

# London Underground at Center of Policy Fight

by Alan Clayton

British Prime Minister Tony Blair and City of London Mayor Kenneth Livingstone have locked horns over Blair's attempts to privatize parts of London's Underground. Blair, who has continued former Prime Minister Margaret Thatcher's privatization policies, has overseen the deterioration of Britain's rail system, and the concomitant increase in rail disasters. Livingstone is objecting to privatizations in particular on safety grounds.

On Nov. 8, 1987, at the very height of Thatcher's rule, 31 people died in a fire at the London Underground's King's Cross station. The fire had started below an escalating stairway which was more than 50 years old, and which, because of Thatcher's public spending cuts, had been given very little maintenance or even regular inspection. The blaze was caused by a lighted cigarette butt falling through a stair and igniting oily rags and junk, which had accumulated beneath over years.

Londoners recoiled in horror at the condition of what they call colloquially "The Tube," and there was a determination that such a thing should never, ever happen again. The appalling reality, 14 years later, is that it could happen anytime, because the Tube, which is the lifeblood of the London economy, suffers from massive and continuing underinvestment.

This is a paradox, in that countless thousands of London's operatives in the global casino, a world financial system that is almost totally removed from the physical economy, often cannot get to work as a consequence of underinvestment in the physical economy.

In light of this continuing crisis, the Blair government has decided to press ahead with its controversial Public Private Partnership (PPP) plans, in an attempt to modernize London's Underground network. This decision has been attacked by Livingstone, London's elected mayor, and Bob Kiley, his Transport Commissioner, who are seeking a judicial review of the government's plans. Under the PPP, the public sector (London Underground) would own and operate all train services, while train, track, and station maintenance would be contracted out to private companies.

Blair believes that the only way to raise the huge amounts of money to improve the Tube is via the private sector. If the PPP is given the green light, it would raise £13 billion, which would be spent primarily on new rolling stock and track. They also feel that private-sector values would introduce better managerial skills — which, they argue, have been lacking for a long time — to the London Underground. However, this has

brought a question to everyone's lips: Who will be responsible for safety? The government says that although private companies will own the track, they have a duty to ensure that safety standards are met, and systems have been put in place to enforce that.

Livingstone and Kiley, however, disagree vehemently. They argue that the very structure of the PPP is unsafe. They say that by splitting the London Underground in two, there will be buck-passing, and no one will be responsible if anything goes wrong. Therefore, they forecast that the disasters that have struck Railtrack (Britain's intercity commuter railroad) over land, will be replicated underground.

In addition, the government's plans are opposed by 55 London Labour Members of Parliament, who say that the PPP has some "regrettable safety flaws." Similarly, the RMT union opposes the plans on safety grounds.

## Judicial Review

Livingstone is convinced that he is right over the issue of safety. A judicial review of the government's plans is scheduled to start on July 23. They are going to ask a High Court judge to decide whether the government is impinging on Livingstone's legal duty as mayor to ensure that the capital has a safe transport system. They feel that the judge could rule either way.

Blair reacted against Kiley, who was locked out of his suite of offices at London Underground as a result, after being sacked from the board of London Transport by the Prime Minister. He had held the job for only ten weeks. Blair has simply not been prepared to countenance Kiley's hostility to the partial privatization of the Underground. His sacking came in a letter from Transport Secretary Stephen Byers, who said that the normal 30 days' notice was being waived. However, Livingstone and Kiley will continue the attack, giving their reasons why their plan to keep the Underground in the public sector provides better "value for money."

Byers accused Kiley of trying to use his board position to block negotiations with the bidders chosen to take over large sections of the Underground. Byers said that Kiley, "without authority from the board, issued instructions to senior management to halt these negotiations. This is unacceptable." Byers also said that he had received a letter signed by the majority of the London Transport Board, saying they could not work with Kiley, and that it was impossible for the board to function properly. Byers has replaced him with Sir Malcolm Bates, London Transport's former chairman, whom Kiley displaced.

Kiley, who used to run New York's subway, had been appointed chairman on a specific order from Blair, to try to reach an agreement with the bidders selected to take over the Underground on a 30-year lease. Kiley described Byers' action as "a transparent attempt to silence me and create a smokescreen, keeping vital information from the public and the London Transport Board."