

Signal Failure

**Rail privatisation and the fight
against it**

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Signal Failure

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Introduction

Fifty years ago the (December 1944) Labour Party conference passed a resolution which effectively committed the party to its post-war programme of nationalisation. Twenty resolutions were received on this theme and were composited. The one from Reading Labour Party was chosen as the basis of the composite and it was moved by Ian Mikardo, later to become MP for Reading. It was carried overwhelmingly, against the advice of the National Executive Committee. After the debate, Herbert Morrison strode up to the young Mikardo, placed his hand on his shoulder, and declared "you know that you have just lost us the general election". Famous last words!

How the resolution came to be passed by the Reading party is recounted by Mikardo in his memoirs. According to him, the man responsible for it was Wilf Cannon, a retired member of Reading NUR number one branch who worked at the Scours Lane Goods Yard (long since closed). He had returned to work when the war broke out. Attending his union meeting, one of the members present proposed a resolution to forward to the Labour Party conference calling for the nationalisation of the railways. Cannon suggested that the railways should not be looked at in isolation. He proposed an alternative motion which was in favour of nationalisation but was broader in its scope. This was accepted and was passed onto the constituency party which adopted it. The resolution as composited at the Labour Party conference called for "the transfer into public ownership of the land, large scale building, heavy industry, and all the forms of banking, transport and fuel power" and "appropriate legislation" to ensure that these industries were "democratically controlled".

Cannon's resolution was motivated by concern that the Labour Party NEC's statement for the forthcoming conference, which was to be the centrepiece of its Manifesto for the general election, made no mention of nationalisation whatsoever. Nationalisation of the railways had long been NUR policy and that of the ASRS before it, as early as 1884.¹

Nearly fifty years after Wilf Cannon's resolution was adopted as policy and (partly) carried into practice at the beginning of 1948, the nationalised railway which had become a permanent fixture, has been split up as the first step to selling off the network. It is ironic that the Thatcher government which introduced a large programme of privatisation of the 'public utilities' decided that the railways presented too complex a structure and too great a political minefield for them to privatise.

The Major government, feeble and tottering, decided to attempt what Thatcher did not risk, as an act of dogma ('privatisation will offer a better service to the customers') and in order to prove the 'radical' credentials of his government, judged by the glorious achievements of the Iron Lady! We shall

¹ Associated Society of Railway Servants, founded in 1874.

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look at the arguments of this crude dogma later. What is unquestionable is that the government's measure was almost universally condemned save by its most die-hard supporters and the most virulent ideologues of the 'free market economy'.

Defending the nationalised network did not mean that we were ecstatically happy with the way it was run, either from the standpoint of our low paid union members, or from that of the service provided to the users. As we shall see, it was *not* nationalised as a socialist measure, but with the aim of rescuing it from the dire state into which it had sunk as a result of the lack of investment by the private owners and the strains placed on it by the war economy. Nationalised state run industry does not equate to socialism. Even De Gaulle nationalised the French network, simply because only the state had the resources to rebuild a network much of which had been destroyed in the war.

In discussing, from the standpoint of the trades unions, how to deal with the new situation we face, it is crucial that we assess the nearly fifty years experience of a nationalised industry. Obviously we need to expose the realities of a privatised network, both as it affects the staff and users. However, there is already a discussion within the RMT on the question of renationalisation. What form should it take? What lessons can we learn from the past in order to prevent repeating previous errors?

There has been much talk in the past, in the Labour Party, in the unions and in transport circles, of an "integrated transport policy". This has very rarely been given any precise content. We look at the place of rail transport within the economy and touch on its economic, social and political aspects.

The RMT rule book still retains the aim of "the supersession of the capitalist system for a socialistic form of society". At a recent union AGM this was reasserted in debate. It has however, long remained a dead letter. The question is, what does this mean, and how does it relate to the issue of transport? How does transport policy fit into an economic policy which serves human needs rather than the scramble for profits at the expense of those needs?

The global environmental crisis which has emerged has led to much talk of a switch from road to rail transport. But this remains a pious wish unless it is linked to - horror of horrors - socialist planning which takes into account human needs rather than the god of profit which is supposed to provide the motive force for provision of 'needs' determined solely by the ability to pay.

The form in which the privatisation proposal eventually emerged was incredibly complex. It was recognised to be ill designed and bureaucratic, even by those who supported an end to the nationalised industry. We shall try to unravel these complexities to show what a privatised network would mean. How far the government will be able to travel down that road is a matter for conjecture, but the prospects of this scheme are not good, for reasons which we shall examine. Not only are there widespread fears amongst service users about fare prices and service levels, but there are real fears in many regions

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that they could lose their service altogether.

One of the reasons for the high level of public support for the signalling staff in their dispute with Railtrack was the concern at the future of the service under the entrepreneurial whizz kids at the head of this organisation.

The struggle against privatisation and its impact, offers the possibility of linking rail workers with service users and environmentalists who have common interests in stopping this disastrous process.

Whilst it would be foolish to place all our hopes on the election of a Labour government, we would obviously be looking for a swift implementation of renationalisation (RMT policy speaks of the first year of such a government). This pamphlet aims to explain why this is necessary. The recent about-turn of the government over the sell off time-scale of Railtrack has posed a question mark over Labour's commitment. There will obviously be a political struggle around this issue.

Just as Wilf Cannon placed rail nationalisation in a broader context so renationalisation should be seen as part of a broader socialist policy. We therefore look at the Clause 4 debate opened up in the Labour Party by the current leadership, for the *form* of renationalisation, should it take place, will inevitably depend on their overall approach to nationalisation.

1. Glory Days

“Question: From your general knowledge and experience of Railways, what conclusions have you arrived at with regard to the majority of accidents which occur on the railways of GB?

Mr Harrison (General Manager of London & NW Railways): The majority of accidents occur through want of care on the part of the men.”

(*Minutes of Evidence, Royal Commission on Accidents to Railway Servants, 1900.*)

“The greatest sufferers of all and those who receive least attention are simply the company servants. There is no concealment attempted for which the errors of the companies servants are guilty, and for which the poor fellows often pay dearly in their own persons. Scarcely an accident happens which is not set down at once to some mistake, or negligence or misadventure on their part. They are in fact the directors' scapegoats; and when it is impossible to deny that some great catastrophe has occurred, it is on their shoulders that the entire blame is laid.”

(*Times leader article, September 16 1874.*)

When the Major government was considering how to privatise the rail network the Tory press wrote of a return to the 'glory days' of the old networks, of liveried coaches, polite staff, and the 'romance' of the steam era. There were of course, never any glory days. The building of the railways, which were thrown together in a frenzy of profit seeking, with no rational plan, rested on the exploitation of the much maligned navvy. Whilst it is true that their wages were often much better than those of many other workers, the conditions which they lived and worked under were nothing short of appalling. They most often lived in hovels by the works, in overcrowded and insanitary conditions. Safety was sacrificed in the mad rush for profit, as engineers struggled to meet deadlines. The majority of them were further subject to plunder by the hated truck system, whereby the contractors carrying out the work paid the men not in cash but in tickets to be exchanged for food in their own 'tommy shops'. Not only was the quality of this food often bad, it was more expensive than it would be in ordinary shops.

“The contractors with few exceptions were revealed as men who happily fed their workmen on rotten food, got them drunk on beer, and worked them seven days a week.”

(*Terry Coleman, The Railway Navvies, Penguin.*)

The men were mostly paid monthly, if not less frequently, since this usually

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meant they had no other choice than to fall back on credit at the tommy shop. The contractors often made more profit from the truck system than they did from the building work. It was commonly easier to get tickets for beer than for food.

Railway Deaths

Railway engineers rarely kept statistics on death or injuries on their sites. The conditions of work were most often devoid of any safety considerations. Thousands died and were injured. The reformer Edwin Chadwick produced a report based on the experience of building the Woodhead Tunnel near Manchester. He commented:

“Thirty two killed out of such a body of labourers, and one hundred and forty wounded, besides the sick, nearly equal the proportionate casualties of a campaign or battle. The losses in this one work may be stated as more than three percent of killed, and fourteen percent of wounded.”

The Manchester Guardian underlined this situation.

“The contractors being exposed to fierce competition, are tempted to adopt the cheapest method of working, without any close reference to the danger to which men are exposed...Life is now recklessly sacrificed: needless misery is inflicted...”

In 1846 there was a Parliamentary select committee set up to examine the conditions of work on railway building. The most callous expression of disregard for the safety of the workers involved came from a prominent contractor named Purdon. Asked whether it would be safer to use patent fuses, he replied:

“Perhaps it is: but it is attended with such a loss of time and the difference is so very small, I would not recommend the loss of time for the sake of all the extra lives it would save.”

Why let concern for the lives of the lower classes adversely affect your profits?

Truck System

The committee recommended that the Truck Acts which banned the truck system in factories be extended to the railways. It called for the provision of decent accommodation. It proposed that magistrates be given the powers to impose payment of cash wages, which should be paid weekly. It proposed compensation for all death and injuries to be paid by the companies carrying

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out the work. The burden of proof so far as wilful carelessness was concerned, was to be shifted to the company rather than the individual having to prove it was a company's fault.

Yet despite these findings, which indicated how miserable were the conditions of the navvies, the report *was not even discussed in the House of Commons*. The considerable influence of the 'railway interest' (a large number of MPs were directors of railway companies) was brought to bear. The report was effectively binned. The blood of the navvies continued to be spilled and stained the permanent way on every route.

Safety in the rail industry itself was no better than in the building of the lines. Workers suffered a literal wage slavery. Safety was adversely affected by the incredibly long hours that were worked. In the years 1875 - 1899, for instance, 12,815 railwaymen were killed and 68,575 injured.

As early as 1861 there was a somewhat accidental exposure of working conditions on the railways. The prestigious medical journal the Lancet appointed a Special Commission to enquire into the influence of railway travelling on public health. The commission report which had not been intended to concern itself with the health of railway staff, discovered that the conditions under which they had to work were nothing short of appalling.

"Suppose that men wearied out by long journeys and exhausted by fatigue and want of sleep are ordered, on pain of dismissal, to undertake immediately fresh duties for which they are rendered incapable by previous exhaustion of body and mind. Would it not then appear little short of miraculous if some accident did not result? The worn out engine driver nods, and a hundred lives are in jeopardy; the signalman dazed by lack of sleep, becomes confused and in a moment the engines are pounding up human beings between them. The acute faculties of the guards are blunted by long unrest, the danger signal passes unnoticed, the break does not second the efforts of the engine driver, and next morning there is recorded another railway accident."

The Commission noted that cases of signalmen, guards, and engine drivers being employed 15 hours a day were common. The remedy they proposed was "the simple one of fixing a maximum time of work". But the railway companies did not heed such advice, for shorter working hours would mean employing more people at greater cost. Neither the safety of the staff, nor the passengers, was of sufficient concern for them to risk cutting their profits.

Hard Labour

In the early days of the railways, a severe military style of discipline was imposed. Legislation in 1840 and 1842 allowed for the imprisonment by JPs of rail workers "with or without hard labour" for a period of two months. In 1841 on

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the Great Western Railway more than 10% of the workforce was sacked. On the Taff Vale railway the rulebook stated that "...not an instance of intoxication, singing, whistling or levity while on duty will be overlooked, and besides being dismissed, the offender will be liable to punishment." Woe betide anyone who was careless enough to give the impression that they enjoyed their work!

In this period trades unions were outlawed, and even after electoral reform led to a change in attitude towards the unions in the clamour for the votes of the skilled working men, the railway companies refused to recognise them. Sackings were very frequent at any outbreak of 'insubordination'.

George Alcock, a prominent member of the ASRS, gives a flavour of the situation, explaining the case of one trade unionist.

"Letters to him were intercepted. His own fellow workmen were set as spies upon his actions. His clothing was rifled to obtain incriminating correspondence that was sent to him. Postmen were waylaid to read the postmarks of letters, and it would seem every ingenuity and device was used in order to obtain evidence of what was going on, and they were successful. Papers that were sent to him had to be directed to a distant place, from which he had to get them, but even in the going he was watched. All the doings of the company shed a light on that period. No man could trust his brother, and this lack of confidence in those working side by side with one another hindered any effective work. They put trust in some men only to find that the holders of the trust carried the information to headquarters. This man, day and night was watched...The men in going to branch meetings had to resort to extraordinary means to get there, by back ways and over walls of gardens. It is little wonder that confidence was a plant of slow growth, and that wider action and plans were hopeless."

(G.Alcock, *Fifty Years of Railway Trade Unionism*, 1922.)

A Species of Machine

The attitude of the employers towards 'railway servants' is well summed up by the famous engineer, Brunel.

"I am not one to sneer at education, but I will not give sixpence in having an engineman because of his knowing how to read or write. I believe of the two the non-reading man is the best....It is impossible that a man that indulges in reading should make a good engine driver; it requires a species of machine, an intelligent man, an honest man, a steady man, but I would rather not have a thinking man."

A species of machine incapable of thinking for himself. This was the ideal rail worker, one who would not be 'insubordinate' and not question his 'master'.

When the forerunner of the RMT, the ASRS, was founded, one of the key

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motive forces was the struggle for the reduction of the working day to a humane length. The MP Bass (of the brewery firm) took up the issue in Parliament, exposing cases of workers forced to work as long as 17, 18 or 19 hours in a day. Even the Times supported Bass and declared the rail workers to be overworked and underpaid. A friend of Bass's, the feature writer for The Telegraph, James Greenwood, did a series for that paper, in which he exposed the fact that it was common for guards to be on duty for 90 hours a week, and even 100 or more hours occasionally. In one case a guard at Leeds was told to take a train to London after completing an 18 hour shift.

As well as imposing the slavery of these long hours the private managements also resisted the introduction of safety equipment as long as they were able. In 1886 a Railway regulations Bill was introduced into the House of Commons. It aimed to empower the Board of Trade to compel companies "to affix to all vehicles working in goods and mineral trains such improved apparatus for coupling and uncoupling as shall make it unnecessary for men to go between them for that purpose". Five Railway Directors who were MPs presented the case against it and it failed to be passed.

Management opposed the introduction of automatic continuous braking on trains. The Board of Trade had recommended its introduction in 1877 as a result of accidents. A year later only 20 of 119 companies had voluntarily done so. It took the killing of 78 people in Armagh in 1889 to bring about the compulsory introduction of automatic braking.

A further Bill was deferred in 1899 through the device of a Royal Commission. Six years earlier the United States had introduced automatic coupling, halving the number of accidents to shunters. A Board of Trade official was sent to the US, but the companies contested his findings.

The situation on the Permanent way was equally marred by the penny pinching attitude of the companies. On the Midland railway for instance, they refused to go to the expense of employing lookout men. This was a common refusal amongst other companies. No wonder that between 1896 and 1900 573 track workers were killed. In fact it was not until 1902 that it was compulsory to employ lookout men.

In 1907 the Board of Trade wrote to all the companies recommending the issue of whistles to P-way gangs. Forty seven companies refused to issue them, even to lookout men!

So far as workmen involved in accidents were concerned, whether or not they were the result of any mistake on their part, compulsory compensation for death or injury was not introduced until 1897.

This was the reality of the privatised networks in which the profits of the companies were the result of the most appalling exploitation of the workers who suffered under a virtual military discipline. Until the growth of the unions any questioning of instructions was considered insubordination liable to result in the sack.

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We can thus see that all talk of the 'Glory Days' is either the result of utter ignorance or romanticism attached to 'the great age of steam'. It will no doubt be said that this is nothing but history and such conditions will not return with the newly privatised railway. Certainly the extremes of such a system will not be reintroduced. However, where the profit motive replaces public service then risks are taken which threaten both the workforce and service users. In the chapter on safety we examine the dangers posed by a privatised railway.

2. Nationalisation

"Open Competition is too costly to contemplate, and it is likely to lead to the breakdown of the public services, and no effective middle course appears possible without subsidies. The complete coordination of transport by means of a scheme of unification is the only way to get the best possible service at the lowest economic cost."

(*Financial Times, September 3rd 1946*)

"One of the main follies of nationalisation (from the socialist point of view) was that the previous owners of the industries were fully compensated for being dispossessed of their shares by being given equivalent amounts in guilt-edged stock. As a result the capitalist classes were no poorer than they had been before - in many cases they were enriched because their assets had been sunk in declining concerns. Instead therefore of furthering the socialist objective of greater equality, all that happened was that the state acquired large amounts of often run down assets at an inflated cost."

(Ian Gilmore. *Dancing With Dogma*.)

The nationalisation of the railways was a step taken to remedy the mess into which private ownership and the impact of the war had reduced them. After their concentration into four regional companies in 1921 (from 120) there had been little investment. During the war years rail was used as *the* main carrier and was under virtual government control. In the words of a prominent historian of transport in this period, "the railways had been overloaded...almost to the point of breakdown" (Savage, *Inland Transport*). Historian Peter Hennessy informs us:

"In the years between the German invasion of Poland and the Japanese surrender, the amount of merchandise carried by rail increased by 77%, minerals by 35% and coal by 9%. Passenger traffic had almost doubled. This extra load had to be carried with less than a proportionate increase in manpower and resources. By the end of 1942 locomotives were scarce. In 1944-5 the railway system teetered on the verge of breakdown. If anything the picture worsened in 1946-7 as the dawn of public ownership approached on January 1st 1948. In the last days of the Big Four the ravages of wartime meant the stock of coaches and wagons remained well below the last days of peace."

(Peter Hennessy, *Never Again*.)

Nationalisation had long been the policy on paper both of the NUR and the Labour Party. However, it was not taken as a distinctly socialist measure. Another prominent historian of the period commented:

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“To these measures (nationalisation) the Tories put up only token opposition. In each case the argument for state control was as much accepted by businessmen as by labour politicians, and the industries concerned were either public utilities or ailing concerns of little value to their owners and of no interest to other capitalists.”

(Paul Addison, *The Road To 1945*.)

The British Transport Commission which came into being on January 1st, 1948, was obliged to cover its costs 'taking one year on another'. In other words it was to be a *state capitalist* enterprise, operating on the basis of narrow financial criteria.

Ralph Miliband was certainly correct when he wrote that:

“...had it been left to the Labour leaders, the Labour Party would have gone into the 1945 election campaign without a commitment to any measure of nationalisation whatsoever. What *they* wanted was a continuation in peace time of the controls over economic life which had been introduced during the war, i.e. a more and better regulated *capitalist* economy, together with a much wider system of welfare provisions...”

(Ralph Milliband, *Parliamentary Socialism*.)

The Bill which preceded the measure was only fiercely contested by the Road Haulage Association in relation to its road transport element rather than the rail nationalisation as such. The RHA's supporters in the House of Commons and the Lords, introduced over 1,000 amendments between them!

Opposition was especially centred around the proposal to restrict 'C' license vehicle holders to 40 miles (i.e. those vehicles only used for carrying owners goods, as distinct from professional road hauliers' vans and lorries). Under pressure the Labour government caved in and removed all restrictions on 'C' license vehicles from the Bill.

The compensation provided by the government was in the words of the Financial Times, “not ungenerous”. Holders of railway stock were offered guilt-edged securities at 3%, whereas the going rate on the markets was 2.5%. This level of compensation would saddle the railways with an annual bill of ?31 million for the private shareholders: a great deal of money for the time. Between 1948 and 1951 the BTC's component parts earned operating surpluses of ?165 million. It was only after the deduction of interest charges on compensation stock (?176 million) that the BTC was in deficit. Most of the debt accruing from this level of compensation was not written off until 1962 and 1968.

Nationalisation

The Labour leadership would not consider *confiscation* of the old owners since this would be deemed to be theft and would be denounced by the capitalist media. Yet the private railways had built up their capital on the basis not only of super exploitation of the labour force, but in a very real sense (as we have shown in chapter 1) on the bones and blood of its workers, second only in scale to the mining barons whose profits were literally covered in blood. These private owners had exploited not only the labour of the workers but in many cases, robbed their families of their lives and rendered them destitute.

In addition, the capitulation of the Labour government over the 'C' licences led to an increase of 196,00 (or 63%) in the two years from December 1946, which obviously undermined the freight side of the railways. Even so after 3 years, freight carried reached an all-time high of nearly 285 million tons, achieved with 1,000 fewer engines than in 1948.

'Workers Control'

How was the new railway to be run? Was it to really belong to those who worked in it? A resolution of the newly founded NUR at its 1914 AGM had stated that:

"No system of state ownership will be acceptable to organised railwaymen which does not guarantee to them their full political and social rights, allow them a due measure of control and responsibility in the safe and efficient working of the railway system, and ensure them a fair and equitable participation in the increased benefits likely to accrue from a more economical and scientific administration."

However, there had been little consideration of how rail nationalisation would be implemented, how it would be managed. Within the NUR there developed a discussion around 'workers control' and participation in management. Whilst there was a great deal of confusion over what this would mean in practice, it was nonetheless true that the mass of the workforce did not expect business as usual. There was a sense, to begin with, that the industry once nationalised would be 'ours'. Yet the expectations on 'vesting day' would quickly prove to be illusory. As one worker in the industry at the time recently expressed it, "the only difference was I had a BR cap instead of a GWR one. We still had the same bosses."

As a result of this discussion the 1946 NUR AGM whilst obviously welcoming the Bill to nationalise the rail network stated:

"In any scheme effecting nationalisation, provision shall be made for the

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establishment of national, local and area boards of management with representatives of His Majesty's government and transport workers constituting the personnel. We are definitely of the opinion that an efficient transport system is an imperative necessity for the restoration of Britain's economic life and that workers' participation in management is an indispensable precondition for this."

It further stressed that it would only be satisfactory if it aimed at "embracing and coordinating all forms of transport". Yet so far as management was concerned, the government was to appoint only one representative of the unions (John Benstead) onto the Board of the BTC, and *he was accountable to the Minister, not under the control of the union.*

The union executive committee met the Transport Minister in September 1946, pressing him for the opportunity of nominating union candidates for the BTC board. Barnes rejected this. He later told an NUR conference that "nowhere in the world had economic democracy in the fullest sense functioned successfully". Stafford Cripps summed up their attitude by saying:

"There is not yet a very large number of workers in Britain capable of taking over large enterprises....until there have been more workers on the managerial side of industry, I think it would be almost impossible to have worker controlled industry in Britain, even if it were on the whole desirable."

This attitude was backed up by none other than John Benstead, NUR President, who furnished the ultimate proof at a 1946 pre-conference rally: "the trades unions did not control the railways in Russia. The control was placed entirely in the hands of the management itself". Obviously 'workers control' was out of the question.

The union's 1947 AGM regretted the government's refusal to "incorporate within the proposed scheme workers' representation on the proposed national, area and local boards".

"...we reiterate our previous views and emphasise in our opinion the full benefits of a nationalised transport system will not be conveyed to the community without the cultivation of the knowledge, goodwill and experience of the workers in the industry being sought and an opportunity given to them to obtain a voice in the highest management office."

Likewise the 1948 AGM unanimously reaffirmed its belief in workers participation in the control of the industry at all levels, as being "a prerequisite for the success of the undertaking". It demanded that union representatives have 'equal rights' with managers. The May 1948 Labour Party conference

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supported this viewpoint calling for the implementation of “workers participation through their trades unions in the direction and management of nationalised industry at all levels”.

This concern at the make up of the various Boards increased with the practical experience of the nationalised industry. The 1949 AGM carried by 72 votes to 2 a resolution demanding 50% worker representation at all levels.

The government, however, would not be persuaded, sticking to its 'Morrisonian' model, based on the setting up of the publicly owned London Transport Authority in 1933.

By 1950 there was a great deal of disillusionment with the nationalised industry. Government wage restraint meant that wages on the railways were falling behind other industries. This was reflected in the massive level of staff turnover, estimated at 20%; an incredible level when you consider the workforce was more than half a million.

The hopes of 1948 were dashed by the practical experience of railways run as if they were any other business. The elitist Labour leaders dismissed the knowledge and experience of the workforce and imposed a bureaucratic managerial system in which the dictatorial methods of private industry were maintained. Under such a system the potential benefits of nationalisation were allowed to wither on the vine. A period of decline lay ahead.

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Labour will draw up a national plan for transport covering the national networks of road, rail and canal communications, properly coordinated with air, coastal shipping, and port services. The new regional authorities will be asked to draw up plans for their own areas. While these are being prepared major rail closures will be halted.

(Labour Election Manifesto, 11th September 1964.)

One of the consequences of the slow decline of the British economy was the parallel decline of the rail network. Historically the level of investment in the infrastructure has been much lower in Britain than in other European countries, the USA and Japan. There has been a massive decline in passenger and freight carried on British Railways. The historian of the NUR, in his official history, cites the fact that the British experience was exceptional over the period from 1938-74. We were one of the few countries at the end of that period to have less mileage and a decline in freight traffic. Over the same period there was an increase in freight traffic in the USA of 3.2 times, in the USSR 17 times, and Japan 24 times. In 1977 when only 15.8% of total ton mileage of freight travelled by rail in the UK, it was 27% for West Germany and 37% for France.

This was the result of a crass bias against rail transportation which was not reflected to the same degree elsewhere. Even the British Railways Board took up the demand for higher investment (this was under a Labour government). In 1977 it took out a full page advert in the *Times*, comparing the level of government investment in other EEC countries. In Britain 59% of gross traffic receipts were covered by government money, whereas for France it was 63%, for West Germany 104% and Italy 182%. When you consider the servile and spineless managements of BR and the new companies of today (so far as their relations with the government are concerned) it seems extraordinary to think that the management was publicly demanding higher investment.

Even the Customs & Excise came under the sway of the road interest. For instance, it gave priority to road vehicles as against rail when clearing goods for export. No wonder that road freight traffic between Britain and Germany increased by 932% between 1970 and 1975, while rail freight declined by 49%. This might have had something to do with the fact that whilst lorries had to wait a few hours to be checked, a rail wagon usually took between 4 and 5 days to be cleared by Customs officers. The irrationality of this was pointed out by a bemused German Transport Minister in a letter to his counterpart, William Rogers (of 'gang of four' fame).

Road Against Rail

Decline

With the election of the Tories in 1952 restrictions on road hauliers were lifted. Petrol rationing was ended in 1950. In the next ten years the number of private cars rose from 4 million to 9 million. In the same period the number of 'C' licenses rose from 733,000 to 1,204,000. As a result rail's share of inland goods traffic fell from 54% of ton-miles to 42%.

The new government privatised the undertakings of the Road Haulage Executive (which was a component of the BTC). The Executive Committee of the NUR urged the Labour Party when returned to power to "compulsorily acquire all state property handed over to private industries ...without any compensation whatsoever".

Whilst maintaining the obligation of the railways to carry any goods whatsoever presented to them for carriage, no such obligation was placed on the shoulders of Road Hauliers.

Even up to 1956 the BTC continued to earn a working surplus which was only dissipated as a result of the continual burden of compensation.

It is in this period that a decline of jobs gathers pace. At nationalisation there were 650,000 employees. By the end of 1951 it was slightly less than 600,000. There was a steady series of closures even before the Beeching report.

Beeching & The Labour Government

Beeching's report "The Reshaping of British Railways" was issued in March '63. It proposed to close down 5,000 route miles (out of a total of 18,214), more than one third of the passenger stations, and reduce the number of stations receiving coal from 5,000 to a few hundred.

The Labour Party's General Election manifesto for the October 1964 election promised that Labour would "draw up a national plan for transport covering the national network of road, rail and canal communications, properly coordinated with air, coastal shipping and port services." The words were never translated into action. Despite its pledge Labour allowed the implementation of the Beeching programme to go ahead. The 5,000 mile target was reached within six years. Under the Wilson government 3,458 route miles were closed!

Whilst there was certainly the need for modernisation of much of the archaic rolling stock (the private owners had an appalling investment record), the cut backs carried out were made purely on the basis of financial considerations, ignoring social needs. During the six years of the Labour government hundreds of thousands of jobs were shed.

Whilst there were attempts at campaigns against line closures and in defence of jobs, two factors prevented an explosion resulting from these cutbacks. Firstly, they took place at the height of the post-war boom. Most of those people thrown out of work were able to find alternatives even if it meant them travelling. Secondly, the right wing leadership of the NUR under Sidney

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Greene resisted any efforts to build a serious national campaign.

The Labour government shared the Tory bias towards roads. The massive motorway building programme it embarked on sealed the fate of much of the rail network, especially in rural areas.

The nationalised rail industry was run as if a business, even by Labour governments. The historian of the NUR comments that whilst the three post-war Labour governments favoured public ownership of transport undertakings "they vacillated between emphasis on the need for commercial viability and the importance of offering an adequate public service". This is true. However, in addition they did nothing to seek a shift from road to rail precisely because they operated the railways as a commercial undertaking, albeit with a subsidy to support some loss making lines.

Suffice it to say here that the '64-'70 Labour government enabled the road transport and building industry monopolies to squeeze a massive fortune out of the 'public purse' - i.e. the taxpayer. They supported a complete imbalance between road and rail. Hence the railways had to pay for their own infrastructure, whereas the road transport industry did not have to pay for theirs. Private industry in this sense benefited from a hidden subsidy which put rail at a big disadvantage in competing with it.

Oil & Tarmac

In the 1960s oil as a cheap fuel was thought to be available in endless supply. Not only this, but the post war boom to a large extent was fuelled (no pun intended) by the development of the car industry. Later, Margaret Thatcher would wax lyrical about the 'freedom' which the car provided to her citizens. This freedom of movement (if you could afford it, of course) would have its dire environmental consequences, as which we shall see later.

The 'sixties saw the rise of a very powerful 'road lobby' headed by the British Road Federation, with its wealthy affiliates such as the Society of Motor Manufacturers and Traders, the Freight Transport Association, and the Road Haulage Association. They all invested heavily in their efforts to bring influence to bear on Westminster.

The atmosphere of the times is well reflected by the comments of the AA's Director in its new magazine, *Drive*, launched in 1967; a propaganda sheet in their war against public transport. He warned readers of the "sinister threat to prohibit the driver using his car in the centres of towns and cities"; the end of 'freedom' as we knew it? Such proposals were a reflection of "dangerous thinking", which if adopted would mean people being "*compelled* to travel to work, to shop, to seek entertainment, by public transport - forced to use an outmoded system that has been so plainly rejected." Motoring, he declared, was 'the lifeblood of the nation's economy'.

In fact, the decline in terms of journeys travelled by rail was not so great;

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19,066 million miles in 1978 as compared with 24 million in 1953. But private car travel rose by nearly six times to 242,000 million in the same time span.

In the immediate post war years most people who did not walk or bicycle to work travelled by public transport. In 1951 71,000 million miles of passenger journeys were made by train, bus, tram or trolleybus. Traffic counts conducted by the Ministry of Transport in 1953 showed that of passenger miles only 36% were by private car, moped or motor cycle, compared with 43.3% by bus, tram or trolleybus and 20.6% by rail. This was 3 years after the end of petrol rationing. By 1978, however, private sector motor transport accounted for 81% of all passenger miles. Buses and coaches constituted 11% and rail a mere 7%.

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Motoring...is the lifeblood of the nation's economy and perhaps the most significant explanation for the great advance in living standards in the last decade...

All these are reasons why the AA is speaking out strongly against any attempt from any quarter to thrust inferior, inconvenient and inflexible mass transport on a society which is so obviously determined to use the superior, flexible, transport of the motor car.

This magazine, posted free to 3,750,000 AA members each quarter will be in itself a powerful weapon to influence transport policy, car design and town planning.

(Director General of the AA in their magazine, Drive, in the spring 1967 edition.)

Rail transport was in every sense a revolutionary system. It transformed both economic and social conditions². It created for the first time an integrated national market in Britain and facilitated the growth of the world market. The North American continent was opened up by the railways, creating the conditions for the growth of what would become the world's giant economy. They assisted the spread of capitalism to every corner of the globe. They qualitatively transformed the ease and speed of transportation both of goods and passengers. Human geography was transformed and exploitation of the resources of the earth was stepped up as never before.

The relative decline of rail was largely the result of the growth of road transport and the "car economy". Whilst rail has undergone something of a resurgence in some areas of the globe it has not developed to the level which it might, for political reasons. Whilst it is true that road transport has in some respects greater flexibility over rail it was not an inherently superior system. The growth of the modern road and motorway systems was associated with the development of the 'consumer society' and the post war economic boom.

Road transport was considered more 'competitive' than rail. However, economic costs measured in narrow financial terms are misleading. If the 'performance' of a rail network is measured purely in terms of its balance sheet, this gives a very narrow picture of its role in the economy. How could rail

² "It transformed the speed of movement - indeed of human life - from one measured in single miles per hour to one measured in scores of miles per hour, and introduced the notion of a gigantic, nationwide, complex and exact interlocking route symbolised by the railway timetable...The sheer size and scale staggered the imagination and dwarfed the most gigantic public works of the past." (Eric Hobsbawm, *Industry & Empire*.)

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compete with road when, under the present system it is saddled with the entire costs of maintaining and developing its infrastructure. This means it has an inbuilt disadvantage as compared with the road transport industry. For this government (and previous ones) subsidy for the railways is considered a burden on the exchequer. Yet it is quite prepared to spend a fortune in subsidising the road transport industry through its massive road building programme. The road/motorway infrastructure is paid for by the taxpayer (whether or not they use road transport). Yet this is considered not as subsidy but investment. If the road transport industry had to pay the real costs of the infrastructure which it used, then rail would be far more competitive in terms of the price of moving freight.

Why is the one a burdensome 'subsidy' and the other supposedly necessary 'investment'? In Europe, even supporters of the 'market' consider rail investment to be necessary for the development of the infrastructure of their countries, the improvement of their communications systems. The peculiarly backward supporters of the 'free market' in Britain, especially this government since 1979, have pushed money in the direction of their supporters. The government's whole program has been designed to line the pockets of private enterprise at the expense of the public sector.

To this favouritism and self-interest must be added the hidden costs which are not taken into account when comparing different modes of transport. The social costs of road transport, for instance, are massively higher than those of rail. The level of road accidents costs a huge amount to the NHS in treating patients injured. The same costs in relation to rail are minuscule in comparison, owing to its much better safety record.

The environmental costs should also be taken into account. The building of new roads has a far greater environmental impact than rail, both in terms of disruption, pollution, and the inevitable traffic congestion.

The 'Car Economy'

Margaret Thatcher used to speak with pride about the "car economy", which in the land of democracy gave "freedom of movement". Like most of the other supposed freedoms in our society, this is a freedom only for those who can afford it. The car economy has not only had a disastrous environmental impact, but it has drained resources which have been gifted to the building monopolies, the oil and car industries. Capitalism is a producer of vast waste which mocks the starving millions of the world.

There is some justification in the designation 'car economy' to describe the post war capitalist economies in the most 'advanced' countries. The post Second World War boom in these countries was to a large extent based on the car industry, as well as arms manufacture. In the United States of the 'sixties as many as one in six workers were directly or indirectly reliant on the motor car

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industry for their job. That industry was one of the central ones in which 'planned obsolescence' was pioneered. Utilising stylistic changes, sophisticated marketing techniques, and the use of cheaper materials designed to wear out more quickly, the market expanded to such a degree that on average a car owner in the US bought a new car every *two and a quarter years*.³ People were bombarded with adverts telling them it was their patriotic duty to buy a second or even a third car in order to keep the gargantuan American economy moving forward at break-neck pace.

In the case of the US, of course, the cars became bigger and guzzled more petrol; as little as fifteen miles per gallon. Whilst in Britain cars produced were much smaller for the mass market and more economical in terms of fuel, the rise in the number of car owners was massive.

Although there were warning voices raised in the late 'fifties and 'sixties, they were literally voices in the fast disappearing wilderness. It was not until much later when the global environmental crisis became an established fact (whatever the disagreements over its scope might be) that the impact of the car economy on the environment began to dawn on people. Today, so great is the level of concern, that even the Tory government has gone 'green', if only for the sake of appearances.

There has been much talk about the need to create a shift from private to public transport, from the car to the train or the bus. However, in tackling this problem you are faced with the entrenched interests of the international oil monopolies, the car manufacturers and traders. It is the opinion of the author that to seriously tackle the environmental problems associated with the car economy, it is necessary to break with the logic of the capitalist system of production. Dabbling with road pricing and other forms of tax which impact on the individual motorist are in my opinion superficial measures which will fail to achieve what is required: a *fundamental shift* from the car to public transport, the railways included.

Much to the embarrassment of the current government the Royal Commission on Environmental Pollution has in the words of one newspaper, produced a 'devastating critique' of the government's transport policies. It is not so much what the Commission has said, but the fact that it *is* a Royal Commission, hardly over-burdened by radicals, which gives it real weight. In fact two of its number were members of John Major's own committee of advisers on environmental questions!

The report examines the government's own projections on the growth of car numbers and miles travelled, both of which are forecast to double over the next thirty years. It says that this growth cannot be sustained and will cause grave environmental damage. It damns the effect of pollution from car exhausts on health (e.g. the large increase in asthma sufferers, especially amongst the young), its impact on global warming, loss of land to new roads, the cost of

³ See 'The Waste Makers' by Vance Packard, Penguin 1962.

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increased accidents, and other environmental damage. All these impacts will cost the country tens of billions of pounds.

The report speaks of a massive effort to persuade people to use cars less. Its concrete suggestions include greater investment in public transport, rail included, and the need to make it reliable, convenient and efficient. None of this is new, of course, it is simply that such a 'respectable' source underlines the reality of government policy, whose weasel words cover its lack of action.

Fares Fair

In order for a fundamental shift from road to rail, and other forms of public transport, to take place there is a need for considerable public investment in the rail network. To encourage people to use it there should be a lowering of the cost of such travel. The experiment which the GLC carried out in the '80s when it lowered the price of travel on the underground showed that people would flood onto public transport if it was cheaper and more reliable. It's 'Fares Fair' policy in 1981 saw a 30% reduction in fares, subsidised by the rates. However, prices were forced up when a legal challenge by Bromley Council overturned the rates increase. As a result fares doubled in 1982 and use of public transport fell off sharply.

A new initiative 2 years later saw a 25% cut in prices and the introduction of the Travel Card. As a result, in the first year Underground journeys rose by 44% and buses by 10%.

The problem with the approach of all previous governments, Labour and Tory, has been that they have not taken into account the social costs of private motor transport. Such a policy can only be viewed as rendering the railways 'loss-making' if the lower social costs resulting from its development and expansion, as compared to car and lorry transport, are *not* taken into account.

A great deal of freight can certainly be taken off the roads and transported by rail. The development of 'piggy back' vehicles (or inter-modal) makes their transfer a simple business. This would require the building of many new rail yards adjacent to factories or distribution centres for ease of transfer. However, such steps requires planning if for no other reason than there would need to be a shift in employment away from road transport to rail.

One thing is certain. Production for profit is degrading the living conditions of all the peoples of the globe. A turn away from the 'car economy' as well as unsustainable economic production is necessary in order to halt this process of degradation which has created a global crisis. The expansion of rail transport will have to play a central role in such a process.

5. *The New Businesses*

We are not giving discretion to the Franchising Director to pick and chose. We say that he must start with the existing timetable.

(*Roger Freeman*, speaking for the government during Standing Committee proceedings in the House of Commons, on the Bill to privatise the railway.)

Operators want the right to be able to run fewer trains if life gets tough and there is a recession.

(*Roger Salmon*, Rail Franchising Director.)

Railtrack is the government owned company which owns the railway infrastructure: track, signalling, stations, bridges etc. Its major source of income is from the selling of train paths, i.e. charging the Train Operating Companies for use of its track. It has been set up as a separate government owned company which was originally supposed to be sold off after the other components of the old BR, at the end of the process.

The government set Railtrack the target of gaining an 8% annual return on its assets by the end of its third year. This meant that in the first year of the new set up the government had to *more than double* the subsidy to over £1.8 billion.

The success or failure of privatisation, to a large degree revolves around precisely this question - how much Railtrack charges for track use. The higher its charges, the less money there is on offer to the Train Operating Companies, the less likely private companies will take on franchises to run trains. On the other hand if the government forced Railtrack to keep its charges artificially low (in 'commercial' terms) then it would lose money. It is not supposed to receive any subsidy at all.

Complex Infrastructure

The underlying weakness of the whole project lies in the fact that a rail network the size of that in Britain has tremendous overheads, in terms of maintenance and development of the massive and complex infrastructure on which it runs. If commercial criteria are to predominate - narrow profit and loss calculations - then much of the network simply would not be viable. For example, in 1990/91 the Public Sector Obligation (the government's subsidy) was £142.7 million to Network South East and £528.8 million to Regional Railways. In addition the seven Passenger Transport Authorities paid Regional Railways £100 million for services operated in their areas.

Under the new regime the PTAs have had their charges raised by as much as 300% in one fell swoop. No wonder that Strathclyde refused to pay it when it

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faces its own government financial restrictions.

Of course, the balance sheet costs tell only part of the story. Many of these services are absolutely vital in areas of poor communications, and the lack of them would lead to a dramatic worsening of the situation on the roads. The government's fundamental problem lies in the impossibility of creating a balance which will enable Railtrack to perform up to the level of target which was set for it by them, and for the Train Operating Companies to make money as well.

The government has said it will maintain subsidies to firms which take over franchises to run trains. It is difficult to see much interest, however, in taking on franchises which do not offer even the remotest chance of a profit. On the old Regional Railways, for instance, there was not a single service which did so.

Railtrack is not only squeezing the train operators as a result of its government set targets; it has to pay the Infrastructure Service Units to maintain track and signalling. It is already pressing these ISUs to cut the cost of the services they provide. This means job cuts amongst maintenance staff and a cut back on the work that is actually done. In fact the latest round of redundancies has left the Pway workforce at such a low level they cannot possibly cover all the work.

There are indications already that track renewals will be cut back considerably. Renewals are absolutely necessary in order to replace old, deteriorating, or dangerous track. This means that there is liable to be an increase in the number of speed restrictions which are imposed as a result of the poor state of much track.

All this indicates that the financial equations could not work if the government were to stick to its supposed commitment to maintain service levels and quality.

The signalling dispute certainly worsened the prospects of franchises being snapped up, since, from the standpoint of businessmen it shows their vulnerability in a completely fragmented industry. Not only would they not own the infrastructure on which they ran their services but they would be, from their point of view, 'at the mercy' of industrial action by the staff of other companies.

Of course, experience of other privatisations, has shown that the government has been prepared to sell them off at way below their real value. They will seek to do this with Railtrack. However, the fundamental problem, which makes the railways different from the other 'public utilities', is the fact that even if you fragment it in ownership terms, *the very operation of the system is still dependent on its many different parts functioning smoothly together*. Problems with a single component affect the functioning of the whole system. For instance, track deterioration, resulting from the failure of Railtrack to renew it at a level which keeps pace with natural wear, would mean more speed restrictions, and hence the TOCs would be unable to operate their services at current journey times. It would take longer for commuters to travel to work. This

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would hardly enhance the prospects of the TOCs. Already they have been instructed to cut their costs by 10% for 1995-6. This will undoubtedly mean more job cuts.

The best prospects for privatisation lie in the area of Infrastructure maintenance and renewal. Currently, there are 14 Infrastructure Service Units which deal with maintenance of track and signalling. In April these will be broken down into Infrastructure Maintenance Units, and Infrastructure Renewals Units, combined into larger geographical areas in order to make them more saleable. The big civil engineering conglomerates will certainly be interested in the renewals work and probably maintenance as well. The likes of Westinghouse may be interested in franchises for signalling maintenance.

So far as the running of trains is concerned, aside from a couple of prestigious lines, such as the electrified East Coast Main Line, and Great Western, there is liable to be little interest in franchises, save for 'management buy-outs'. Why? Not only because of the lack of potential for profits but because the franchisee will not own or control the infrastructure nor the trains they use: they will have to lease them.

As with the NHS 'internal market' a vast amount of time, effort and money has been wasted setting up 'commercial' relationships between all the businesses and developing contracts. This has led to a great deal of friction between different companies which has undermined collaboration. Management refer to 'Partnership' between these companies yet in reality a low level war exists between them. This has been reflected in a number of ways. The mentality that this commercial regime has created amongst managers was expressed by a Railtrack manager in one area telling signalling reps that "we are here to make money, not to make the trains run on time". This shows the level to which the ethos of running a railway, a public service, has been undermined by the gungho privateers.

Information Please?

Some Train Operating Companies in the spirit of 'the new railway' have stopped providing the train times of their 'competitors'. For example, passengers at Euston asking for times to Milton Keynes have been effectively denied the time of fast trains on the Intercity West Coast mainline. One of the managers responsible for this policy explained: "The primary reason why we have moved to showing our own trains is the cost of producing the timetables which we give away free. In the long term the government want us to be competitive and we want to encourage people to travel with us. Marks & Spencer don't advertise their stuff in Littlewoods." This, of course, creates frustration for passengers who merely want to travel from A to B as quickly as possible. Complaints over missing timetable information have already been reported to the Rail Users Consultative Committees in the West Country,

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Scotland, East Anglia, the North East, the North West and Wales.

The fracturing of the network, as with privatisation of the 'public utilities' will surely worsen the service to customers and make it more expensive, as warring companies seek to pass on costs to each other. A small fortune has been spent on 'consultants' and money wasted on reorganisation in preparation for privatisation (an estimated £700 million). Originally BR management asserted that the question of privatisation was a decision for the politicians, as if they themselves were disinterested parties. In reality senior managers have done everything possible to ease the way to the implementation of this crazy government course. Some of them are no doubt watching with interest the massive wage increases which have been seen in the privatised utilities.

Railtrack - Paying For Tax Cuts?

The decision to reverse plans for the sale of Railtrack - to rush through an early sale - had nothing whatsoever to do with concern with the privatisation process. It was simply an improvisation by a government which has outlived its time but is desperate to hang onto power. It was seen as a means of raising funds which could be handed out in tax cuts prior to the next general election, as a last throw in their efforts to stop the collapse of their self serving and corrupt regime. It was also a 'compensation' for the collapse of their Post Office privatisation.

Railtrack is valued at £6.5 billion. The government was certainly intent on selling it off at a cheaper rate. However, the decision of the Regulator to cut Railtrack's track charges meant that the estimated value of the company has declined to around £2 billion or less. This means it will be under increasing pressure to cut costs. It will not only receive less because of lower charges but less still as a result of the 'minimum service' set by the Franchise Director, which will mean less trains using the track.

The irony of such a sale, should it go through, is that it will be dependent on government guarantees to maintain subsidies to the Train Operating Companies. So much for the 'free market'! Private investors will want to be sure that these subsidies are maintained since the profitability (or otherwise) of Railtrack will depend on the income it receives from track charges. It would of course, own a vast amount of property, and will look to 'develop' much of this through that well known method of asset stripping. The TOCs will now receive less government subsidy as a result of the cut in track charges.

The latest round of rail ticket increases was double the level of inflation. Interviewed on Radio 4, the Commercial Manager of Thames Trains, explained that they had used a 'tried and tested' formula to determine the level of increase: measuring the extra revenue resulting from the price increase against the estimated loss of passengers liable to stop using the trains. The journalist interviewing this manager observed that they did not appear to mind driving

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passengers off the trains. Of course, this is the ethos in the kingdom of profit. You do not run trains for people to travel on. You run trains to make profit. If people cannot afford to pay the prices charged so be it, regardless of the social or environmental impact.

‘Broadly Similar’ Services

New Franchising Director Roger Salmon, QC (government appointee), has determined the level of subsidy available to the TOCs, dividing up government money. He has laid down the level of service to be provided. Service levels were said to be ‘broadly similar’. This means the beginning of cuts. He has for instance provided for hourly Inter City services. Birmingham to London currently has an half hourly service. Salmon has said that the provision of one of these two trains an hour must be commercially determined! This probably means cuts at certain times of the day when there is not much return to be had.

The more detailed news relating to the first four franchises they are aiming to sell indicates potential cuts of 10% or 20% and in the case of Gatwick as much as 45%.

Transport Secretary Dr Mawhinney attempted to present this potential cut of 20% as a guarantee of 80%; a real step forward for users having less trains to catch! Whilst the government ‘hopes’ that franchisees will want to run more services than the ‘guaranteed minimum’, the reality is that they will not run those services unsubsidised unless they are profitable.

In an interview with the Independent on Sunday Salmon let the cat out of the bag. He did not set the ‘minimum services’ at the same level as current services since this would mean paying for subsidy for “such inflexibility”. “Operators want the right to be able to run fewer trains if life gets tough and there is a recession.” Flexibility for operators translates as cuts in service for users.

As a result of Salmon’s deliberations, and of course, the reduced government subsidy (a cut of £300 million with a loss of a further £300 million the following year) some sleeper services are to be cut and the Motorail service wound up. This shows the reality of the government ‘commitment’ to maintain service levels. Once you make cuts on the basis that this or that service is uneconomic then the logic of that position leads to more cuts.

The news that the regulator is considering cutting to less than 300 the number of stations where tickets to any national location can be bought has caused a furore. This proposal has very benevolently been designed so that nobody would have to drive more than 50 miles to buy a train ticket! So unpopular was this option that the government attempted to distance itself from the proposal. It had previously said that national ticketing would be maintained. However, they do not have control of the regulator whose decision will be final. He is merely applying the logic of the privatisation process. Why should the

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TOCs sell tickets for other people's trains from which there is little return for them, if their prime concern is profit ?

It has also been determined that ticket offices need be open for 8 hours a day; another 'minimum'. The implications of this if implemented would not only mean a deterioration in the service to the customer, but could well lead to job cuts and the predominance of part time jobs in booking offices.

The whole government project has been a shambles from the very start. The cost of failure, however, has been borne in the first instance by the rail workers who have lost their jobs and service users who can be sure of less trains, more over-crowding, and higher fares.

Whether or not rail privatisation proves to be a "poll tax on wheels" as Tory MP Robert Adley predicted remains to be seen. However, the whole process is so shot full of contradictions that it cannot succeed. To the degree that we are able to frustrate the government's attempt to push through its flawed plans, the more certain is the collapse of a weak and shambolic government. The longer this government is allowed to remain in office the greater the damage that will be done to the industry.

6. Safety

Nobody should think that because the railway is being privatised that, somehow or other, making money is more important than being safe. Being safe is of paramount importance, and always will be.

(Bob Horton, Railtrack Chairman.)

ATP would be horrendously expensive to install, at a cost of £14 million for every life it saved. No final decision has been made, but we are beginning to conclude that there is not even a case for partial installation.

(David Rayner, Railtrack's Director of Safety.)

The investigation into the accident at Clapham where 38 people were killed in 1989, made a series of recommendations which were accepted by British Rail and the government. These included the introduction of automatic train protection (ATP) which acts as a safeguard, stopping a train should it enter a section of track in which there is another, or if it is travelling above a speed limit. The Hidden enquiry (named after the QC who headed it) described the introduction of ATP, together with cab radio in all trains, as "vital to the future of safety on BR, whose introduction must not be the subject of unnecessary delays".

As early as 1986 the Chief Inspecting Officer of the Railways, had written in his annual report:

It could be argued that the number of serious accidents today is so low that investment in radically new safety equipment is unjustified. But if accidents such as the collision at Wembley, or the high speed derailment at Morpeth, are to be avoided in future, some form of automatic train protection will have to come. Continental railways, not only those looking towards higher speeds, are installing or planning such systems and I cannot believe that BR will allow itself to fall behind. The question is going to be what system, and at what cost?

In November 1988 the Executive of British Rail decided to introduce ATP at an estimated cost of £140 million over a ten year period.

The Hidden enquiry welcomed BR's commitment to introduce ATP but was concerned about the time-scale. He cited the danger of slippage of such a project by the example of AWS (automatic warning system) which indicates to the driver in the cab what the approaching signal is showing. This system was introduced as a result of a disastrous crash at Harrow in 1952 in which 112 people were killed. Yet at the time of the Hidden enquiry it had still not been

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introduced throughout the entire system. He recommended that ATP be introduced over 5 years once the decision was taken in 1991 as to which system would be chosen. BR was to report to the Railway Inspectorate every six months on the progress it was making in the introduction of the system. Trials were begun on the Great Western and the Chiltern lines.

The government and BR both accepted the recommendations of the Clapham enquiry in full. Pressed on the question of funding of safety measures the Minister of Transport had stated that funding would not be an obstacle to implementing the Hidden proposals.

However, in the run up to privatisation it now seems that this commitment to ATP is about to be ditched. Railtrack is opposing the scheme which it, as the track authority, would have to introduce, with government assistance. Railtrack bosses, with one eye on their launch into the world of private industry do not want to carry out schemes which might have a drastic impact on their profitability.

According to documents leaked to the *Guardian* it appears that Railtrack management does not believe ATP "as reasonably practicable under any circumstances". According to these documents the Health & Safety Commission, which has to advise Transport Secretary Brian Mahwinney on ATP, had accepted Railtrack's argument.

David Rayner, Railtrack's Director of Safety, told the *Guardian*: "ATP would be horrendously expensive to install, at a cost of £14 million for every life it saved. No final decision has been made, but we are beginning to conclude that there is not even a case for partial installation."

There is a faint echo here of the comments of the contractor Purdon (see Chapter one) who told the House of Commons that using patent fuses was not worth the expense for the few lives it would save! What price a life if yours or that of a relative? This estimate of the cost per life excludes, of course, the occurrence of a major disaster. It is estimated, for instance, that Clapham cost BR £100 million.

This move to break the commitment to introduce ATP is, as they say on 'the new railway', financially driven. From the standpoint of the government such an investment would make Railtrack more expensive to sell off.

The HSC's documents reveal the extraordinary logic of the Treasury. The introduction of ATP "would lead to increased fares (why?) and thereby put more people at risk because they would take to the roads instead of travelling by train". You might as well, therefore, they conclude, spend the money on improving urban road safety! In other words they accept that passengers should pay for the introduction of the system in increased fares, rather than the government.

Railtrack, BR and the government will attempt to argue that there are other ways of improving safety. But the decision is a financial one motivated by the drive for privatisation, and the government's desperation to hold onto power by

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introducing tax cuts before the next general election.

It comes as no surprise to hear that the HSC is apparently supporting such a position. Ever since the government gave the Chairman's job to Sir Frank Davies, there has been a significant shift in its (and the Health & Safety Executive's) outlook. Three day a week man, and director of 17 companies, Sir Frank has shifted the HSC from a body whose role is to implement and police health and safety law, to one which seeks to 'balance' safety needs with the 'success' of industry.

During the signalling dispute the HSC allowed Railtrack to run trains with lower safety standards than normally operate. It's subordinate HSE is on record as defending under-staffing of signal boxes on the basis of lower levels of traffic on strike days! Railtrack was desperate to defeat the strike and was prepared to risk passenger safety by under-staffing of boxes, and placing inexperienced people in what are deemed 'safety critical' jobs. They blatantly lied throughout the dispute.

Such cynicism is maintained by a management hell-bent on privatisation and drooling at the fantastic wages of executives in the other privatised public utilities.

Ever since the demise of the regional structure and the setting up of the (then) new business structure (Inter City, Regional Railways, Network South East, Parcels, Freight) there has developed a new approach which has subordinated the service to the public to the quest for profit. This has had its impact on safety. This was recognised even amongst BR managers. In January 1988, Maurice Holmes, Director of Operations wrote to the Managing Director (Railways), warning that:

A further concern is that the past high safety standards at local level achieved by giving a high priority to a 'safe railway' above other issues are starting to be eroded by the change in railway culture. If continued this will strike at the root of our structure. I would not like a major disaster with the loss of life to be the reason that forced BR to invest in modern safety aids.

The Clapham Disaster

Such was the Clapham disaster. Whilst the accident was the result of a mistake by a signalling technician there were a number of background factors which created the conditions in which it could happen. Of the workforce in the area 28% had worked seven days a week for 13 weeks in a row. A further 34% had only had one day off in 14.

They were working on a scheme to replace signalling which had been introduced in 1936 and was long overdue for changing. Yet from the time when the proposal to replace this signalling system was made, it took six years to get

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the agreement of the BR Investment Committee. The safety implications of tardy investment were also brought home by the Kings Cross fire when it became known that the wooden staircase should have been replaced years before but had not because of cutbacks in the investment programme. The consequence of the six year delay was that a job that was necessary became vital because of the level of deterioration of the equipment.

The job when started was rushed, worked to a very tight time-scale and one which did not take account of the fact that a number of staff had left as a result of low wages and the long hours necessary to earn a living wage.

Privatisation

Since April 1994 the financial pressure has built up in the frenzied preparation for privatisation. There have been efforts made to cut back safety inspections, for instance, on the permanent way. Railtrack, as soon as the strikes were over sought to cut jobs in the signalling grades, even below levels which are completely unsafe. There have been proposals for instance, to single man new IECCs (computerised signal boxes), which are operated by use of a VDU, and thus necessitate that signal workers take a break after every two hours!

Statements about safety not being compromised by the drive for profit will of course, continue to be made by management. Yet these are worthless. The Hidden report said that "the true position in relation to safety lagged frighteningly far behind" the verbal commitment to high standards. The same is undoubtedly true of the 'new railway'. This is reflected in the attempt to wriggle out of the commitment on ATP. Profit is king, and the reality is that all the pressures resulting from the drive for profit will tend towards undermining of safety. The government has, of course, given the 'commitment' that it will ensure standards are maintained. But this is worthless when you measure such words against the real deterioration in the track resulting from reduced maintenance and the cutback in renewals, following financial decisions by Railtrack. The same pressures will apply across the spectrum as the drive to cut costs continues.

The recent enquiry into the accident at Cowden in Kent, where five people died, indicated that if cab radio had been fitted and operational, the crash of two trains on a section of single line track might have been avoided, since the signalman could have contacted both trains directly. BR in the wake of the Hidden report committed itself to the introduction of cab radio on all traction units by 1994. *Its failure to carry out this commitment thus cost lives.*

BR and Railtrack managers would protest vehemently, no less than the government, that safety will not be compromised by privatisation. Yet all the financial pressures which are piling up are creating the conditions for another Clapham disaster. We have just heard the news that the privatised gas industry

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is to slash safety inspections from £9 million to £1 million at one fell stroke. The management argued that this was the result of renewal of infrastructure. The gas explosion which soon followed was of course unconnected with that decision. But it showed it up as humbug; rationalisation which was motivated by cost cutting efforts aimed at pushing up the dividends of shareholders and company profits.

The arguments for the ditching of ATP likewise rationalises a decision which is motivated by preparations to enter the kingdom of profit. The safety of passengers and rail workers will suffer as a result. According to the latest news the government has decided that ATP will only be introduced at "accident black spots" at an estimated cost of £8 million instead of £700 million!

7. Re-nationalisation?

I am not going to get into the situation where I am declaring that the Labour government is going to commit sums to renationalise several years down the line.

(*Tony Blair*, interviewed on TV in January.)

Last year the Labour Party gave a clear commitment to renationalise 'the entire network' should it be elected to office. However, when the announcement was made that privatisation of Railtrack was to be brought forward, the response of the Labour front bench was notable for the complete absence of any commitment to renationalise it. If Railtrack, or for that matter, British Rail Telecomms, or the Train Leasing companies are sold off, then Labour will be faced (if it decides to renationalise) with the choice of buying them back or taking them back into public ownership without compensation.

The latter action they have not even considered, being far too radical since they would be attacked by the Tories for 'theft' of private owners' assets. This is the reason why Labour has refused to commit itself to taking back the public utilities which were sold off: gas, water, and electricity. Hence Tony Blair's comments in relation to the potential cost of buying back Railtrack. The irony is lost on him, that the very people who would scream 'theft' are the ones who gave away public assets on the cheap. The Tory government are the robber barons. It was not simply a case of 'selling off the family silver' as Lord Stockton said, but of giving it away in order to enrich their supporters.

An ex member of the Thatcher cabinet has observed that:

By selling shares at less than their true value, the government helped shareholders and consolidated its political support...Nearly all the industries were sold off for much less than they were worth...Thus the government was a negligent guardian of public assets, failing to look after the interests of the collective public. Yet individual members of the public profited mightily from the government's lax generosity. The cut price sales provided a considerable boost to the private wealth of those who subscribed to it.

This was a good way of bribing voters with their own money (and other people's) as has ever been invented.

(*Ian Gilmour, Dancing With Dogma.*)

In other words they robbed the 'public purse' in order to enrich their own supporters. Gilmour further observed that "If the left had ever perpetrated a similar confiscation on the rich, the right would have howled with righteous rage and pain." Why therefore accept the 'legal' right of the government to carry out

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this partial *confiscation* of public assets to enrich their ilk at the expense of the rest of the population?

The RMT leadership has supported the Labour leadership by opposing renationalisation *without compensation*. The union AGM has supported this position. In the light of the change in the situation with Railtrack (should the sale go through) the union will either have to change its position or accept that those rail businesses which are actually sold off before the election will *not be* renationalised.

In the other public utilities we have seen the enrichment of the share owners and senior managers not simply through the selling off of these industries below their value, but through the destruction of hundreds of thousands of jobs and an increase in most cases in the price of the service to the consumers. Those people who suffer from theft of what they own, are not expected to pay the crooks in order to get back their property. Why should it be any different with public property which the government has stolen?

In the case of Railtrack, if the Labour leadership were to make it quite clear that they would renationalise *without compensation* this would be a real disincentive to buy it, even at a give away price. If it refuses to make such a commitment then Labour would effectively be accepting that it would continue subsidies to the TOCs in order that Railtrack could make a profit. A very strange 'socialist' policy indeed.

The Clause 4 Debate

The debate which has opened up on the question of Clause 4 (4) of the Labour Party constitution has a bearing on the question of renationalisation. Recently, the Labour leadership has reneged on its commitment to renationalise the privatised coal industry. This is not only against conference policy but contradicts a commitment given by Robin Cook in Parliament in March 1994. This was sufficient cause for making us fearful of the strength of their commitment in relation to the railway. Now that the privatisation of Railtrack is to be brought forward to before the next election there is a real cause for concern. The leadership has vacillated. Blair refused to make any commitment. Within a week Prescott announced that they will be looking at ways of bringing the railways back into public ownership. A shadow cabinet committee is examining the question. What is clear, however, is that *there is no definite commitment to renationalisation*, in case a Labour government cannot 'afford' to buy back businesses sold off. Even worse Prescott said on Radio that any franchises sold off (expected to be seven years, but possibly longer) would be honoured by a Labour government. This contradicted the declaration last year by the then spokesman Brian Wilson that Labour would not allow the franchises to continue!

Rail renationalisation could be a lynchpin of a socialist and sustainable

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economic policy. However, the adherence to a 'market socialism' philosophy by the Labour leadership makes this to say the least, unlikely. In the past, as we have seen, Labour demanded of the nationalised industries that they were operated as if any other business (albeit with a 'social' element in terms of a very limited subsidy). There is not the least sign of any break with their past policy.

Public-Private Partnership

Today the leadership speaks of the need for a public sector-private sector partnership as a means of developing the infrastructure. But why should private industry be allowed to squeeze profit out of a nationalised industry? The basis of this public-private sector 'partnership' seems to be the Labour leadership's fear in regard to the public sector borrowing requirement. They are desperate not to be seen as 'the party of high taxation'. They appear to accept that more public spending means higher taxation. Their position virtually accepts that taxation is a bad thing. Yet the basis of a progressive taxation system (i.e. the more you earn the more you pay) is precisely that social needs must be addressed through government spending.

Underpinning Labour's policy is the idea that ownership of industry does not matter any longer. Whilst they consider that rail and post should remain in the public sector this is combined with the need for 'commercial freedom'.

What this policy of public-private partnership means is reflected in the case of London Underground. On the Northern Line the new trains will not only be made by GEC, but this private company will continue to own them, lease them to the Underground (for £20 million per year), and carry out their maintenance. The staff currently employed by LUL to maintain trains, will transfer over to GEC. This deal has been supported by the Labour leadership on the basis that it is the only way new trains will be delivered. In reality this shows that this policy of 'public sector-private sector partnership' can be a *back door to piecemeal privatisation*.

Gordon Brown probable future Chancellor of the Exchequer has given the leadership's outlook political justification in a piece written for a recent book. According to this view

...a hundred years ago it was thought by some that, for the individual to have some control over the productive process in the public interest, the only possible mechanism was expropriation of the means of production and there was a view that this this assertion of the public interest conflicted with the very existence of markets. It is now well understood that both these conclusions do not necessarily follow from the recognition of a public interest, for it is quite apparent that power can concentrate at the expense of individuals within the state as well as

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within private capital, and the state can, like private capital be a vested interest. But it remains clear that while markets can be used in the public interest they are not naturally or necessarily so used; they can produce unfairness, monopoly and inefficiency. So while the public interest does not require the abolition of markets, it requires that we ensure that they are organised to advance the public good. The question is not whether we abolish markets, but how we set standards or regulate, in a way that ensures that markets work in the public interest.

(Reinventing The Left, Editor Milliband)

To say that markets *can* lead to unfairness and monopoly is like discovering that day is followed by night. Modern day capitalism has created ever larger monopolies. We have now Trans-National Corporations, some of which have a bigger budget than many countries. The international market is dominated by such companies which move their capital around the globe to wherever they can get the best return on it without the least regard for their workforce or the needs of this or that country in which they operate. This is what Blair and co call the 'global market'. This leadership is searching for the holy grail, capitalism with a social conscience!

'Dynamic Market Economy'

The Labour leadership accepts the logic of this global competition. Hence Blair's commitment to a 'dynamic market economy' in Britain. They want to make 'Britain' more competitive. But this means accepting the productivity drive, the growth of 'flexibility', which is destroying jobs in order to make British capitalist firms more competitive.

In Brown's entire piece he does not mention the question of profit and profitability once. He fails to recognise that the driving force of this 'market economy' is the quest for profit. This is what creates the irrationality of the system since the profitability of private companies, the interests of owners/shareholders, subordinates collective human and social interests to this naked drive for profit. That is why countless millions of people starve or are malnourished at the same time as food is destroyed in order to keep up prices. That is why millions of people are thrown out of work.

The 'dynamism' of this 'market economy' leads *inevitably* to the destruction of competitors and the growth of monopoly. Where you have competition you have winners and losers. In order to sustain the profitability of these giant monopolies whole stretches of our planet have been driven into poverty and near, if not actual starvation.

A socialist policy meriting the name must recognise that it is necessary to *begin to break with the logic of this market*, organising production for human need rather than for profit. It is true that you cannot abolish markets by the

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stroke of the pen. But social ownership of the former 'public utilities' and industries such as the railways can begin the process of planning production at the service of the needs of the mass of the populace and providing a livelihood for those currently languishing on the dole. On the railways for instance the ending of driver only operation, the 'open station concept', the staffing of stations made unsafe by cost cutting measures, (leaving them unstaffed for parts of the day) would create many more jobs. Seriously tackling the decaying infrastructure with increased maintenance and renewal would create more jobs on the permanent way.

The problem is not that there is a lack of money to pay for these measures but that the enrichment of the already rich which has systematically taken place over the past 15 years has drained the 'public purse' of money and placed it into the bank accounts of the private owners and shareholders.

It is ironic that at a time when there is a great public outcry over the fact that the privatised industries are ripping off the service users in order to pay their executives massive salaries and their share owners increased dividends, that the Labour leadership does not concentrate its fire on the failure of the government's privatisation policy but seeks to distance itself from nationalisation. Their desperation to show that they are 'New Labour' shorn of the old 'statist' baggage has led them to manoeuvre in order to push through the changes. These would-be democrats have decided to rush through a special one day conference in April 1995 to ditch Clause 4 so that there is no danger of union delegations being mandated by their union conferences as would be likely in some key unions. This is the bureaucratic and thoroughly undemocratic method of the Blair leadership.

Opposition to this ditching of Clause 4 is not simply a question of an internal debate over the party constitution. It is fundamentally a debate over what policy a Labour government is likely to implement, and what the labour movement believes it should implement. That is really what all the heat is about rather than a battle over a 'symbol'. Hence the RMT, in the interests of its members, and the service users has unequivocally come down in defence of Clause 4 as part of the battle over renationalisation of the entire rail network and its associated components.

8. Running A Railway

"You can often learn more about life and labour from men at the bottom of the social ladder than you can from men at the top. Executives, Civil Servants, managers, or even trade union secretaries have a wider knowledge of life, but it is often second hand or statistical knowledge, while the men at the bottom give you real facts at first hand. True they are small, marginalised facts, but they are invaluable as raw material with which to build something larger."

(F.Zweig, *The British Worker*, Penguin 1952.)

"In their particular anxiety to exact the last ounce from the workmen in the matter of their labour, the managers overlook multitudes of important details connected with their own administration but which the worker sees as plainly as the nose on his face. They often spend pounds to effect the saving of a few pence. They lavish vast sums on experiments that the most ordinary man perceives have no possible chance of being successful or even useful if they succeed. Men's opinions as a point are rarely solicited; if offered they are belittled and rejected."

(Alfred Williams, *'Life In A Railway Factory'*. 1915)

Rail workers, no less than others, have long complained about the fact that management has generally never drawn on their knowledge of the work and the industry. Many a hair-brained scheme has been implemented despite the protests of the workforce, based on their intimate knowledge of the work they do. Stories of schemes introduced and later ditched in favour of what the workforce had suggested in the first place, are legion. My own experience is the same. In Reading where they were building a new station, we raised a host of problems with the management proposals, both from the standpoint of having to do the job and from that of the service to the customers. Our objections to the design features proposed by consultants who introduced 'a new concept in retailing' were passed over.

When the new station complex was built, most of the problems we had pointed to began to emerge. Eventually the management introduced changes in line with our original proposals, needless to say, at extra cost, and after a period of frustration for the staff and the customers.

The 'Empowerment' Fraud

On the railways over the past few years, in line with other industries, management has introduced what is usually labelled 'new management techniques', which are supposed to be aimed at consulting the staff; 'empowering' them no less. In reality this is a sham, directed at undermining the

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trades unions, through a direct relationship with individual workers, through 'team briefings' and the like. Whilst management is quite prepared to take on individual proposals from workers where, for instance, money will be saved, the whole process is designed at inveigling them into helping to resolve management problems. 'Empowerment' is a fraud because decision making powers are still entirely in the hands of the management. It's usual content is 'which way would you like us to make cuts'.

Last year the right wing leader of the AEEU, Bill Jordan (now gone to rest in European pastures), commented that it was romantic nonsense, or words to that effect, to suggest that workers could run industry. There are of course, specific skills involved in managing large enterprises. It is true that under capitalism workers, because they are not involved in any discussion relating to the broader aspects of the industry or firm in which they work, do not for the most part take any interest beyond their immediate job, and the wage packet at the end of the week or the month. Yet, as Zweig says above, they have real knowledge because they do the work everyday. Very rarely is this knowledge called upon. Why should they take an interest in resolving management problems when they are treated as nothing more than expendable units of labour?

Yet there is no fundamental reason why workers could not run industry. There is no automatic equation between formal education and intelligence. The stupidity of many British Rail managers has long since proved that.

At the RMT AGM (1994), in the debate on renationalisation of the rail network, Jimmy Knapp agreed that the form of nationalisation which was instituted by the Labour government elected in 1945 might not be appropriate today. The 'Morrisonian' form of nationalisation, as we saw earlier, was opposed by the NUR. It was based on the model of the London Passenger Transport Board set up in the '30s. In his autobiography Morrison recounts the opposition expressed by the unions to this form of organisation. The Labour Party executive dismissed it in these terms:

"The proposed constitution of the Board raises a question around which there has been some controversy: for there is still a body of opinion which maintains that such a board should be representative of particular interests....labour in the industry, labour generally, local authorities etc. There are two main arguments from a Labour point of view against the representative idea. The first is that a Board appointed on grounds of ability is likely to be far more efficient, and socialists, above all, must keep the communal interest to the fore. *Members appointed by particular interests would naturally tend to concentrate primarily on pleasing those interests, rather than to be concerned, without fear or favour, with the general efficiency of the undertaking:* their control or influence by such interest might be injurious to a proper corporate spirit and would diminish the very necessary responsibility to the public as a whole. Nor does the

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appointment of members selected in a representative capacity, and not primarily or mainly for their personal ability, appear likely to result in the most efficient Board for a task which is complex and highly responsible: *for it is vital to socialism that national ownership should show itself superior to private enterprise in all round efficiency*. To nobody is this more vital than to the workers in the industry: for the operative grades have already suffered enough for inefficiency at the top." (Emphasis in original)

This argument was certainly more subtle than the one of Stafford Cripps (Chapter 2) that workers had no managerial experience. However, the first question is what criteria is the industry in question to be run on? When the railways were nationalised they were supposed to break even, "year on year". Whilst later governments, both Tory and Labour, to one degree or another recognised the need for subsidy based on social need, a financial, balance sheet approach was always dominant. Hence the driving force so far as 'efficiency' was concerned led to a long term decline in employment in order to cut 'losses'. The drive for efficiency motivated by competition with other forms of transport completely ignores the social aspects of rail transport, as a public service. Efficiency should be measured in the service provided not in simple financial terms.

So far as the 'communal interest' is concerned certainly the users of the railways should have a voice in the running and development of the industry, but of course, they were never given this under the nationalised industry. The 'communal interest' - social needs, especially those of the poor - are not served by a managerial regime in which dictates are handed down on the basis of a balance sheet approach. Businessmen appointed by a government Minister to head a Board inevitably have a business approach to the running of the railways. The democratisation of the industry can only come about as a result of a fundamental change whereby it is operated as a public service in the context where social needs are not subordinated to the profit motive. This would mean a move away from managers, who dictate to the workforce, to administrators who are involved in collective decisions. In place of a Board should be a Council on which were represented administrators, trades unions and service users.

A Socialised Railway

A move towards control of the industry by those who work in it and those who use its services is only liable to come about by the strengthening of the trades unions to the extent that existing management does not have the power to impose its will over the workforce. We are of course, a long way off such a situation. But in any case a *socialised* rail industry will not be the gift of parliamentarians from on high to a passive workforce which has no other role

than to put its cross on a ballot paper. It will be the end product of the struggles of working people to take charge of their own lives. Real democracy does not add up to a ten second act every five years. Real democracy requires social equality and social control of our own lives, including in the workplace.

There are no simple blueprints for how such a system would operate. However, I feel sure that workers who were involved of the running of their own industry would be able to utilise their vast experience in order to further the collective interests of workers and users. The potential of working people often lies dormant until talents emerge, often in struggles, of which they were not even aware. A socialised rail industry would draw on the wealth of experience and ability which lies dormant and is never called upon in a system where managers have power and the workforce is there to do as it is told.

9. Conclusions

It is ironic that the Labour leadership is attempting to ditch Clause 4 at the very time when the realities of privatisation have created a public outcry. Introduced supposedly to provide 'greater choice' and a better product to the consumer, privatisation has been proved to be a failure, unless of course you are an executive or a share holder. In order to create profit for the few, hundreds of thousands of jobs have been destroyed, prices have for the most part risen and the service worsened. Likewise the introduction of the 'internal market' into the NHS has meant that cost has been elevated above the medical needs of patients and a two tier system introduced, with advantage for those who are on the books of fund holding GPs. The latest events in the gas industry expose the stark reality that 'market conditions' mean job and wage cuts for the workforce, yet miraculously dictate massive wage increases for the big boss.

This is the context in which rail privatisation is taking place. The same results have already begun to emerge; price increases, cuts in service, a small fortune thrown at 'consultants' (some with ex-Tory ministers on their boards). In addition thousands of jobs have already been destroyed as management prepares for the great day and push down their costs. Safety measures which were to be introduced are to be abandoned (ATP) because of their financial impact on the potential level of profit. Whilst it is unlikely that conditions exist for a new Beeching era (save possibly in the currently unlikely event of a Tory victory at the next election) the damage that this measure has already done should not be underestimated.

Resistance to privatisation will, of course, continue but under much more difficult conditions given the break up of the industry into the many businesses, even though they have not yet been sold off. One of the great difficulties of the signal workers dispute was the fact that the RMT could not call out on strike its members who do not work for Railtrack (the signal workers' employer) without challenging the anti-union legislation. The failure of the rail unions to stop the privatisation bill meant that the fracturing of the industry would inevitably lead to the predominance of sectional disputes. The strength of the RMT in, for instance, the dispute in 1989 (six one day strikes against management proposals to change the machinery of negotiation) lay in its *national unity*. In contrast the signalling dispute was unable to stop the network precisely because it was a sectional dispute and other RMT members, as well as the members of other unions were working. This inevitably has weakened all the rail unions whose organisation has now to deal with 25 Train Operating Companies, Railtrack, Train Leasing companies and all the rest. Our organisation requires an urgent revamping to be able to deal with the efforts of these managements to degrade the working conditions of their staff.

Despite these problems there is the basis for joint campaigning between the

Conclusions

rail unions, the various transport organisations, and users groups, to defend existing levels of service, and to expose the idiocies of privatisation that we referred to in chapter 5.

The attempt of the RMT to gain a judicial review on the proposed privatisation of Railtrack - both on the basis that the government does not have the legal power to do so within the Transport Act, and also that such a measure would conflict with European legislation - has failed in the courts. The chances offered by an appeal against the judgement are slim. Resistance on the industrial and political level needs to be stepped up. We cannot rely on the courts.

On the question of renationalisation there is a political battle taking place within the labour movement. We shall campaign for a clear commitment from Labour to renationalise the whole network *including any components which are sold off* before the general election. The vacillation of the Labour leadership over this issue is absurd, especially when it is clear that public opinion favours renationalisation (the latest poll shows a majority for it even amongst Tory voters). The latest move of the leadership to insist that Labour will lose the election if Clause 4 is not thrown out is a crass attempt to blackmail the movement into falling in behind it. Inadvertently Blair has upped the stakes and placed himself as hostage to fortune. There is a certain desperation in such a move in the face of the high level of support for Clause 4 which appears to have surprised him.

The railway, as we have seen earlier, was a transport system which revolutionised economic and social conditions in Britain and the world. It could play such a role again today as part of a rational plan directed at reversing the environmental disaster wrought by the 'car economy'. But it could only do so within the context of a fundamental shift away from the domination of the 'market economy' and its irrationality, its waste of resources, its impoverishment of millions of people.

Just as Wilf Cannon 50 years ago sought to place rail nationalisation in a broader context, so today, renationalisation of the railways should be part of a coordinated series of measures which claw back the privatised public utilities, and which place human needs - doing away with the mass unemployment and impoverishment which has reached levels not seen since Victorian times - above the lunatic quest for profit and the subordination of human beings. In these 'modern times' a socialist perspective, far from being 'out-dated', is more urgently necessary than ever. It is not a question of regulating 'the market' against its failures but of recognising that capitalism is a system which cannot serve human and social needs, but only the interests of a minority.

Appendices

Table 1. Ton-miles of Freight 1952-1990 (thousand million).

Year	Road	Rail	Total
1952	19.0	22.6	53.8
1956	23.2	21.4	58.1
1960	30.0	18.3	61.2
1964	40.4	15.9	72.2
1968	48.3	14.1	78.9
1972	53.8	12.8	83.2
1976	58.7	12.8	90.5
1980	56.5	10.8	106.5
1984	61.1	7.8	111.7
1988	79.6	11.1	133.8
1990	83.3	9.7	131.8

Source: Department of Transport, Transport Statistics, Great Britain 1991.

Appendices

**Table 2. Goods Vehicles by Unladen Weight,
1948-79 (thousands)**

	1946	1950	1955	1960	1965	1970	1975	1979
Weight tons								
Under 1.5	204	364	534	757	864	933	1107	1153
1.5 to 3	279	401	407	348	269	197	204	167
3 to 5	37	65	93	186	269	234	162	142
5 to 8	10	15	26	41	76	132	134	114
Over 8	1	2	5	11	24	55	96	121
Total	530	847	1064	1342	1502	1552	1703	1697

Source: Armitage (Chair) - *Inquiry into People, Lorries & the Environment.* (1980)

Appendices

Table 3. Passenger Miles by Mode of Transport
.. 1952-90 (thousand millions)

	Buses & Coaches	Cars,Taxis & Motor Cycles	Pedal Cycles	Rail*	All Modes
1952	50.3	33.6	14.3	24.2	122.4
1956	48.5	52.2	9.9	24.2	135.5
1960	42.9	78.9	7.5	24.9	154.7
1964	38.5	131.1	5.0	23.0	198.8
1968	34.8	170.9	3.1	21.1	231.2
1972	31.7	202.6	2.5	21.7	259.1
1976	32.9	215.0	3.1	20.5	272.8
1980	28.0	250.4	3.1	21.7	305.1
1984	26.1	275.3	3.7	21.7	328.7
1988	25.5	326.8	3.1	25.5	384.0
1990	25.5	352.9	3.1	25.5	410.1

*Source: Department of Transport, Transport Statistics
Great Britain, 1991.*

** Includes London Underground, Strathclyde's urban rail
system & Tyne & Wear Metro.*

Rail privatisation is a universally unpopular measure save for a few 'free market' ideologues and managers looking to make a financial killing in line with the top dogs in the other privatised public utilities.

This pamphlet examines the method of privatisation, the results so far, and the likely ones in the future should a feeble government survive.

It examines the historical background to the decline of railways in Britain, under both Tory and Labour governments.

It proposes an expansion of the rail network in the interests of tackling the environmental crisis, improving the service to the customers, and creating a socialist plan for job creation.

It calls for an unequivocal commitment from the Labour Party to renationalise the entire network, though not to be run by a government appointed businessman on a profit-making basis. It looks at the debate in the old NUR over how a socialised railway could be run by the staff who work in it, at the service of social needs.

It examines the connection of this issue to the debate in the Labour Party over the question of Clause 4 of the constitution ("common ownership of the means of production, distribution, and exchange").

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