

What happened to the railway industry when fully nationalised?

The railways were nationalised shortly after the war and stayed in public ownership until the 1990s under John Major. The track, stations and signals, the bulk of the assets, were renationalised by Labour early this century.

In 1950 BR employed 606,000 employees. They looked after a route network of 19,471 miles of track with 8487 stations. By 1967 owing to the sharp decline in rail travel and changing patterns of housing and population growth the network was down to 13 172 track miles with 3498 stations. The number of employees nearly halved over the 17 year period, to 318,000. Train travel which was more than fifth of land travel after the war slumped to 9.5% of the total by 1967.

Post 1968 the decline continued in staff numbers and in travel. The long fall in train travel as a proportion of total travel only altered following privatisation in the 1990s. Today there are 10,261 route miles and 190,000 employees, with 2500 stations.

There was no shortage of investment for much of the period. The railways were encouraged to shift from coal and steam power to diesel and electric. There was plenty of subsidy. Despite this, season ticket prices rose every year in real terms, as the railway struggled to get enough revenue to keep up with its fast growing costs. The railway dumped lots of cheap seats on the market for off peak and unpopular routes, whilst charging very high prices for peak offerings on well travelled routes.

The railway failed to keep many of its former passengers, and did not make a compelling case to potential new customers. The nationalised railway failed, for example, to put in a short rail link from Heathrow, one of the world's busiest airports, to the mainline into London that passed nearby. It watched as London Transport put in a tube line extension instead, leaving passengers to use a route with many stops into the centre and with inadequate space for cases. The freight railway stopped competing for single wagon business, and failed to put in branch lines to the many new industrial estates which came to be located close to the motorway network instead.

There were many rounds of redundancies and job losses, many fare rises, and a permanent failure to reverse the decline of rail use for both passengers and freight. The advent of a more positive industry under the early years of privatisation reversed the downwards trend in travel and market share.