

Rail privatization led to London crash

by Richard Freeman

The head-on crash of two British commuter trains on Oct. 5, two miles west of London's Paddington Station, and its fiery aftermath, killed between 30 and 40 persons, and injured more than 160. The blame for the disaster lies with British Prime Minister Tony Blair. It is Blair who championed the policy of privatization for rail and other basic infrastructure, which had been set into motion by his Tory predecessor, the mad Margaret Thatcher.

Because of bad policy, the Oct. 5 disaster was an accident waiting to happen. Had the proper safety measures been taken and investments in infrastructure made, the accident would have been prevented. But those measures were not implemented, because, in 1979, Prime Minister Thatcher, a devotee of the oligarchical financiers' Mont Pelerin Society cult of monetarism, instituted the policy of privatization: selling off Britain's state-owned industries, including water, electric power utilities, and coal mines, to private financier sharks at bargain prices. Once the financiers got their hands on the companies, they squeezed out profits by looting the companies, i.e., cutting infrastructure investment, firing workers, cutting R&D. Though Thatcher pushed the privatization of Britain's state-owned British Rail, she did not succeed in getting the British Parliament to pass it. That task fell to her successor, Tory Prime Minister John Major, who carried it out during 1994-96.

During her long tenure as Prime Minister, 1979-93, Thatcher made minimal investments in infrastructure and safety. In addition to her ideological hatred of infrastructure, Thatcher held down investment because she thought that this would make the sale of a privatized British Rail more attractive to private investors, sparing these sharks from having to expend large sums to continue ambitious capital expenditure programs already under way.

In May 1997, the new Prime Minister, Labourite Tony Blair, adopted most of the Thatcher rail privatization policy, and many of her other policies as well. This is the essence of Blair's "Third Way," i.e., monetarist and draconian budget-cutting policies in social democratic guise. This became evident in September 1997, when the Southall, London rail accident killed seven people, only four months after Blair had assumed office. That accident gave Blair a perfect opportunity to reverse the entire Thatcher policy of privatization; he didn't take it. After the crash, a commission recommended that an

Automatic Train Protection system for safety-braking be adopted. Blair refused to implement this policy. Further, in 1998, Blair announced a plan to partially privatize the Underground, London's subway system.

Such disasters, along with other crimes, are dooming the "Third Way" to oblivion.

Here we examine how the Oct. 5 Paddington Station crash was the result of privatization; reveal how Thatcher, and her crony, Trade Minister Nicholas Ridley, pushed privatization through; and look at the long line of disasters and destruction of the economy that flow from privatization.

The Oct. 5 collision

Presently, Britain is the only country in Europe running high-speed trains with almost no fail-safe mechanisms to prevent driver error. This astonishing fact, which gives an indication of just how shoddy the British rail system is, situates the Oct. 5 crash. What is known, is that two commuter trains crashed two miles west of London's Paddington Station. The smaller of the two trains, the three-car Thames Train, was departing Paddington and heading west; the larger train, the six-car Great Western Railway (GWR) high-speed train, was completing its two-hour journey from Cheltenham in western England, and was headed east, toward Paddington Station. On impact, the heavy locomotive of the GWR instantly burst into flames as its diesel tank exploded. The temperature at the hottest point in the train entanglement reportedly reached 600°C.

It was originally thought that perhaps dozens had died in the inferno in Carriage H on the GWR train, but London police now say that only one dead body has been found. Their report will be updated once all the wreckage is lifted off the tracks.

It is reported that the driver of the Thames Train ran through track Signal 109, which was flashing red, indicating that the driver should stop his train. Some press have simply reported this fact, and announced that the Thames Train driver, who had only two months on the job, was the cause of the crash, and declared case closed.

But, that is only the starting point of any competent investigation.

First, it is reported that there are several signals in operation on the British Rail system, especially in and around London, that have been passed at danger (SPAD, signals passed at danger, i.e., trains have passed these signals when red). During the last two years, each of these signals has been passed at danger more than 10 times. The reason is often not driver error—the signals may be located just beyond a bend in the road; they may be obscured by trees, cranes, or other obstacles; there may be poor visibility in the region, and so on. Drivers have lodged many official complaints about these signals, but largely because of money, nothing has been done to relocate or upgrade them.

Second, it has been reported in a few locations, that once

the Thames Train passed through Signal 109, it was routed off its track and onto the track on which the Great Western Express was travelling. If this report is accurate, why this was done has not been explained.

Third, around 1995, as a result of the cost-cutting under privatization, many train companies reduced the number of drivers on a train, from two to one, significantly reducing safety. As train workers emphasize, should one driver miss a signal or a warning, the other driver would likely notice it before it were passed.

Fourth, the British rail system has no system-wide Automatic Train Protection (ATP) system, which is standard throughout Europe.

There are two versions of ATP. The older, mechanical version is the trainstop, consisting of a steel arm mounted alongside the track which is linked to the signal. If the signal shows green to proceed, the trainstop is lowered and the train can pass freely. If the signal is red, the trainstop is raised and, if the train attempts to pass it, the arm strikes a "tripcock" on the train, applying the brakes and preventing motoring.

The newer, electronic version relies on the transmission of electronic signals from the track to the train to activate the application of the brakes.

The fact that the British rail network as a whole does not

have ATP installed, while high-speed rail networks in every other country in Europe do, is thanks to the privatization of the British rail system.

Thatcher's privatization

Elected Prime Minister in 1979, Thatcher brought with her a deep antagonism to the American System of economics, which proceeds from the general welfare clause of the U.S. Constitution, that the nation has the responsibility to develop the cognitive capacity and welfare of each and every citizen. To this end, it pursues a protectionist policy and a dirigistic credit policy of directing cheap and abundant credit to technology-proud, capital-intensive, energy-intensive manufacturing, agriculture, and public infrastructure. It also provides each citizen with a Classical education.

Thatcher began from the opposite outlook, characterized by the oligarchical-monetarist dogma of radical budget-cutting, counting money as the only measure of value, and eliminating the state from any role in positive economic development. She particularly favored the lunatic view of Friederich von Hayek, founder of the Mont Pelerin Society.

For Thatcher, privatization was a policy to carry out the monetarist creed. In doing this, she hooked up with Nicholas Ridley, who became her Minister for the Department of In-

Major rail accidents under privatization

July 1984: Thirteen were killed and 44 were hurt in a derailment.

July 1986: Nine were killed and 11 were injured when a passenger train hit a van on a level crossing at Lockington, Yorkshire.

October 1987: Four died when a train fell into the swollen Towy River after the rail bridge collapsed. In the same month, 14 were injured when two trains collided at Forest Gate, on the Liverpool Street line, London.

November 1988: A train driver was killed and 18 passengers were hurt when a commuter train ploughed into a bridge after leaving the tracks at St. Helens, Merseyside.

Dec. 12, 1988: Thirty-five people died in the Clapham Junction crash in a rush-hour collision.

March 1989: Five people died and more than 90 were injured when two trains collided outside Purley Station in south London.

Two days later, two people died when two electric trains in Glasgow collided head-on on a single track.

August 1990: A train driver was killed and 35 were injured at Stafford Station in a two-train crash.

A few months later, two passengers died and more than 240 were injured after a train ran into buffers at London's Cannon Street Station.

Shortly after that, four died and 22 were injured in a head-on crash at Newton Station near Glasgow.

December 1991: More than 100 people were injured when two trains bound for Cardiff collided deep inside the rail tunnel beneath the River System.

October 1994: Five were killed and 12 injured in a head-on crash near Cowden in Kent.

January 1995: One was killed and 30 were injured in an accident at Aisgill on the Settle to Carlisle line.

August 1996: One was killed and 69 were injured when a train collided with a stationary passenger train at Watford South Junction in Hertfordshire.

September 1997: Seven people were killed as an express from Swansea to Paddington Station crashed into an empty freight train at Southall.

June 1999: Thirty-one people were injured after a London-to-Glasgow Virgin Rail train collided with a stationary local train near Winsford, Cheshire.

dustry and Trade, and a chief overseer of the implementation of privatization. In *The Iron Lady: A Biography of Margaret Thatcher*, author Hugo Young explains Ridley's role:

"The principal map-maker [for privatization] had been one of the few men removed from the [Edward] Heath government for overtly ideological reasons. Nicholas Ridley had the wrong social pedigree for a natural Thatcherite, having been educated at Eton. But he burned with zeal for the free market and the diminution of the state; . . . In the late 1970s, he set to work on some unthinkable thoughts about tackling the nationalized industries, and produced a report which . . . provided a blueprint for the more adventurous Thatcherites to contemplate and . . . act upon.

"Ridley believed that the nationalized industries were from every point of view deplorable, over-subsidized, uncompetitive, and monopolistic. . . . His report proposed a strategy for dismantling them, or at least for removing their offensive dependence on subsidy from the taxpayer's bottomless purse. . . . Managers not ministers should determine how far the workforce at British Leyland, British Rail, and the rest would be reduced."

In 1989, the British oligarchy and Thatcher selected Ridley as the point-man to attack the reunification of Germany, which he labelled the "Fourth Reich," because West Germany's economic strength—a product of its dirigism—would expand to the newly freed East German states. Wittingly or not, Ridley demonstrated that the attack on the economy and the attack on the nation-state flow from the same oligarchical worldview.

Thatcher and Ridley privatized everything they could: During 1981-85, they sold British Aerospace; in 1983-84, they sold Associated British Ports; in November 1984, they sold British Telecom, the phone company; in December 1986, they sold British Gas. They also sold the water authorities and the electric power authority.

Many financial sharks who bought the companies got rich. During the late 1980s and the 1990s, the financiers organized a stock market boom. The share prices of the companies that the investors had purchased from the government were manipulated upward, making them multi-millionaires.

But, what happened to the infrastructure and services provided to the population?

Even the *Wall Street Journal*, an enthusiastic booster of the "Thatcherite Revolution," admitted that privatization has wrecked the economy, in an Oct. 2, 1995 article entitled "Taking a Bath: Britain's Sale of State-Owned Water Companies Has Proved To Be a Disaster":

"Margaret Thatcher tried to prove [that private business is competent] when she privatized the water companies of England and Wales in 1989. Six years later, is efficiency up? Ask the thousands who can't water their roses. Prices down? Ask the millions whose bills have doubled. Competition? Not unless you count Perrier. . . . People in England and Wales

who used to pay \$150 a year for water, today pay \$250, \$400, even \$800."

British Rail's sell-off

Thatcher tried to privatize British Rail, but did not get it through Parliament by the time she left office in 1993. This task was left to the monetarist government of John Major. Major carried out the policy in two stages, during 1994-96. On April 1, 1994, a new entity, Railtrack, was created, and the ownership of British Rail's operational track, land, and signalling system, was turned over to it. Stock of Railtrack was floated on the Stock Exchange in 1996. Then, British Rail's domestic passenger service was privatized and divided into 25 train-operating units. Next, British Rail's rolling stock was divided between three subsidiary companies, which were privatized in 1996. All in all, British Rail was chopped up into 100 separate companies, and sold off piecemeal.

Throughout her tenure in office, however, Thatcher adamantly rebuffed all attempts to make the necessary investments in British Rail infrastructure. For example, on Dec. 12, 1988, Britain experienced one of its worst train wrecks of the century: a train collision at Clapham Junction, in London, in which 35 people were killed and 100 were injured. An official inquest, the Hidden Inquiry, recommended installation of Automatic Train Protection for the entire rail network, to prevent such accidents in the future. The cost was placed at a relatively low £750 million (about \$1.3 billion). Under Thatcher's watchful eye, the British Rail board rejected the recommendation, citing "cost."

Thatcher established a pattern of suppressing investment on rail infrastructure; breaking labor unions, through layoffs and reduced wages; and rejecting safety equipment. This pattern became more pronounced after rail privatization was officially adopted. As a result, since Thatcher took office, Britain has been inundated by a major rail accidents (see box).

Blair's 'Third Way' to more devastation

On May 1, 1997, Blair's "New Labour" won the general election. He was sworn in as Prime Minister the next day, and immediately began implementing the Mont Pelerin Society monetarist policies of Thatcher. (For example, it is Blair, not Thatcher, who instituted the Thatcherite policy of forcing welfare recipients to work in jobs paying poverty wages.) Blair embraced the policy of rail privatization, along with all the other Thatcherite privatizations.

In September 1997, an express train from Swansea to Paddington crashed into an empty freight train at Southall, in London (the accident was near the site of the Oct. 5 crash). The public outcry over the accident gave Blair the mandate to bury privatization once and for all. At the very least, he could have proposed spending the \$20-30 billion needed to rebuild and upgrade the rolling stock, track, and other features of the British Rail system. Apparently, Blair

never even contemplated that as an option.

At minimum, now was the time that Blair might be expected to recommend the long overdue installation of ATP. But, no. Instead, Blair recommended the installation of Train Protection and Warning System (TPWS), and he has stuck with that system even after the recent Paddington Station disaster. TPWS is less effective than ATP in stopping accidents, but it would cost £150 million to install, compared to the £1 billion or more to install ATP. Once again, cost. And, Blair does not intend to have even the TPWS safety system up and running for the whole system before the year 2003.

An interim report on the Oct. 5 Paddington disaster, issued Oct. 8 by the British Health and Safety Executive, stated, "On the basis of what we know so far about the speed of [the Thames] train, the accident was preventable by the Train Protection Warning System (TPWS)."

In 1998, Blair proposed to partially privatize the London Underground: The government would continue to manage the subway train system, but private contractors would be granted long-term leases on constructing infrastructure, and get a share of ridership revenues in return. Blair intends for it to go into effect in the year 2000. Not even Thatcher talked of privatizing the Underground.

'Reliability is down, fares are up'

The deadly accidents are only the more gruesome confirmation that the Thatcher-Blair privatization program is fatally flawed. There are other indications of the destruction of Britain's railroads. For example, Thatcher and Ridley claimed that privatization would put an end to "wasteful" government subsidies of the rail system. But, precisely the opposite has happened. Since the Oct. 5 disaster, Tom Winsor, Britain's national regulator, a newly created government post that oversees the private rail companies, stated, "Punctuality and reliability are down, fares are up, complaints are way up, and government subsidies have doubled since privatization. Even the simple things don't get done. Why can't they clean the toilets?"

Meanwhile, in 1998, a year of "high investments" in Britain's rail system, the railway companies' investments in infrastructure and maintenance were only one-third of what Germany's state-owned railway, the Bundesbahn, invested. Germany's system is more efficient and modern, and like several other state-owned systems in Europe, deploys the Automatic Train Protection safety system. Furthermore, in 1998, there was a 21% increase in the number of registered bad rail tracks in Britain's rail system.

The Oct. 5 Paddington Station crash bares the label, "Third Way." The destruction of the British rail system guarantees that more crashes will take place, that more lives will be lost. But, if policies are now finally changed, the Paddington Station crash will have helped consign the "Third Way," to oblivion.

Tony Blair's star is falling in Germany

by Rainer Apel

Not least among the shocks created by the train accident near London that killed more than 30 passengers on Oct. 5, has been the increased unpopularity of those among Germany's Social Democratic Party (SPD) who want to imitate Tony Blair's "New Labour" by creating a "New SPD." Most of the articles that have appeared in the German news dailies about the train catastrophe have noted, that while the misery of the British railway system began under the reign of Margaret Thatcher 20 years ago, the cost-cutting transportation policy of the Blair government during the more than two years it has been in power, is also to blame for the catastrophe. The fact that British labor union spokesmen have attacked the Blair government for its policy, is big news in Germany, where labor is in a similar confrontation with a Social Democratic-led government that wants to introduce a similar austerity policy.

This conflict was visible during the Oct. 4-6 Hamburg convention of the metal workers union, Germany's biggest labor union. In speeches there, as well as during the discussion periods, the neo-liberalist orientation of the so-called "Schröder-Blair" paper came under heavy attack. The peak of this controversy certainly came when Jürgen Peters, the vice chairman of the metal workers union, called on Chancellor Gerhard Schröder to renounce his joint paper with Blair and to put out a joint paper with French Prime Minister Lionel Jospin in its place.

What Peters called for, is becoming a prominent view among many German Social Democrats. Many in Germany are looking to France, where the Socialists are not only showing traditional resistance against the "third ways" of the British Socialists, but are also presenting their own counter-paper to the Blair-Schröder document, for the European congress of the Socialist International in Paris, on Nov. 8-10. This is not to say that what the French Socialists are putting on stage is anything that would seriously call into question the paradigms of Blair's "social monetarism," but it does pose a nuisance to the Anglophiles among the European Socialists.

Anglophilia in the SPD

Germany's Chancellor Schröder made clear in interviews already before he took office a year ago, that he feels "closer