

Note of Informal Meeting at 8, Kinnoull Street, Perth at 2p.m. on Wednesday, 8th February, 1978 between Mr. Harries, Freight Manager, British Rail (Scottish Region) and D. H. Lindsay, Esq. Vice President Scottish Potato Trade Association, with Mr. D. Blackmore in attendance.

Mr. Harries apologised for short notice given - he was visiting Tayside Regional Council and took the opportunity to call on us - he thanked Mr. Lindsay for being able to attend. He then explained that maintenance of the present structure hinged on holding (and possibly increasing) rail share of carryings. He was much concerned therefore at the decrease in rail carryings to date during the current Season and questioned why this should be, pointing out that on present traffic he would be unable to hold out against pressure for radical changes in the 1978/79 Season.

Mr. Lindsay felt that part of the decline was due to the cost of haulage to rail loading point having to be met out of currently severely reduced margins between production costs and selling prices. Such a haulage charge even as low as £2 per ton converts a profit of £1 per ton into a loss of £1 per ton. In this situation a farmer incurs losses using rail, but makes a profit using road transport. It must also be borne in mind that the farmer's allocation of his labour force was more economically productive loading a direct lorry at the farm than having additionally to provide trans-shipment labour at the rail loading point.

Mr. Harries explained that from a deficits of £70m. in 1975, £35m. in 1976 and only £8m. in 1977 Rail freight operations were confidently expected to move into Surplus in 1978. In this light he expects to come under heavy pressure to abandon potato traffic, probably closing the Forfar line and to confine loading operations to Perth and Dundee only (both on the new speed-link service) with increases in charges and perhaps some improvement in handling facilities at both stations. As a good rail man he is averse to abandoning any traffic, preferring to make it profitable but, where this could not be achieved, no other alternative is available.

Mr. Lindsay explained the day to day difficulties met with on rail (e.g. no vans available at Forfar today, which Mr. Harries explained arose from an unusual non-timeously advised, demand) and, in reply, was told that the new computer control of rolling stock was working very well. Mr. Harries felt that after the investment put into the rail system it was very disappointing indeed to feel that rail was being used in a residual carrier capacity only.

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Mr. Lindsay also pointed out that recent climatic conditions had perhaps encouraged quick loading and transportation of consignments by road between frosts and further instanced cases where for tax considerations farmers and merchant had invested high profits over the last two seasons in expansion of their own road transport capacity. Nevertheless, he was surprised that B.R. was not getting a larger share of the transported tonnage.

Mr. Harries next explained that he would prefer not to have to pre-fix rail freight rates before the beginning of each Season but, by adopting a "prices on application" system, to be in a much better position to respond immediately to changes in conditions and competitive rates. Further, in his talks with Tayside Regional Council today he had explained that British Rail does not expect to close the Forfar line in the immediate future. Mr. Harries explained that to permit future expansion the Regional Council wants to keep the line open but, on present traffic volume, the life of the line must be regarded as finite. Being due to make his recommendations in two months time he felt the Association would want to consider the matter. It was arranged that the next Meeting of Council on 22nd February would receive a Report on today's talks and, if necessary, a further informal meeting with British Rail would be arranged thereafter.

The meeting was thereupon concluded.