

Socialize the Railways!

Tom Wetzel

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Contents

| | |
|---|----------|
| Poor Service | 3 |
| Damaging Effect on Workers | 4 |
| For Public Ownership | 5 |
| Railroads and the Green New Deal | 6 |
| Nationalization versus Socialization | 7 |
| Overcoming Barriers | 8 |

The downward slide of the major (Class 1) American freight railroads in recent years shows how capitalist ownership of the railway system is dangerous and inefficient — and fails to make use of the potential of the railways as a solution to the global warming crisis.

Downward slide has been accelerated over the past decade due to the adoption of “Precision Scheduled Railroading” (PSR). This has no precise definition but the aim is to reduce costs. As in “lean production” management theory, any expense not directly needed for profit is regarded as “waste.” PSR is a cost-cutting strategy that puts short-term profits for stockholders as the controlling priority. To maximize the rate of return, the railroads cut corners on maintenance, constantly work to reduce the number of railroad employees, and actively discourage shipments that are less profitable for them to haul. To keep Wall Street investors happy, they work to maximize short term profit. To enrich stockholders, the rail companies have poured billions of dollars into stock buybacks rather than invest in system improvements.

Poor Service

The federal “common carrier obligation” says railroads are required to provide carload freight service “at reasonable request” — even if it is less profitable. But the railroads structure the service to discourage shipments they don’t want — violating the spirit of the law. Shippers constantly complain about delays.

Railroad tariffs (fees for carload movements) are based on weight and mileage. This means that lighter manufactured goods are less profitable. To maximize their monopoly advantage, railroads tend to focus on goods not easily shipped by truck — such as bulk commodities like grain and chemicals. According to the Bureau of Transportation Statistics, railroads moved 30 percent of ton miles in 2019 while trucks moved 44 percent. But when we look at the value of the freight, trucks hauled 71 percent of freight value and railroads less than 4 percent.

Even when railroads don’t outright refuse less profitable cargo, their service is designed to discourage these shipments — forcing these shippers to rely on trucking. As a Sierra Club report points out, “Railroad customers are fed up with late shipments, poor service, and even being denied service...”

These practices have resulted in less freight being shipped by rail. Since 2007 the railroads have lost two percent of freight market share to trucks even though the economy has grown by 25 percent in that period.

The death grip by Wall Street profiteers has driven a constant process of cutting jobs, cutting corners on safety, price gouging shippers, inadequate capital spending on infrastructure, and less purchase of rolling stock. Billions of dollars have been spent in stock buybacks, to enrich stock owners. Because Wall Street demands a five-year payoff on any capital spending, needed investment in the system doesn’t happen. In essence, Wall Street is engaged in a vicious cycle of plunder — undermining the long-term viability of the American railway system.

The cost-cutting mania has led the railroads to run monstrous two or three-mile long trains. This allows fewer workers per car moved over the line. But these massive trains clog the rail network. They are slow and too long for the sidings. So they delay passenger trains and other freight trains. Blocking and delaying passenger trains violates the legal requirement to give Amtrak preference. These massive trains have a bad effect on worker morale as they drag out the workday. “When you’re going up a 20-mile hill going 9 or 10 miles an hour in the middle of the

night, it gets to you,” says Jason Doering of Union Pacific. A government study of these monster trains in 2019 reported that they pose a serious problem at grade crossings. Frustrated pedestrians have been climbing over the couplers to get to the other side of the train, and emergency responders such as fire trucks or ambulances have been blocked. The Sierra Club’s recent report quotes another railroad worker: “How many people, when it’s 105 degrees outside or there’s a foot of snow, actually want to trudge a mile, two miles to find an issue, fix that issue, then go back down the road?”

A derailment happens on the American railway network somewhere every three days. The intense weight of a long train on the knuckle couplers can contribute to derailments. A broken coupler knuckle was a factor in the February, 2023 derailment of a train carrying hazardous materials in East Palestine, Ohio. This illustrates the threat posed to trackside communities by the cost-cutting strategy of the railway industry – including lack of investment in safety gear, cutting corners on maintenance, and the lack of investment in separating railways from road crossings with viaducts or under-passages. In the case of the East Palestine wreck, Norfolk Southern chose to simply burn the vinyl chloride from derailed tank cars – causing a major health hazard to residents.

Consistent opposition to new investment was the motivation for the railroad industry fight against the proposal for a new Wifi-based brake technology – Electronically Controlled Pneumatic Braking (ECP). This requires a Wifi receptor in each freight car, to directly actuate the car’s brakes. At present braking is based on the system of air pressure used to force brake shoes against wheels. Each car has a compressed air reservoir. When a train is started, the compressors in the engines pump compressed air through the air line that runs from car to car – filling the reservoirs in each car. To actuate the brakes, the engineer uses a brake handle that sends an air pressure signal back down the line of cars through the air hoses that connect cars. On long trains there is a delay before brakes are actuated farther back in the train. According to Wells Fargo analyst Allison Poliniak-Cusic, ECP brakes reduce stopping distance by 50 percent. However, when a new standard for ECP braking was proposed in 2015, this was vehemently opposed by the railroad companies. The cost would be about \$5,000 to \$8,000 per car – adding up to an industry cost of \$9 billion. But this standard was rejected by the Trump administration.

Damaging Effect on Workers

At present railroads generate only 2 percent of the greenhouse gas emissions of the transport sector whereas road transport generates 82 percent. The decline of the railway industry means more greenhouse gas emissions. If railroads had not lost 2 percent of freight market share since 2007, there would be 1 million fewer trucks on the road, according to the Sierra Club report. At present, trains hauled by diesel-electric engines generate two-thirds less greenhouse gas emissions per ton-mile than trucks. If the railways were electrified, railways would contribute only one-tenth the emissions of trucking. As an example of what could be done, the Backbone Campaign’s Solutionary Rail proposal would use renewable energy to power an electrified railway network, and power lines along the railways would carry renewable electricity from scattered generation sites to urban centers.

Electric railway equipment includes both electric locomotives for hauling freight cars as well as multiple-unit electric rapid transit or suburban trains where electric motors are directly

mounted on the wheel assemblies of all the cars in the train. With fewer moving parts, electric trains are more dependable and easier to maintain than diesels. Although electric trucks would have zero emissions at the point of use, they must carry heavy batteries which have problems of toxic mining and disposal. Truck tires are also a cause of pollution from rubber debris via rain runoff from roads. Although long-haul trucks could be electrified, they would lose their current point-to-point travel time advantage over freight trains because of the need for long stops to recharge the batteries.

In addition to eliminating emissions, electrified rail trains have the following advantages over diesel:

- Better acceleration and speed. Thus an electrified network can run trains more frequently.
- Less noise.
- Greater reliability.
- The operating and maintenance costs are lower.

The railway industry is bitterly opposed to electrification.

For Public Ownership

Railroad Workers United (RWU) is a cross-craft organization of railroad workers independent of the paid bureaucracy of the various railway craft unions. In the 2022 negotiation of new union contracts, RWU pushed for a “No” vote as the railroad companies were unwilling to take worker concerns seriously. Since the RWU convention in 2012, RWU members have been debating the idea of nationalizing the railroad system. RWU finally launched a campaign for nationalization last year. RWU points to the way the basic transport infrastructure in other transportation modes is under public ownership — highways, airports, and waterway facilities maintained by the Army Corps of Engineers. RWU proposes that the railway rights of way, tracks, signal systems — the basic infrastructure — be taken into public ownership.

RWU’s statement for nationalization points to the way Wall Street’s lockgrip on the nation’s railway system has had devastating consequences. The fixation on short-term profits for shareholders has led to the “lean production” scheme (“Precision Scheduled Railroading”) — generating a loss of traffic and set the railroads on an “irresponsible trajectory to the detriment of shippers, passengers, commuters, trackside communities, and workers.” In arguing for nationalization, RWU makes the following points:

- **“On-time performance is in the toilet, shipper complaints are at all-time highs.”**
- **“Passenger trains are chronically late, commuter services are threatened, and the rail industry is hostile to practically any passenger train expansion.”**
- **“The workforce has been decimated, as jobs have been eliminated, consolidated, and contracted out, ushering in a previously unheard-of era where workers can neither be recruited nor retained. Worker morale is at an all-time low.”**

- **“Locomotive, rail car, and infrastructure maintenance has been cut back. Health and safety has been put at risk.”**

Even though the railroads have had decades of record profits, the companies refused “to make even the slightest concessions” to worker concerns in the 2022 contract negotiations — even though it is the workers who “have made them their riches.”

Based on this real situation, RWU concludes that “it’s time for this invaluable transportation infrastructure — like the other transport modes — to be brought under public ownership — putting an end to the profiteering, pillaging, and irresponsibility of the Class One carriers. Railroad workers are in an historic position to take the lead and push for a new fresh beginning for a vibrant and expanding, innovative and creative national rail industry to properly handle the nation’s freight and passengers.”

Railroads and the Green New Deal

The proposal for public ownership of the railway system can be seen as one aspect of the Green New Deal. The transport and electric power sectors are the two biggest sources of emissions ramping up global heating — mainly carbon dioxide from burning fossil fuels. According to the Environmental Protection Agency, generating electric power is responsible for 25 percent of planet-heating emissions and transport is responsible for 28 percent. The Green New Deal reflects the urgency of the fight against global warming. Proponents have seen how “incentives” to private firms have not worked to move the economy away from burning of fossil fuels. The investor-owned electric utilities have been dragging their feet due to their sunk investment in fossil fuel facilities, such as gas-burning power plants. Thus many advocates of the Green New Deal propose to take the power industry into public ownership — to use the possibility of democratic political pressure for more rapid conversion to use of renewable sources for electricity — such as solar, wind, geothermal or hydro power. With the shift of the electric grid to renewables, getting rid of planet-heating emissions in the transport sector can be carried out through electrification.

Thus a similar argument can be made for public ownership of the railway system. With the railroads fixated on shoveling profits to shareholders and avoiding adequate investment in needed maintenance and improvements, the industry is hostile to proposals for electrification. Electrification is going to require taking the railroads into public ownership.

Medium and heavy-duty trucks account for 23 percent of the planet-heating emissions from the transport sector. Electrification of long distance trucking would diminish the current time advantage of door-to-door truck delivery versus railways due to the time spent in recharging batteries. And the heavy weight of truck batteries would add to the road damage from trucks. Meanwhile, the railroads at present are only responsible for 2 percent of planet-heating emissions. For the fight against global warming, we can see the obvious advantage of railway transport for cargo. However, trucks could be hauled on special flat cars over long distances. They would then do the local delivery at the end of the rail trip. In the USA intermodal freight traffic is mostly done via containers, which require capital-intensive terminals with special cranes. In Europe, however, trucks are often loaded onto special flat cars via roll-on, roll-off ramps which are less expensive. Drivers then travel with their trucks on the trains.

The Wall Street lockgrip on the railways system has been a serious barrier to effective inter-city passenger service. Two-mile long trains clog up the network, causing massive delays for

Amtrak as well as freight trains. The system does not have long enough sidings or enough double tracking to prevent blocking of passenger trains — in violation of the law that requires Amtrak preference.

Nationalization versus Socialization

We can see the *potential* of public ownership, but will that potential be realized? Workers would be likely to see some gains, such as some relief from the nasty tendency to abuse and overwork driven by Wall Street's profit drive. Railroad workers have great potential clout because of the importance of the railway system to the economy. For that very reason, however, the elite-controlled national government has kept railroad workers under the legal cage of the Railway Labor Act. This law makes it almost impossible to strike legally — as was demonstrated again in 2022. When the Republicans passed the Railway Labor Act in 1926, they modeled it on Mussolini's fascist codes which were designed to suppress worker resistance to management. Federal workers, moreover, have also been subject to laws against labor action — demonstrated in Reagan's crushing of the air traffic controllers strike in 1981. If railways were taken over by the federal government, it's likely tight limits on worker direct action would continue.

Some advocates for public ownership propose that the operating companies be left as private firms with the government only owning the rights of way, track, signal systems and so on. The idea is to make the railway industry similar to the trucking industry. In that case I think it is doubtful that the private railway companies would not continue their destructive labor policies. Railway companies require a sizeable capital investment in rolling stock and maintenance facilities and thus the costs of entry into the industry will still limit the amount of competition. The exploitative labor practices of the trucking firms show that competition is no guarantee of better conditions for workers. And the history of the Railway Labor Act also shows that the existence of competition in the industry will not prevent government attempts to restrict the right to strike.

Moreover, the state itself is based on top-down managerial bureaucracies which maintain the same type of autocratic control over workers as in private corporations. In the 1920s the railroad craft unions hoped that worker representatives on a national board of directors would mitigate this — as in the Plumb plan. This was a tripartite scheme with 5 worker representatives, 5 government representatives appointed by the president, and 5 representatives of shipper organizations and railway management. However, mere representation on corporate boards has never worked out as a way to effectively represent worker interests. In the early 1930s the New Deal passed the National Recovery Act based on this type of tripartite scheme. Each industry had a board that allowed setting of prices and wages for the industry. There were government, capitalist and union representatives on the industry boards. But in the major strikes of 1933 and 1934, these boards routinely rejected worker wage demands and showed little respect for worker concerns. This led American workers to call the NRA the "National Run Around."

Here it is useful to distinguish nationalization of industry from *socialization*. Socialization of the railroad industry would require two conditions: (1) democratic, worker self-management of the railway system so that workers would not be subject to some autocratic managerial layer set over them, and (2) democratic social planning and accountability to the general population. Democratic accountability is especially important for eliminating the cost-shifting dynamics of

capitalism — treating nature as a free dumping ground for damaging emissions. Communities need to have the power to prevent being polluted on. This is an essential feature of eco-socialism.

We have an actual historical example of railway socialization in practice. In July 1936 the fascist military attempted to overthrow the government in Spain and smash the labor movement. After the army's takeover was defeated in Barcelona on July 20, 1936, armed workers of the Madrid-Zaragoza-Alicante railway went to the firm's headquarters and told the management they were fired. The M-Z-A railway was the largest privately owned railway in Spain — operating the mainline along the Mediterranean coast and between the main cities of Madrid, Barcelona, and Valencia. There were two unions on the railway, and each had support of about half the workforce: The syndicalist CNT union — a militant revolutionary union similar to the IWW — and the more moderate social-democratic UGT union. Operating crews were usually members of the CNT, and stationary employees like yardmasters and station agents were usually members of the UGT. When the CNT union initiated the takeover of the railway, the UGT members approached them in a few days and asked to participate. The two unions set up an organization to manage the M-Z-A and other railways — the Revolutionary Railway Federation. They elected an executive director and each union elected four working delegates to the Revolutionary Committee which coordinated the operations. There were regular assemblies of the workers in the terminals every two weeks. The wage rate was equalized. The group who benefitted the most from this were the women employed as grade crossing guards. They had been the lowest paid railroad workers. This worker operation of the railway system continued through the two and a half years of the Spanish Civil War.

The Communists advocated state ownership and opposed this worker self-management of the railway system. After about a year the Communist leaders — who controlled the bureaucracy of the UGT union — replaced their four union representatives without consulting the rank and file. But the CNT were the majority of the workforce and they continued the worker control.

When the railroad workers expropriated the various privately owned railways, they did so in the name of all the people — not as a private enterprise of the workers. The CNT railway union was part of a society-wide worker federation. Moreover, the takeover of the railways occurred in the context of a society-wide working-class movement that expropriated 80 percent of the economy in Catalonia and 70 percent in the adjacent region of Valencia. Many industries were converted to worker self-management — textiles, public transit, the furniture and motion picture industries. And the health workers union created the country's first free-to-user health care system. The CNT activists viewed the takeovers of the workplaces and formation of democratic worker-run industry federations as a step toward “socialization.” Their long-run vision was for the building of grassroots society-wide worker congresses which would work with democratic community organizations for social planning of the whole economy.

Overcoming Barriers

Some people will say that the proposal for a transition to a worker self-managed eco-socialist economy as a solution to the environmental crisis is a “fantasy.” In reply I would say that it would be a “fantasy” to imagine wide implementation of Green New Deal-style structural reforms through ordinary electoral politics and the Democratic Party. The powerful grip of the capitalist

elite on the American party system is a serious barrier. Proponents of the Green New Deal often hark back to the war-time emergency buildup carried out under FDR during World War 2.

However, we have to consider the social context for the New Deal programs. A vast working class uprising in the 1930s saw thousands of strikes every year, a thousand workplace takeovers by workers in 1937, regional general strikes in the Bay Area and Twin Cities, and an increase of union membership from 2 million to 14 million. The creation of the National Health Service and extensive nationalizations — including the railways — in Britain after World War 2 occurred at the end of a period of revolutionary crisis and struggle in Europe between World War 1 and the 1930s. This was a period that saw massive general strikes, revolutions, civil wars, fascist regimes and massive destruction and death in two world wars. By the 1940s the British and European elites felt that very deep concessions to mass discontent were needed to save capitalism. Roosevelt's New Deal "moved left" after 1936 for similar reasons.

Recent times have seen a lower level of working-class struggle (far fewer strikes for example) and a lower level of support for public ownership initiatives than in that earlier era. Moreover, American electoral politics has all kinds of built-in advantages for the wealthy capitalist elite who will be intensely opposed to taking away the railway industry that has been shoveling billions of dollars in profits into their pockets. With the Democratic Party largely controlled by the wealthy donor class, it has been hard to move measures like free to user comprehensive health care (Medicare for All) due to elite capitalist opposition to eliminating the private health insurance racket.

I don't mention these barriers to oppose the effort at achieving public ownership. Rather I want to suggest that a major structural reform like taking the railway network into public ownership is going to require a higher level of direct forms of struggle — from mass marches and widespread protests to strikes. If the USA enters into another period of wide social insurgency around worker conditions and social demands in a variety of areas from the fight against global warming to universal free-to-user health care, then the working class would attain a higher level of social clout. This would make major gains more feasible. In other words, it is not likely that major structural reforms can be achieved solely through the ordinary channels of electoral politics.

Reviving the labor movement itself is going to require a strategy that builds a higher level of direct worker organization and militancy, and building of cross-sector, cross-organization solidarity and coalitions. Because of the laws that make effective worker action illegal, a revived labor movement is going to include building the ability to break the law and get away with it. A more powerful labor movement comes from wider action, participation and self-organization. The beefed-up social clout gained from this makes deeper social reforms possible.

Whether some industries are government-owned or not, the dynamic of capitalism generates environmental devastation. For example, power firms burn natural gas or coal even though this contributes to global warming. Since they don't pay for the consequences of their emissions, they have no incentive to avoid burning of fossil fuels if it is less expensive than alternatives. Given the way capitalism is inherently stuck in an ecologically destructive dynamic, powerful social forces are needed to be able to shift to a more ecologically friendly mode of production.

This is where the "green syndicalist" strategy comes into play. The working class can be a potential social force with the power to push for a shift to an ecologically sustainable, self-managed socialist economy for three reasons. First, because the working class is a large majority of the society. Secondly, because the working class is damaged by the cost-shifting dynamic at the heart

of the environmental crisis, as I've argued before. And, thirdly, because of the position workers occupy in the system of production and distribution. By building organizations of resistance in the workplaces and building a movement from fighting boss power day to day, the working class can build its social power, to act as a force to bend management decisions in a direction favorable to what workers want. And in the process of doing this workers can and do develop their capacity to fight and their aspirations for change. Through the development of a working class movement that is worker-controlled and developing class consciousness and aspirations for liberation from the capitalist regime, a path is opened up for a direct shift to a different mode of production — created “from below” by workers through their own organized movement.

Thus the increased level of working class organization, militancy and coalition-building that is needed to push for Green New Deal-style reforms in the coming years is also the direction of change in the social balance of forces that can set the stage for a shift to a worker-self-managed eco-socialist economy.

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