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High-speed rail link must be built, economists insist

By Mark Odell and Jim Pickard

Construction of the contentious £32bn high-speed rail line between London and Birmingham should start as soon as possible to help boost the UK's construction industry and strengthen the country's ageing infrastructure, according to a group of leading economists.

Lord Skidelsky and 27 others urged the government to give the green light to the £17bn first stage of the line, known as HS2, in a letter published in Friday's FT. They point to research findings that the line, which in its second phase would be extended to Manchester and Leeds, could "support the creation of up to 1m British jobs".

They argue that the absence of a high-speed line connecting the north of England to London and the continent is a "continuous embarrassment to British business promoting UK plc overseas".

But the proposed line, which is expected to get the go-ahead from Justine Greening, transport secretary, as early as next Tuesday, has roused controversy, with critics, including Conservative-led councils and Tory backbenchers, arguing that the economic case does not add up.

The government is expected to face calls for a judicial review from a group of 18 local authorities affected by the route if it gives the project the green light. Martin Tett, the group chairman and leader of Buckinghamshire county council, told the FT he had a team of lawyers and rail experts in place to scrutinise the decision and would await their advice before deciding whether to press ahead with a review.

He said the business case for HS2 was "deeply flawed" and said the campaign had taken inspiration from opponents to the expansion of Heathrow airport, which successfully challenged the last government's decision to build a third runway.

"Major politicians become obsessed with vanity projects but you get more bang for your buck by focusing on local schemes across the country that stimulate local industry," Mr Tett said.

A number of Tory MPs remain hostile to the project – in particular those whose constituencies are immediately affected – despite assurances by the government last month that it was looking at ways of reducing the impact on the Chilterns, an area of outstanding natural beauty.

Steve Baker, MP for Wycombe, said he was unconvinced that the huge cost of the scheme was justified. "The maths doesn't add up; this is just sinking capital into a lossmaking project. If you're going to use the power of the state to do that, then you shouldn't be surprised that this country is getting poorer."

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