

Formative Assignment: 1,500 target Word count: 1,628

The government has traditionally been seen as playing very little role in planning the railway network before 1870, and this led to the network being expensive to build and unnecessarily long. How valid is this viewpoint?

First I will confirm the underlying assumption here, that the network was indeed unnecessarily long, and expensive – at least it was, compared with a Platonic ideal. Then I will briefly discuss how some aspects of the varied role(s) of ‘Government’ in the UK, amounting to “muddling through”, meant that the network was not that bad in reality.

Bare figures suggest that the cost of building railways in Victorian Britain was certainly expensive compared with other countries. Gourvish reports that the cost of construction per route mile in 1844 was £33,000.¹ A contemporary, William Galt, reported similar figures in his books on railway reform², before going on to assert that the costs per mile were considerably lower in the United States and on the European continent. As reported by Bagwell and Lyth, in 1844 the 71 railways in England had cost £32,360³ per mile, while in Belgium the comparable cost was £17,120. Furthermore, average fares in Belgium were half of those in England⁴.

Of course it can be claimed that such comparisons are not comparing like with like, given that the topography of the relevant lands and the legislative framework of the relevant countries clearly vary greatly. Nevertheless Gourvish⁵, after referring to a Board of Trade submission received by the relevant Select Committee in 1844 which asserted that only 35% of how Britain’s route-mile costs exceeded the USA’s by eight times and Germany’s by between three and four times was due to the extra costs of obtaining the required private legislation and the very necessary compulsory purchase of land and was instead due to more lavish engineering standards, cautiously concluded: “Thus, it is possible to

¹ T R Gourvish, *Railways and the British Economy*, (London: Macmillan), 16

² William Galt, *Railway Reform: Its importance and practicability* (London: Longman, 1844) and *Railway Reform: Its importance and practicability* (London: Longman, 1865)

³ My edition of Galt’s second book gives the figure of £34,360: Preface, xiii

⁴ Philip Bagwell and Peter Lyth, *Transport in Britain : from canal lock to gridlock*, (London : Hambledon and London, 2002), 56

⁵ T.R. Gourvish, “Railways 1830-70: The Formative Years,” in *Transport in Victorian Britain* (Manchester: Manchester University Press, 1988), eds. Derek H. Aldcroft and Michael J. Freeman, 62

argue that about 25% or £130 million of the £530 million spent on UK railways by 1870 might have been avoided, had we pursued less expensive procedures with regard to the planning and promotion of lines, and contented ourselves with a much more basic infrastructure.”⁶

This hypothesis of “unnecessary expense”, based on contemporary evidence, can be complemented by an additional hypothesis of “unnecessary length” offered in the 2009 counterfactual analysis by Mark Casson⁷. He employs the ‘Steiner Tree’, modified by a series of refinements, to draw an initial conclusion half way through his paper that because “20,000 miles of railway were constructed when only 13,000 miles were required, a considerable waste of resources was incurred.”⁸ He goes on to imply that the opportunity to design a national system (that would have been more efficient) was missed in the 1840s, a hypothesis that was in turn criticised by Andrew Odlyzko in 2014⁹. The latter author is much more assiduous in citing examples of how numerous individuals were thinking, and how specific decisions were made, and is cogent in arguing that it would have been very much against the grain of the age for an alternative more efficient national system to have been designed at the time. He rightly concedes that a (retrospective) counterfactual analysis has a value, but I think he is overstating his criticism in representing Casson’s theoretical alternative model as being something that Casson thinks could realistically have been planned and implemented in the 1840s.

Winston Churchill liked writing the occasional fanciful counterfactual history¹⁰, which can be found entertaining though not of productive value, but I read Casson as offering a counterfactual analysis, a Platonic ideal to be posited, rather than a counterfactual history. Indeed he offers explanations – unfortunately not with tangible illustrations – as to why a more efficient approach was not pursued

⁶ Ibid, 63

⁷ Mark Casson, “The efficiency of the Victorian British railway network: a counterfactual analysis”, *Networks and Spatial Economics* (2009), vol. 9, issue 3: 339-378

⁸ Ibid, 366

⁹ Andrew Odlyzko, “The Early British Railway System, the Casson Counterfactual, and the effectiveness of central planning” (2014) Accessed 14/10/15 at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2466811

¹⁰ Winston Churchill, “If Lee Had Not Won the Battle of Gettysburg” (1931). Reprinted in *Wisconsin Magazine of History*: Volume 44, number 4, summer, 1961. NB Title was an ironic counter-counterfactual supposed ‘retrospective’

in reality, while Odlyzko makes the same point by using helpful illustrations. What both writers capture for me is that there were different views about government should do about railways, and these views were not resolved.

The UK's constitutional government is not a totalitarian monolith, but famously has the 'checks and balances' of an Executive, Legislature and Judiciary. While only the Executive can have a formal policy, the latter two can manifest in their pronouncements and behaviour one or more underlying ideologies or even simply 'moods'. Dyos and Aldcroft¹¹ describe how MPs, and many others in wider society, believed in the sanctity of private property and therefore the freedom to compete, but at the same time also feared monopolies. The attempt by the Executive to establish a coherent policy in the 1844 Bill – which was after the key trunk lines were already built – foundered on competing ideologies and interests, and government's role largely evolved into periodic Acts of regulation, more or less rigorously enforced. Meanwhile the Legislature's Private Bill Committee continued as it had done before when considering new lines – in the words of Henry Parris, the Committee “thought of itself as an umpire in a contest between private parties, not as the guardian of the public interest.”¹² Essentially, governments was continuing in very much reacting to events, deciding which of several proposed lines were to be built, or which companies could in effect join up with which others; a coherent strategic approach was simply not there.

The Executive had not been completely passive (“laissez-faire”) or even reactive in matters of economic development when it came to state-owned enterprises, such as when deciding to industrialise the Chatham Dockyards from 1817-20, or bringing a steam press into the Royal Mint in 1816, or introducing the Penny Post in 1840 – but these initiatives were tactical innovations that fortuitously happened to have strategic consequences, it can be argued. By contrast ‘Government action’ with the railways was as ever less of a strategic plan and more just a series of reactive compromises that reflected its ideological dilemma. William Galt claimed the plausible hypothesis in his second Railway Reform book that there had been an erroneous “universal assumption” that government

¹¹ H.J. Dyos and D.H. Aldcroft, *British Transport: An Economic Survey from the Seventeenth Century to the Twentieth*. (Leicester: Leicester University Press, 1971), 141

¹² Henry Parris, *Government and the Railways in Nineteenth Century Britain*, (London: Routledge & Kegan Paul, 1965), 21

ownership necessarily entailed government management of the railways, which had helped to prevent implementation of the 1844 nationalisation option¹³.

But it can be argued that this lack of a national plan represented success. The overall role(s) of government within the wider economy from the Glorious Revolution through to the first phase of the Industrial Revolution was set out in a methodical analysis by Ron Harris, summarised by him with what I would describe as a Goldilocks picture:

The British way seems to have been the middle road: not an entrenched constitution but not royal despotism, not super-rational and organised Roman law but not total identity of law with politics, not completely centralised but not overly decentralised, not a state taken over by big business and robber barons but not a planned-from-above economy.¹⁴

This seemed to me to be echoed by Odlyzko referring to the British government “stumbling to success” in its handling of railway development, or what I would describe in more British terms as “muddling through”. It was expressed more positively by Joel Mokyr in 2014:

But what seems clear is that political power’s main purpose was to defend the interests of those already wealthy: a government by and for private property. Britain’s great achievement was to reconcile this attitude with economic and technological progress.¹⁵

In practice the cumulative effect of the various components of ‘government’ was not inaction but a series of actions that enabled a railway network to grow through private finance, which functioned sufficiently well to help make Britain the industrial leader of the world at the time, even though it defies the definition of being a coherent system.

So perhaps we should be thankful for the lack of a national plan. Odlyzko usefully illustrates that Peel was keen on ‘direct lines’, as were many engineers, so a national system comprehensively based on that approach could have resulted in

¹³ William Galt, *Railway Reform, Its Importance and Practicability Considered as Affecting the Nation, the Shareholder, and the Government*, (London: Longmans, 1865), Preface, xiv

¹⁴ Ron Harris, ‘Government and the Economy, 1688-1850’, in *The Cambridge Economic History of Modern Britain Volume 1: Industrialisation, 1700–1860*, eds. Roderick Floud and Paul Johnson (Cambridge: Cambridge University Press, 2004), 237

¹⁵ Joel Mokyr, “An Age of Progress”, in *The Cambridge Economic History of Modern Britain, New Edition Volume 1: 1700–1870*, eds. Roderick Floud, Jane Humphries and Paul Johnson. (Cambridge: Cambridge University Press, 2014), 343

even greater over-provision. Unlike in contemporary Britain, government in the nineteenth century did not aspire to manage many things directly, and even its early attempts to regulate were not very effective at first.

Although Casson does not give tangible illustrations of most of his points, his analysis is strong in describing how local interests by individual MPs, and personal causes and beliefs by others – both in and outside Parliament – all helped to prevent any possibility of an overall strategic plan for a railway network from 1830-50. What struck me, however, was that his analysis sounded startlingly similar to how government continues to function today, in my direct and indirect personal experience, even where a national plan is being sought. Local government reorganisation from 1997-9, criminal justice reorganisation from 2000-3, energy, airport and high-speed rail capacity planning currently – in all instances national plans become compromised by local or special interest lobbying. Of course a national plan for any of these would not necessarily be the right answer – for indeed it can be argued that the ‘accidental over-provision’ of the rail network in the nineteenth century turned out to be a benefit to the UK in early twentieth century wartime. As for the expense, I can accept that over-engineering made some contribution to the high costs, partly due to the vanity of some like Brunel, but the long-term consequences of this are few.

While on the one hand I could never advocate a Panglossian¹⁶ view that Britain’s rail network was the best it could have been, and on the other I certainly accept the theoretical case for saying that it could have been designed much more efficiently, I am doubtful whether a fully efficient national network could ever have been deliverable in real life. A totalitarian government might have been able to design and deliver it (though I doubt it), while a government within a constitution of checks and balances was – and still would be today, in my opinion – incapable of making it happen because of those very checks and balances. National ‘systems’ that are riddled with inconsistencies and inefficiencies are part of the price we paid then – and still pay now - for having constitutional governments.

[1,628 words]

¹⁶ From Voltaire, *Candide* (1759)

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