and transfers together with positioning trips within the United Kingdom. Secondly, there are the 'TRAVEL' trips essential for sightseeing:

- coach tours
- rail tours
- hire car
- 'go-as-you-please' long distance
- 'go-as-you-please' local
- excursions or daytrips.

For TRANSPORT, he quotes, what he describes as 'ballpark' figures for 1983 of 7 million users of the tube to and from Heathrow Central and more than 1.2 million users of the Gatwick-Victoria rail link service. From the IPS, he then quotes:

TABLE 2  
MAIN INTERNAL TRANSPORT BY VISITORS

Coachtours	830,000
Train	2,690,000
Local bus/coach	530,000
Hire cars	820,000

This TRANSPORT for tourists (for example airport access) was, he suggested, reasonably self-evident, demand-led, shared with domestic users of the services, high volume and required only the traditional marketing of public transport services.

TRAVEL by tourists (for example touring), he contrasted as unclear, in need of packaging, different in scope and form to what domestic public transport users required and often in low volume flows. To be economic it needed specialised marketing. His main argument is that such specialised marketing will pay-off for public transport because foreign tourists can fill empty seats and provide new revenue. It can therefore be seen as a high value-added market per unit of expenditure on marketing. It is also seen as a growth market and involves public transport operators in the new and potentially more profitable area of packaged tourist products.

In this respect there may be some inconsistencies in Peter Stonham's description and analysis: the package holiday operators make some of their profits by squeezing the margins of the elements of the package (particularly transport) and the key market element in foreign tourists seen by him was the independent (i.e. unpackaged) holiday maker. He quoted as an example the effective case of Vickie Osborne Tours, a subsidiary of the Southern Vectis Omnibus Company on the Isle of Wight but acknowledged that a monopoly island market might be much easier than a mainland market area, fragmented by competition.

First he identified some of the problems of marketing this leisure travel for tourists to the tourists themselves:

How to find the customers?

A UK-based company must discover the tourists abroad in the States, in Japan, in a number of Western European countries.

How to communicate with them?

Multi-language leaflets are complicated to produce, update and distribute.

How to price the facilities?

For area/period validity, the price needs to ensure extra revenue rather than substitution; peak travel needs to be prevented but simple understandable conditions presented.

He also recognised the needs to:

- create mutually advantageous links with destinations
- links with accommodation
- links with the travel trade.

Competition could lead to fragmentation of the saleable product as Peter Stonham illustrated with the case of the Lake District, where Cumberland, Ribble, Yeowarts, Mountain Goat etc. as bus operators plus local steam railways, lake steamers and British Rail would all need to be covered in a comprehensive deal.

He therefore went on to discuss which commercial or public agency might have the perceived responsibility or incentive to package the product.

He listed seven possibilities:

- The public transport operator
- A combination of operators
- The travel trade

The tourist board

The destination proprietors and accommodation owners

The local authorities

The development board (where available).

There were examples of most of these but he mentioned particularly the work of Iain Skewis, first at the Highlands & Islands Development Board and later at the Mid Wales Development Board in creating the Travelpass and the PassCambria as well as Crosville with its Rideabout (bus and rail) ticket with its multi-lingual leaflets for European visitors (probably only to flatter this reviewer!).

Apparently there would be an important role here for the tourist boards but it was not one they had taken on. Occasionally local authorities have taken on the role, for example Calderdale in Yorkshire.

He suggested that the need was for

1. a national body to establish concepts, create awareness and supply information overseas, and
2. a local body to define and update the packages and to ensure operator co-operation.

A national co-ordinating body had existed in the form of National Bus Company with its (then) 40 bus operating subsidiaries and National Express. Peter Stonham described his involvement in the creation and launch of the 'Explorer' ticket in the early 1980's. The forty local subsidiaries created the local itinerary based packages, while the concept was promoted nationally and internationally by NBC through a book 'England by Bus' (by Elizabeth Gundrey for Hamlyn's) and with later sponsorship by 'Nimble' bread.

The last national attempt on the bus side was the 1986 leaflet 'Britain by Bus' produced by the overseas marketing subsidiary of NBC - 'British Bus' - before piecemeal privatisation broke up this marketing exercise.

Peter Stonham then illustrated his talk with examples of timetables and leaflets from different operators and combinations of operators, pointing out which were simply catalogues of heavy information (like the full network BR timetable) and which were really geared to a tourist, particularly foreign tourist market.

He argued strongly for the itinerary based 'Explorer' type of ticket which at best showed the tourist how to use a specific set of buses and/or trains to achieve a good day out with ideally discounted entry to some attractions on the way.

He went on to describe the Swiss pattern of complete fares, ticket and information integration of a network of services operated by a variety of different operators and modes (from funiculars to lake steamers, railways to buses). Some 50,000 national passes were sold each year, mainly in Germany but with significant sales in the UK through tour operators like Swiss Travel Service and in the United States. This reviewer has found more recently on the ground that large numbers of Japanese tourists are also using the facilities and Grindelwald Station actually has all its notices signwritten in Japanese as well as European languages.

An appendix to Peter Stonham's research report gives an comprehensive list of tourist-targetted tickets available in 1984, which was probably the peak year for this activity as operators dropped such schemes to concentrate on their narrow short-term self-interest in response to the 1985 Transport Act.

Finally Peter Stonham concluded with a number of openings for further research and unanswered questions on:

the potential value to individual operators  
 the potential value to the travel trade  
 the full and longer term effects of deregulation  
 the potential new role for local authorities to have visitors' passes organised in the same way as OAP and scholars' passes  
 a common approach by the BTA, Scottish Tourist Board, Wales Tourist Board and the English regional boards.

He suggested a slogan for the campaign: "Getting around Britain by public transport - you never knew so much was there". But he feared the destructive divisiveness of deregulation would frustrate such co-ordinated marketing and parsimonious funding for the Tourist Boards would prevent them taking up the challenge.

A lively discussion developed from the paper. Peter White of PCL feared OFT discouragement of joint schemes but the analogy of the British Waterways Association was cited as comparable and successful in attracting overseas tourists. It was regretted that the Bus & Coach Council saw no equivalent role for itself. British Rail was working mainly to promote its transport for tourist services rather than the leisure travel element. Only where a mass flow and a simple-to-understand product like Vickie Osborne existed did they promote such a package. Practically no British examples seemed to exist of the type of marginal add-on of a 'free' public transport pass to a package holiday, long practised by the Anglo-Belgian tour operator which goes by the name of Swiss Travel Service. Clearly such arrangements generated useful extra income for Swiss Public Transport who could therefore afford highly generous commission and bulk purchase deals with the tour operator.

The meeting left all the participants with a strong feeling of lost opportunities and a lack of co-ordinated export marketing which is serious for public transport-based inbound tourism. The Channel Tunnel is expected to increase inbound tourists by more than a million

a year in the 1990's. Will the Channel Tunnel Company, the Tourist Boards or even British Rail take the necessary lead to ensure that some of the money these extra tourists will bring with them is spent on UK public transport trips? What is probably certain is that the extra British tourists expected to leave Britain by the Tunnel will further reduce the domestic tourist-based revenue of public transport.

Report by David Bruce, Bristol Business School

### BOOK REVIEWS

#### THE CHANNEL TUNNEL STORY

Michael R. Bonavia, David & Charles, Newton Abbott (£9.95)

The review copy of Michael Bonavia's book arrived on my desk coincidentally with Eurotunnel plc's share information pack.

In reviewing this book I worked backwards in time since the more recent data is more relevant to current economic analysis.

The information pack explains the physical nature of the development and its financial basis. Eurotunnel will earn its money from three main sources:

1. fares paid for vehicles using the Eurotunnel shuttle service;
2. charges paid by the national railways to run their trains through the tunnels;
3. revenues from other related facilities (which, like the airports, no doubt expect to make considerable revenues from the sale of 'duty free' goods).

The document is generally glossy and provides no detailed figures - the equity issue prospectus due out in November 1987 may well provide a suitable publication for future review. (Shares on sale from 18 November at £3.50 each, minimum of 100 shares.)

But one feature which Eurotunnel and Dr Bonavia agree upon is that a rail tunnel is the only practical proposition. Dr Bonavia argues that in 1975 the best prospects lay in a proposal with minimum capital cost, minimum environmental impact and minimum competition, which meant a single bore tunnel. The final version was on a larger scale, but the rail based system was clearly the solution.

This book is not a definitive history of the Channel Tunnel, nor does it try to be. It is also restricted to the role of the railways in the development of cross Channel traffic. Michael Bonavia has clear, well researched material, but it is on occasions a little thin. However this may be a necessary evil if the reader is to obtain an overview of the progress of cross Channel traffic since the early 18th Century. This being so, it would have been very useful to the reader requiring a deeper knowledge to be given numbered references which the book lacks.

The later chapters in the book deal with the alternative proposals put forward between 1982 and 1986 by each of the competing groups. Michael Bonavia clearly prefers the winning Eurotunnel scheme and describes its physical characteristics in some detail. The consultants' traffic forecasts, the capital costs, rail operations and the environmental report are dealt with but again with no indicators as to sources of information.

The earlier part of the book chronicles the development of the scheme from the early visionaries and the original Channel Tunnel Company (one each in England and France) to the most recent (and hopefully, final) abandonment in 1975.

This book will be interesting reading for those with a leaning towards transport economic history.

Reviewed by Stuart Cole, Senior Lecturer in Transport Economics and Policy, Polytechnic of North London

See next issue for the review of Donald Hunt's lecture on the Progress of the Channel Tunnel.

The Channel Link was last discussed in the TE by John Raftery (meeting November 1985) in the Spring 1986 Edition.

#### **RURAL TRANSPORT SERVICES: A GUIDE TO THEIR PLANNING AND IMPLEMENTATION**

Henri L. Beenhakker with S. Carapetis, L.Crowther and S.Hertel.  
Intermediate Technology Publications Ltd., 9 King Street, London WC2E 8HE. 1987. 379 pages, hardback. (£18.00)

Following earlier books from Intermediate Technology, this volume deals primarily with the low cost modes appropriate to developing countries. Drawing from experience of organisations such as the World Bank, it gives an extensive review of the planning and policy issues, together with numerous practical examples of implementation, covered mainly through supporting technical notes. A wide range is covered, from standard economic appraisal techniques using discounted cash flows, to organisation of contract maintenance for rural roads.

The opening chapters set out the main policy issues, and resultant strategies, each then the subject of a separate chapter. Emphasis is placed on low-cost incremental methods, geared to rural access - rather than high-speed, all-weather roads which may be favoured by those thinking only of motorised traffic. Attention to design features such as adequate drainage, is stressed.

Also examined is storage facilities for crops, since in many developing countries lack of suitable methods results in crop wastage and an over-reliance on high-cost transport modes. For example, in some cases of seasonal production investment in local storage facilities offers an attractive trade-off against the higher cost of transport otherwise necessary to shift to the crop at time of harvesting.

This book will be of considerable value to those planning the provision of rural transport infrastructure in developing countries, and those at local level implementing the projects.

However, a number of doubts must be expressed. Firstly the title. The book is confined entirely to developing countries, and within them, the low-income agricultural areas. This should surely be made clear. Secondly the word 'services' is taken to mean provision of infrastructure, with very little on operation of transport services as such, apart from comparison of various non-motorised modes (and use of smaller lorries).

The style suffers from being very generalised in tone. While intended as a work of reference, a more direct style should nonetheless be appropriate. There are very few specific examples to focus the reader's attention.

Having said this, many of the technical notes are very useful, especially in the clear diagrams presented with them. It might be helpful to reproduce them as separate booklets which could be used easily on site.

One must also question whether Intermediate Technology's legitimate concern with the low-cost, local access modes may cause some distortion of the picture as a whole in a comprehensive volume of this sort. Virtually no mention is made of full-size bus operation, save for its classification as a 'conventional transport aid'.

Although not catering for local transport needs in rural areas to the extent that they might, but services in countries such as Zimbabwe cater for the vast majority of motorised trips that low income people are likely to make, especially to employment and services in the major urban centres. Scope for improving their efficiency and relating them more closely to local needs is surely worth discussing.

Reviewed by Peter R. White, Senior Lecturer in Public Transport Systems, Polytechnic of Central London

This review was written initially for 'Public Administration and Development', a journal published by the Royal Institute of Public Administration, and appears here by permission of its book editor, H.S. Ayto.

**TRANSPORT SOCIOLOGY - SOCIAL ASPECTS OF TRANSPORT PLANNING**  
Ed. E. de Boer. Pergamon, 1986. 235 pages.

On more than one occasion I have spoken out for the need for a textbook in the field of Transport Sociology. We urgently need to develop a behavioural paradigm of the industry, to set alongside the traditional engineering approach, and the economic analysis of the past forty years. This is not such a book.

Instead it is a collection of papers, few of which are free of the kind of value-judgements that, when I studied Sociology as an undergraduate, we were taught to eschew. It is a book that could have value if it were possible to see it as a contribution to a more wide-ranging analytical debate, but in paper after paper it takes its value-frame for granted. Whether or not one accepts this value-frame is irrelevant; what matters is that all such assumptions be exposed to the cold light of Aristotelian argument.

As a source-book for methodology it has considerable value.

Reviewed by John Hibbs, Director of Transport Studies, City of Birmingham Polytechnic

**DIRECTORY OF SOURCES AND CONTACTS IN TRANSPORT STATISTICS**  
Transport Statistics Users Group

The Transport Statistics Users Group was set up in 1986 after a conference on Transport Statistics in 1983. The Group now has over 50 members. One of the aims of the group is to promote understanding in the use of transport statistics. The publication of the directory of sources will help this aim considerably.

The aim of the Directory (which is edited by TEG Member, Eileen Hill) is to reduce the time consuming process of tracking down data on a particular subject from within a wide variety of organisations concerned with transport. The directory at the present moment has 57 entries from 13 member organisations. Both interest subject area and organisation are cross referenced, which promotes ease of use. The directory will be updated from time to time.

Each entry shows the organisation holding the data, the title of the data, a description, the availability, a contact name, entry date and number.

For anyone dealing with data in transport this directory is a useful source book.

Reviewed by Stuart Cole, Senior Lecturer in Transport Economics and Policy, Polytechnic of North London

This publication is obtainable from Mrs Eileen Hill, Directory Editor, TSUG, Transportation Group, Department of Civil and Structural Engineering, UMIST, PO Box 88, Manchester M60 1QD. Price £15 to non-members.

#### TRANSPORT UK 1987 - AN ECONOMIC SOCIAL AND POLITICAL AUDIT

Eds. Anthony Harrison and John Gretton (Policy Journals, Hermitage, Berks) £19.50.

This is the second time of publication of what the Authors call their transport audit. Tony Harrison's team has once again identified the key issues in transport economics and policy in Britain. Having identified the issues they have then invited the leading experts in each field (many of whom are TEG members) to contribute their knowledge.

Deregulation is clearly the most important single transport issue and this is dealt with primarily in terms of air and road passenger modes but with reference to road haulage and shipping (the cartels traffic reservation and cabotage). Ken Gwilliam (Institute of Transport, Leeds) sets the scene in each mode and outlines the current deregulation scene in terms of market freedom, commercialisation of controlled services through competitive tendering and privatisation. The changes in institutional and financial frameworks as a result of central government policies is examined by Peter Mackie (Leeds) who concludes that the ability to co-ordinate public transport has been largely lost and a comprehensive view of transport policies can no longer be taken. Such a reduction in co-ordination is consistent with government policy on deregulation but that does not make it the most appropriate policy (some will no doubt differ).

The articles on competition in London bus services (Martin Higginson, University of London) and in air services (Francis McGowan, Science Policy Research Unit) provide a more detailed analysis of the

events in the two most affected sectors. London is currently not deregulated but operates a competitive franchising system where routes (and in some cases the buses) are 'owned' by London Regional Transport and are operated on its behalf by separate bus companies. Martin gives a clear view of the first three years of contracting and the policy options and their effects now available to the Government although one is left to wonder the extent to which he supports some options. Francis McGowan's article considers the effects of deregulation on UK domestic routes and for a book provides a remarkably up to date assessment (March 1987 - published September 1987) of the impact on the London to Glasgow, Edinburgh, Belfast routes where initial excess capacity was taken up by strong traffic growth. But while the British Government can introduce competition within its own borders, cross border traffic into some European countries is proving more difficult and is now pursuing a watered down policy on market access and capacity sharing accepted by most (but not all) EEC members and airlines.

The question of transport subsidy and investment policy is the second key issue. A number of issues raised by Bill Tyson in Transport UK 1985 are further developed as a result of the Department of Transport's own study in March 1987 (Values for Journey Time Savings and Accident Prevention) and the Value of Time Savings (Policy Journals 1987). A series of three articles looks at the need for, the justification and objectives of public subsidies to passenger transport. Stephen Glaister concentrates on the fact that as every local authority subsidy decision is open to scrutiny, the need for appraisal techniques is at least as great as before deregulation. Stephen, however, does not see a universal applicability of other techniques such as Litchfield's land use related impact techniques and the balance sheet approach.

Some of the wider issues such as the effect of road investment on employment and tourism or the business opportunities as seen by David Quarmby (see TE Vol., 14.4 Summer 1987) are also not yet included in

the cost benefit analysis. Chris Nash assesses the need for a more rigorous appraisal technique to be applied to the payment of public service obligation grant to bring it in line with the more easily identifiable use of public subsidy in the bus industry. His article has a clear statement of cost allocation between sectors on British Rail which is fundamentally identifying target achievements in an operation with many common costs. However clear criteria is not available as yet to provide guidance on subsidy allocation between sub-sectors or routes. Chris Nash suggests a series of measures to ensure value for money which although changing the relationship between BR and DTp would see subsidies not as a political avoidance of rail closures in marginal seats but to meet social objectives that can be measured in social cost benefit terms.

This trilogy is completed with David Bayliss' assessment of the effects of subsidy on travel in London. The London Experience in its cheap fares period around 1983 was one of transfer of trips from car to bus and tube on a very considerable scale. A parallel programme of high investment then provides in my view the avoidance of overcrowding. The increased frequency, greater penetration by buses and cost competitiveness would generate more trips (through the type of service elasticity referred to elsewhere in the audit).

A major current development in the bus industry is the move from 'big buses' to minibuses. The work done by Peter White and Ray Turner (PCL) over the last few years gives particular credibility to their assessment of the cost structure on one side, and the required frequency improvements, greater penetration into residential areas and the large increase in traffic on the other. The minibus has become more than a feeder bus and in some smaller provincial towns is the mainstay of the bus system. Their future relative cost advantage will be determined by technology and agreed wage rates; their speed by the level of congestion and their revenue by the continued higher service elasticity in respect to frequency.

This transport audit is a useful background document for academics, managers and those interested in the current policy issues in the UK transport field.

Reviewed by Stuart Cole, Senior Lecturer in Transport Economics and Policy, Polytechnic of North London

#### TRANSPORT SUBSIDY

Ed. Stephen Glaister  
(Policy Journals) £19.50

This book is what would be termed in computer circles as a "state of the art" publication. The aim of a state of the art work is to bring practitioners up to date with very current thinking. This book succeeds in this objective exceedingly well.

There have been few publications in recent years which have seriously addressed the problems of public transport and whether it is run in an economic way. The book is a collection of papers by eminent practitioners (many of whom are also members of the Transport Economists Group) on a variety of topics relating to the subsidisation of public transport.

The work covered in the book has come from studies undertaken in the last seven years. Much of the work (about half the papers) have come about as the result of studies following major changes in fares in metropolitan areas in 1981. Fares for public transport were reduced in West Midlands, London and Merseyside. The fares changes were challenged legally and rulings by the House of Lords forced the appropriate authorities in West Midlands and London to raise their fares. Merseyside were allowed to maintain their low fares because they had taken their fiduciary duty into account. The Government then sought to try to show that the subsidies that were being given produced negative benefits per £ of subsidy given. An initial

analysis using a model developed by Stephen Glaister for London Transport showed this to be the case. When the correct data was inserted into the model all of the subsidies for fares given in the major metropolitan areas showed positive benefits per £ of subsidy given. South Yorkshire, where fares subsidies were very high, showed a small positive rate.

The book is divided into six parts covering Fundamental Principles, Economic Rates of Return, Assessing and Meeting Needs, the Legal View, Efficiency and Burden of Taxation and the Importance of the Long Term View.

For myself, the papers that I found most interesting was Glaister's own paper on the Allocation of Urban Public Transport Subsidy. Having to use his model as part of my work it was interesting to read his side of the story. Geoffrey Searle's paper on Value for Money from Rural Public Transport Subsidies was of interest for a similar reason. The paper was a summary of studies conducted in the Lewes area of East Sussex. Nathaniel Lichfield's paper on Community Impact Evaluation is an attempt to answer a wider range of questions than those raised in the normal paper on the Long Term Effects of Public Transport Subsidy was excellent. I think that future studies on public transport subsidy will need to take the ideas presented on board.

Goodwin argues that longer term effects of subsidy exist. They can only be understood by dynamic analyses and not the static analyses used in the majority of studies up until recently. Longer term effects are also important in understanding the evaluation of subsidies as well as ensuring the correct specification and behaviour of short term effects.

He concludes that the effects of a policy cannot be judged in less than five years, with some effects taking up to twenty years to assess. This goes against current political thinking by all parties

which suggests that we can work and achieve things within the Parliamentary year. Hopefully Goodwin's plea to adopt long term approaches to transport policy and economics will not fall on deaf ears as they feel so logically right.

Reviewed by Ernest Godward, Senior Lecturer in Business Analysis,  
City of Birmingham Polytechnic

#### WHEELS WITHIN WHEELS

Mick Hamer (Routledge & Kegan Paul, London) £5.95

In 1974 a young Mick Hamer provided a new insight into the workings of the road construction loggy. At the time I had just entered the world of transport economics as Principal Economist in Cheshire's Transportation Unit and I remembered that edition of 'Wheels within Wheels' as a very useful education. I looked it up in my files when Mick's new book appeared and realised why.

This new book updates the previous edition and was produced, according to the preface, because people kept asking for copies.

It contains a series of references to transport evaluation techniques; it contains some references to individual transport economists (including at least one current TEG member), but it is not a text on transport economics.

It is however an insight into the workings of the decision making process in highway construction. Other publications, notably Transport UK 1987, have come out firmly in favour of the use of robust techniques in the evaluation of highway and public transport expenditure. It is also clear that political and other pressures do play a part. Chris Nash in Transport UK 1987 says they should not do; Mick Hamer shows how they do.

The style of the book is that of the investigative journalist, it is easy to read and understand and no prior knowledge of transport is assumed. It is the kind of book for reading on Sundays in airport lounges or on journeys by train where you feel you ought to be doing some transport work. It is also biased against the road lobby although the author writes that he offered the BRF an opportunity to state its case. It would probably make a good Christmas present for the transport professional but not for those of the BRF or the DTP - not unless, that is, you want to ruin their Christmas.

Reviewed by Stuart Cole, Senior Lecturer in Transport Economics and Policy, Polytechnic of North London

**UNIVERSITIES TRANSPORT STUDY GROUP REGISTER OF TRANSPORT RESEARCH,  
1986**

This has recently been compiled by TEG member Chris Nash and provides a much needed summary of academic institutions' current research into transport topics. It gives the institutions, the title of the research and the researchers' and sponsors' names.

Copies are available, price £2 including postage, from:  
Dr C.C. Wright, Honorary Secretary, Universities Transport Study Group, Middlesex Polytechnic, Bounds Green Road, London N11 2NQ.

**MEMBERSHIP NEWS**

Included with this issue of the Transport Economist is the updated List of Members, showing qualifications, employment, etc. as required by the member him(her)self. This list is distributed to individual members only and is private to them.

Amendments, additions and deletions should be advised to the Membership Secretary, but the list, as such, will be issued only once a year. The practice of reporting changes in employment in "Membership News" will continue unless the member indicates that he does not wish this to happen.

There are two new members to report this quarter. They are:

Peter Burgess (HFA)

Gary Backler (Booz Allen & Hamilton)

Paul Murphy has moved from UMIST and is now working for Transport Planning Associates in Warrington. Ernest Godward is now settled in the Department of Business & Management Studies at the City of Birmingham Polytechnic. Alan Cooke, after a short spell with Chieftain Airways, is now with John Menzies PLC in Edinburgh. The most distant move to record is that of Andrew Evans, who has moved from Bristol to Adelaide (Professorial Fellow in Transport Policy at Flinders University). Finally, another move to Transportation Planning Associates to report: this time to the London Office and the member is Simon Temple.

**Don Box, Membership Secretary**

FORTHCOMING MEETINGS

## 1987-88 LONDON AREA MEETINGS

Wednesday, 20 January 1988

## EFFECT OF MAJOR ROADS ON THE LOCAL ECONOMY

Jeremy Vanke, Friends of the Earth

18.00 for 18.30, PLC

Wednesday, 17 February 1988

## THE DEVELOPMENT OF STANSTEAD AIRPORT

Douglas Turner, Senior Project Manager, Stanstead Airport

18.00 for 18.30, PLC

Wednesday, 16 March 1988

## HOVERSPEED SERVICES

Derek Meredith, Hoverspeed Ltd.

18.00 for 18.30, PLC

Wednesday 20 April 1988

## ROAD ASSESSMENT STUDIES

(speaker to be announced)

18.00 for 18.30, PLC

Wednesday, 18 May 1988

## BA PRIVATISATION ONE YEAR ON

Helen Zittis, British Airways (to be confirmed)

18.00 for 18.30, PLC

Wednesday, 15 June 1988

## FREIGHT TRANSPORT IN THE EUROPEAN COMMUNITY

Mike Browne, Transport Studies Group plc

18.00 for 18.30, PLC

All London Area meetings are held on the third Wednesday of the month, at 18.00 for 18.30 at the Polytechnic of Central London, 35 Marylebone Road, London NW1 adjacent to Baker Street Underground station. Meetings are generally held on the third floor of the main block directly fronting Marylebone Road. The room number is displayed in the reception area.

## 1987-88 NORTHERN MEETINGS PROGRAMME

Wednesday, 3 February 1988

## FREIGHT: ROAD V RAIL - THE RAIL PERSPECTIVE

Aidan Nelson, BRB

15.30 for 16.00

Institute of Transport Studies, University of Leeds

Wednesday, 4 May 1988

THE EFFECTS OF DEREGULATION ON PUBLIC TRANSPORT INTEGRATION  
IN TYNE & WEAR, (speaker to be announced)

15.30 for 16.00

Transport Operations Research Group, University of Newcastle

Members are invited to phone Chris Nash (0523 431751 X7212) for more details on Northern Meeting locations nearer the date of the meeting.

COMMITTEE 1987/88**Chairman**

Peter White, Senior Lecturer in Public Transport Systems,  
Transport Studies Group, Polytechnic of Central London,  
35 Marylebone Road, London NW1 5LS (01-486 5811 X 298)

**Vice Chairman**

Nick Lester, 10 St Johns Church Road, London E9 6EJ

**Secretary**

Ernest Godward, 29 Redhill Close, Old Swinford, Stourbridge DY8 1NF

**Treasurer & Membership Secretary**

Don Box, 73 Silverdale Road, Earley, Reading RG6 2NF  
(0734 64064)

**Publications Editor**

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The Business School, Polytechnic of North London, 2-16 Eden Grove,  
London N7 8DB (01-607 2789 X 2457)

**London Programme Organiser**

Roland Niblett, 48 Delves Avenue, Tunbridge Wells, Kent TN2 5DS  
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**Committee Member**

Peter Collins, Group Planning Manager, London Regional Transport,  
Lindsay House, 167-9 Shaftesbury Avenue, London WC2 (01-240 7292)

Chris Nash, Institute of Transport Studies, University of Leeds,  
Leeds LS2 9JT (0532 431751 X7212)

COPY DATES FOR THE TRANSPORT ECONOMIST

<u>Edition</u>	<u>Vol.</u>	<u>No.</u>	<u>Copy Date</u>	<u>Date Out</u>
Spring 1988	15	3	January 27	February 26
Summer 1988	15	4	May 1	May 29
Autumn 1988	16	1	July 11	August 31
Winter 1988	16	2	October 31	November 28



Air freight or road freight??