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This article was published in *Tulevaisuus on raiteilla*
(Future is on the rails; the 60th Anniversary publication
of Rautateiden diplomi-insinöörit RDI ry in 20th May 2010)
ISBN 978-951-98569-1-9
<http://www.rautatietekniikka.fi/jarjestot/rdi/rdi.php>

In rail issues we can learn a lot from Britain

Even quite recently we have been reminded again of the UK's ill-fated reforms while discussing opening up the rail network to competition in Finland. The developments in the island state have been complex, however we can easily learn lessons from there, both good and bad. My point of view might also slip to occasional notes on freight traffic.

Some background

Railways in the United Kingdom were constructed with private money and from a local perspective on a competitive basis. The result was a dense network with numerous companies, where a passenger could often reach the same destination along several routes (however, a unified ticketing system had already been created by 1842). After a joint administration during WWI, four big regional companies were formed through parliamentary legislation, although small companies also continued to exist.

The "Big Four" were regional, but still one could often reach a destination using different companies. On the other hand, the same locality could be reached utilising optional routes of the same company. One cannot avoid thinking that the rail network had become too dense, considering the development of competitive modes in the first half of the 20th century. Consequently, rail service contractions occurred even before the "Big Four" were nationalised in 1948. At that time the route network was 19.630 miles in length.

The new nationalised British Railways (BR) fell heavily into debt in the 1950's as rail lines were abandoned and the Government's control of road transport was eased up. Modernisation programmes failed economically, while at the same time the free-market Conservatives came to power. Technical Director of Imperial Chemical Industries (ICI), Dr. Richard Beeching, was appointed as Chairman of the Board of BR with the aim of improving the railways' economy. The result was proposals in two reports, *The Reshaping of British Railways* in 1963 and *The Development of Major Railway Trunk Routes* in 1965.

In short, reducing the rail network, cutting train services and closing stations were expected to solve the problems. The second part of the programme culminated in a strategy that resembles recent proposals for a Finnish trunk network. The policy was carried out under supervision of a Transport Minister with links to a company involved in construction of the recently commenced motorway network. Under these policies BR's deficits should have been cut "a lot" up to 1970. However, the 1961 operating loss of 158 million pounds-sterling decreased only marginally to 151 million by 1968. In the meantime, the rail network shrank from 17.830 miles down to 11.799 miles in 1970 (Beeching returned to ICI in 1965).

Even if some of the Beeching proposals were correct, he underestimated the significance of branch lines and miscalculated cash flows on the network. Branches were seen as hopeless cases and no alternative rationalisation measures were considered. Economic calculations also looked gloomy for outlying destinations, while tickets bought in London were accounted as benefit from of the capital city. Abandonment of the Great Central, the only main line northwards from London with modern track geometry and Continental loading gauge after only 60 years use also showed a lack of foresight.

A critical voice to the programme, in 1963 the Railway Invigoration Society (now Railway Development Society) published a pamphlet *Can Bus Replace Train?* – a commentary on railway-replacement bus services. While anticipating a new closure wave in 1977 the society published a new pamphlet with the name *Can Bus Replace Train – will they never learn?* The new version starts with an interesting notion: "The programme of closures continued almost unabated until the advent of the 1968 Transport Act, which introduced the concept of grant-aid for the "unremunerative" but socially necessary rail services, on a 1, 2 or 3 year basis. Unfortunately, the basis on which the grant aid was calculated (not on purely "avoidable" costs), led to growing concern over the high level of support being paid to British Rail by Central Government."

Gerard F. Fiennes sheds light on the opposite view in his book *I Tried to Run a Railway*. The author was General Manager of the BR Eastern Region before he resigned when the book created a huge stir in 1967. Fiennes writes in the 1973 reprint's additional chapter: "In anticipation of the 1968 Transport Bill the accountants were at work to justify the greatest possible subsidy and the greatest possible write-off of capital by the Government. It was therefore logical to take the gloomiest view of prospects and to calculate that the largest number of activities lost money by the greatest possible margin. The larger the deficit the greater the success."

How are things in Finland?

Our Transport Ministers, no matter what political party they represent, state one after another that VR is a limited company and nothing can be done against rising costs and thus rising ticket prices. From the British experience one can deduce, however, that even an entity owned directly or indirectly by taxpayers works only for its own economic interests. Consequently, a system that comprises of several operators, is beneficial for both passengers and taxpayers. This conclusion is supported by the chairperson of the committee studying the feasibility of competition in the rail network. In the Track 2010 seminar on 26 January this year she stated that subsidy levels have gone down some 10 to 30 per cent in countries that seek tenders for rail services.

On behalf of the people of Luumäki, the Ministry apparently knows best - that buses are better for them than stopping every day one pair of express trains as has been requested (even if a will to overcome operational obstacles existed). The sleeper train connection to Kemijärvi was also returned through a "people's rebellion" instead of some legal procedure. Even municipalities are powerless against the "behaviour" of trains. A good example is my hometown of Nurmes, where the railbuses officially terminate at the town station, but they do continue to the more lively centre of Porokylä if the train personnel on-duty prefer to take their meal break at a nearby service station (Porokylä is "Ash Village" and not "Reindeer Village" as it is sometimes erroneously translated).



Photo one:

A train without passengers: a railbus on a meal break in Porokylä (C Esa Kämäräinen)

This unofficial practice by the staff apparently does not cause any extra costs to the employer. Visits to Porokylä started only after the use of loco-hauled stock ceased, so the fuel savings are enough to cover the additional couple of kilometres to make the meal break's return run. It has no effect on working hours, either. So why doesn't the train offer a service to passengers, as the commune of Nurmes has desired?

The provision of rail services has no regard for the organizational mode of the railways. On 10 May 1990 Helsingin Sanomat (the largest circulation national newspaper in Finland) reported extensively on the intention of closing down 84 stations and halts because of lower levels of use. Two halts in the municipality of Orivesi are mentioned as examples. The town official expected that residents of Siitama either buy a car, or move away and cause depopulation to the municipality (it was estimated that there was not enough potential for a replacement bus service). On the other hand, it was noted that there were alternative bus services available in Oripohja. Both halts were closed, anyway.

Our decision processes are centralized and do not take the service user into account. The Ministry of Transport decides how the subsidized trains should serve its citizens and municipalities. On the other hand, VR Ltd will not change the service patterns of its "own" (read: non-subsidised) trains, even if a stop in Luumäki would increase and not decrease passenger revenues. It remains to be seen whether the public service obligations said to be imposed on by the new exclusive-rights agreement brings any changes to VR's practices. A positive example is the reintroduction of one direct service to/from Pori, although this is not a sign of a consistent policy of finding out the needs of potential passengers in the whole country.

The lesson

In Britain withdrawing train services and closing lines was not the mere formality of announcement even during the wave of Beeching-era closures. For instance, 1,914 written protests were filed against one withdrawal proposal. Active citizens demonstrated that the bus timetable presented by BR and the bus company was too optimistic and would lead to a missed train connection by chartering a bus to prove their point. The Transport Minister agreed with the submitting authority and dismissed the withdrawal proposal.

Nowadays the Office of the Rail Regulator decides abandonments. The applicant must clarify, how many households without a car live within 800-metre radius of the station proposed to be closed (in the country the distance is two kilometres) if no alternative public transport exists. Any proposed changes in train services must also estimate decreased ticket income and its impact on other train services (accounts required may vary as to the train type). It seems that the miscalculations of Beeching are still sorely remembered.

Photo two:

Civic activity in Britain: a closure proposal being objected

C Pendar Sillwood

<http://www.abandonedstations.org.uk/OngarBranchPoster.html>

The 1977 pamphlet by the Railway Invigoration Society contains interesting notions of trains replaced by

buses. At worst, conversion of a journey's first stage to a bus service results in passenger numbers down to less than one quarter according to official studies. Bus companies have revealed similar figures during withdrawal proceedings (slower speeds may be the most significant contributing factor). These developments are disastrous for public transport in general.

We have a fresh example of the negative consequences of cutting a direct train service. Passenger numbers of the sleeper train service Helsinki – Kemijärvi have risen since the direct connection was reinstated. Passenger numbers of replacement buses have been reduced with 40 to 60 per cent according to studies made by in years past. Is there hope of a rethink of passenger services while freight-only lines are being upgraded? For example how many passengers could be attracted onto the routes Jyväskylä – Haapajärvi – Oulu and Pieksämäki – Savonlinna by the faster speeds made possible by the heavier rails and safety improvements?

In Britain the status of rail passengers' organisation has been officially enshrined since 1948. The contemporary organisation Passenger Focus receives grant-aid and has official duties (the organisation shall be notified of closure proposals, for example). In Finland it has been difficult for the Ministry even to admit receipt of letters sent by our association, as the legislation requires for any complaints made. The content of such messages seems to have had so far no influence on the Ministry's actions either.

I doubt anybody in Finland has proposed repeating the major blunder made in the railways' birth country, that is privatisation of the infrastructure (or the blunder as it has been corrected in New Zealand). After some years of adventures on the stock market the rail network was returned to national ownership, but still private operators have succeeded to increase passenger numbers substantially. Freight-only lines have been reopened to passenger traffic and even some closed sections have been reconstructed either for heavy-rail transport or for light-rail versions.

In many ways we can learn from Britain's railway experiences, be it a question of the density of the network, range of operators, closing of stations and halts, withdrawing train services and civic activity. Paradoxically, public administration in a monarchy seems to follow more democratic principles than in the republic of Finland which boasts of its model democracy. I feel for the strip cartoon hero Barnaby Bear with his finding hope in the comment "The train passed, but we still have the rails, anyway".