

Opinion | OP-ED CONTRIBUTOR

Who Keeps Britain's Trains Running? Europe

By FRANK VIVIANO FEB. 15, 2018

LONDON — The privatization of public services “was one of the central means of reversing the corrosive and corrupting effects of socialism,” Margaret Thatcher wrote in her memoirs. “Just as nationalisation was at the heart of the collectivist programme by which Labour governments sought to remodel British society, so privatisation is at the centre of any programme of reclaiming territory for freedom.”

Those sentiments fueled a sell-off that put nearly every state-owned service or property in Britain on the auction block in the final decade of the 20th century, eventually including the country's expansive public transportation infrastructure. Enshrined by parliamentary acts under Mrs. Thatcher and implemented by her two immediate successors, John Major, a Conservative, and Tony Blair of New Labour, the gospel of privatization was embraced by leaders around the world, notably including Mrs. Thatcher's closest overseas ally, President Ronald Reagan.

In the realm of transportation, that gospel was soon betrayed by its own chief disciples. Put simply, there were few private-sector buyers with the expertise and deep pockets necessary to maintain control of a transit system that serves approximately seven billion passengers per year. With minimal transparency, operational ownership of the network of train and bus lines that crisscross the 607-square-mile sprawl of Greater London, linking it to the far-flung corners of Britain, was peddled in bits and pieces by the British state or acquired in corporate takeovers.

But the new bosses were not private, business-savvy British firms. By 2000, the masters of British public transit — thanks to a scheme that was intended to replace state waste and sloth with soundly capitalist business principles — were foreign governments, most of them members of the European Union.

In short, the privatization devolved into a de facto re-nationalization — but under the direction of foreign states — that somehow went largely unnoticed. It now poses a startling and unprecedented dilemma thanks to Brexit, which will soon divorce Britain from the state bureaucracies beyond the English Channel that literally keep its economy in motion.

The largest single stakeholder and operator in British transit is the Federal Republic of Germany, the country that Boris Johnson, the pro-Brexit Conservative politician who is now foreign minister, accused of using the European Union to carry out Hitler's plan for Europe.

Germany is followed closely in the ranks of British transit bosses by France, proprietor of the London United bus system, among many other holdings. Its iconic red double-deckers openly announce themselves as the property of the RATP Group (Régie Autonome des Transports Parisiens), the state-owned Paris transport company, and are emblazoned with its logo of a zigzagging River Seine flowing through an abstract representation of the French capital.

No country on earth comes close to Britain's peculiar status as a modern nation and economy knitted together by transportation networks that are overwhelmingly in the hands of foreign states. Of Britain's 23 major train operators, 18 are now foreign-run — 16 of them by European Union governments and two by China. A majority of the 1.7 billion passenger rail journeys undertaken in Britain each year are now on foreign-managed trains, in addition to most of its 4.5 billion bus trips.

Deutsche Bahn, technically organized as a private corporation but with a single stockholder — the German government — owns the Arriva bus network in metropolitan London and nationwide, along with six train lines. French state firms, through various joint ventures and subsidiaries, preside over another six.

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the proprietor of another rail line.

Eurostar, Britain's rail link to continental Europe, which annually speeds around 10 million people between London and Paris, is a joint venture controlled by France and Belgium, the country that hosts the headquarters of the European Union.

Other owners of British transit lines include the former colonial possessions of Singapore and Hong Kong, which is today effectively a subsidiary of China. In the name of asserting capitalist freedom over state collectivism, a 30 percent stake in the South Western Railway — a critical carrier across heavily populated southern England — has been sold to a one-party Communist state (albeit with extensive experience in capitalist enterprise). Beijing will also operate the new Crossrail Line, which will start its central London services in December, and eventually run from the eastern commuter county of Essex to the western English heartland of Buckingham and Berkshire.

Most of these transit operations are reliably profitable, contradicting the privatization gospel's fundamental tenet that state enterprises are incorrigible wastrels. In 2015-16, the overall rail system's bottom line was nearly £300 million (\$420 million) in the black.

By March 29, 2019, if the current departure schedule is met, either with a formal agreement or with no agreement at all, Britain will no longer be in the European Union. But its transportation system will be.

It may not have mattered that the German, French, Dutch, Italian and Spanish governments owned the companies franchised to run Britain's transit system when London was an integral player in the European Union. Fellow European Union member states were treated as welcome investors — beneficiaries of eased regulatory controls that were intended to stimulate growth in the British private sector — when British private firms were unable to match their bids. But it will be more difficult, if not impossible, to rationalize that curious arrangement after Brexit.

The central promise of those who wanted Britain to leave the European Union was to return full economic, political and legal sovereignty: a dubious premise in a post-European Union Britain whose employees and managers, public and private alike, are delivered to their jobs by RATP and Deutsche Bahn.

Correction: February 15, 2018

An earlier version of this article erroneously attributed a distinction to Belgium. It is not the capital of the European Union. (Its capital, Brussels, is home to the union's main institutions, however.)

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