

# **Compensating the Passengers. A Comparison of the Management of Three London Underground Crashes 1909-1975.**

This study considers organisational responses to three accidents on the London Underground 1909-1975. The private sector response to an accident at Moorgate in 1909 made generous awards. Responses to the Charing Cross crash in 1938 during the period of quasi-public governance by the London Passenger Transport Board show ongoing high levels of awards. Finally, a severe accident at Moorgate in 1975 reveals public sector management making low offers of compensation. This is congruent with other examples from the industry in each period. The study finds that the fall in compensation was linked to the roles of competition and media interest.

Keywords: London; Transport; Accidents; Compensation.

## **Introduction**

This article links three sets of detailed historical evidence to theories of organisational responses to crises (Oliver, 1991) supported by a background of wider literature (Tweedale & Jeremy, 2006). The general purpose is to confront existing theory and literature with specific historical evidence to test its explanatory power and reveal limitations (Maclean, Harvey & Clegg, 2016). In doing so this article intends to make four specific contributions to business history. One, extend the scope of existing literature on levels of compensation from workers to customers (passengers) and shift the frame of reference from the US to the UK. Two, challenge the view that a compensation culture is a recent phenomenon in the UK. Three, explore the degree to which voluntarism persisted in business behaviour regarding compensating their customers. Four, combine sufficiently detailed data from an organisation with generalisability over a long time period to present a panoramic view of a form of organisational behaviour whilst in transition from private to public sector.

The subject matter is the organisations responsible for the operation of London's underground railway network and their responses to compensating their customers when they suffered death, injury or loss whilst travelling. The study draws comparisons between three types of organisation providing the same service in underground rail transport: A private company, a quasi-public 'hybrid' organisation and a nationalised industry. To chart their approaches, this article draws on the strategy employed in similar research (O'Connell, De Lange, Stoner & Sangster, 2016) to address the following questions:

One, what changed the motivating factors behind the differing levels of compensation that were offered to injured passengers or the families of dead passengers in three underground railway accidents in 1909, 1938 and 1975? Two, were the levels of compensation and motivating factors typical of each corporate form in that period?

In terms of research material, the business records of The Metropolitan Railway, The London Passenger Transport Board (LPTB) and the London Transport Executive (LTE) held at The London Metropolitan Archives and Transport for London Archive provide evidence along with contemporary press cuttings and the transcripts of official enquiries. The evidence is analysed with reference to a typology of five strategic responses by organisations (Oliver, 1991). These five organisational postures range from acquiescence to defiance. Recent literature suggests that while there is evidence of all five postures employed by organisations, defiance and avoidance are accentuated when dealing with compensation claims by workers (O'Connell et al. 2016). I find that despite a clear majority of travellers being working class, acquiescence, compromise and manipulation rather than defiance and avoidance in dealing with compensation typify the organisational responses in the first two accidents in 1909 and 1938. Later, in 1975, there is ample evidence of defiance and avoidance.

## **Competition and the Media**

Why did responses change? Primarily, the structure of competition altered considerably over the time period covered. Secondly, social concerns about safety and the nature of underground travel itself, symbolised by media interest, also changed profoundly.

These were the motivating factors behind the decisions of the Metropolitan Railway, the LPTB and the LTE (LT1011, LT486 and LT049 series, Transport for London Archive and the ACC/1297/MET/10 series, London Metropolitan Archive).

The nature and degree of the rivalry for passenger traffic changed fundamentally over the period 1909 – 75. The clearest trend is from usage of public forms of transport to private. National car ownership stood at 200 000 in 1911, rising to two million in 1938 and then dramatically to 13 million in 1972 (Barker & Savage, 1959). The managers of 1909 were not affected by or aware of this trend but in 1938 the LPTB's annual reports refer to the effect of growing car ownership (LT1011-005, Transport for London Archive). By 1970 the impact of the car on passenger numbers on public transport usage was self evident, though significantly in London the political will to construct more 'ring way' roads halted in 1973.<sup>1</sup>

By contrast, the trend in competition from other rival providers of public transport ran in the other direction. The process of amalgamation which created the Underground Electric Railways of London Company 'Combine' out of a mass of smaller companies had begun in 1907. In 1933-34 the remaining independent transport undertakings in London were formally coalesced by statute into the LPTB. In 1948 the LPTB was subsumed into the British Transport Commission. Later in 1962 it regained some

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<sup>1</sup> [www.independent.co.uk/artsentertainment/architecture/london-roads-to-nowhere-2207351.html](http://www.independent.co.uk/artsentertainment/architecture/london-roads-to-nowhere-2207351.html).

independence as the London Transport Board but public transport in London itself remained a monopoly significantly challenged only by another public monopoly of surface rail in south London (Barker & Robbins, 1976). Thus by the mid 1970s the political limits of promoting and supporting car usage in London had been reached whilst a monopoly of public transport provision, especially north of the river, had been in place for four decades. Evidence from the archives indicates that a shift in how the travelling public were viewed by management on account the options open to them had occurred (LT/830/052, Transport for London Archives).

Alongside the stagnation in the level of competition, the level of concern about underground rail travel diminished in the same period. This trend was rooted in two phenomena. Firstly, as Tables One, Two and Three show, underground travel rapidly became objectively safer. We can see that accidents on the Metropolitan Railway alone in the Edwardian period were appreciably more frequent than accidents across the entire underground railway network in later decades. This meant that public concerns and media interest at the start of the period in question were justifiably high, but diminished rapidly.

**Table One: Major Accidents on the Metropolitan Railway 1899-1909.**

<b>Date</b>	<b>Location</b>	<b>Fatalities/Injured</b>
20 <sup>th</sup> April 1900	Granville	30 Injured
19 <sup>th</sup> February 1901	Baker Street	14 Injured
17 <sup>th</sup> June 1903	Kings Cross	84 Injured
13 <sup>th</sup> September 1905	Moorgate	2 Injured
26 <sup>th</sup> October 1907	West Hampstead	3 Dead, 26 Injured
26 <sup>th</sup> November 1907	Farringdon Street	20 Injured
6 <sup>th</sup> October 1908	Swiss Cottage	1 Injured
<b>5<sup>th</sup> August 1909</b>	<b>Moorgate</b>	<b>3 Injured</b>

Source: <http://www.railwaysarchive.co.uk/>

**Table Two: Major Accidents on the LPTB (Underground Railways) 1928-1938**

<b>Date</b>	<b>Location</b>	<b>Fatalities/Injured</b>
3 <sup>rd</sup> June 1937	Baker Street	11 Injured
10 <sup>th</sup> March 1938	Charing Cross (Northern Line)	12 Injured
<b>17<sup>th</sup> May 1938</b>	<b>Charing Cross (District Line)</b>	<b>6 Dead, 43 Injured</b>

Source: <http://www.railwaysarchive.co.uk/>

**Table Three: Major Accidents on the LTE – GLC (Underground Railways) 1965-1975**

<b>Date</b>	<b>Location</b>	<b>Fatalities/Injured</b>
23 <sup>rd</sup> Sep 1968	Neasden	1 Dead, 2 Injured
4 <sup>th</sup> May 1971	Tooting Broadway	1 Dead
25 <sup>th</sup> June 1973	Uxbridge	1 Dead
<b>28<sup>th</sup> February 1975</b>	<b>Moorgate</b>	<b>43 Dead, 74 Injured</b>

Source: <http://www.railwaysarchive.co.uk/>

Secondarily, public interest in safety ran parallel to social concerns about how they would be treated. In the first decade of the 20<sup>th</sup> century the understandable fear of accidents was accentuated by the circumstances of rail travel which caused especial social anxieties relating to the intermingling of classes. Dealing with classlessness was a challenge to the management of all the railway companies (Schmuki, 2012) but the conditions of underground travel made it especially pertinent to the pioneers of underground travel such as the Metropolitan Railway. Socially, the nature of train travel had blurred the roles and distinctions between the typically working class producer and the typically middle class or upper class consumer in several key respects (Ashford, 2013) as well as divisions between the genders (Divall, 2011). Underground rail travel necessitated actual physical proximity between the classes and sexes which was especially perturbing to 19<sup>th</sup> and early 20<sup>th</sup> Century society (Schmuki). Increasing safety coincided with the novelty of underground travel wearing off as social mobility and mixing increased during and after the World Wars. By the 1930s the underground had shaken off its air of danger and the unusual which had made it the subject of negative

press speculation and a number of murder mystery novels in the Victorian and Edwardian period (Ashford, 2013). Instead, an energetic and successful publicity campaign begun in the years before the First World War linked the underground in the public and media mind to modernity, efficiency, comfort and safety (Barman, 1979). Thus when a very serious accident finally did occur in the 1975, the underground railway had been considered very safe and of little interest for decades. The change in media management and how the accidents are portrayed in contemporary reporting from acquiescence and compromise which generated sympathetic reporting in 1909/1938 to defiance and avoidance which created confrontation and anger in 1975 is palpable in the records (ACC/1297/MET/10/128/001/004, London Metropolitan Archive, LT/503/037, LT/653/128 and M3/46, Transport for London Archive).

### **Contribution to Business History**

There is a well developed and extensive literature concerning compensation for accidents and the responses of industry from the late 19<sup>th</sup> Century to mid 20<sup>th</sup> Century. It focuses primarily, though not exclusively, on compensating their workers for industrial injury (Bartrip & Burman, 1983; Esbester, 2005; Harvey, 2016; Higgin & Tweedale, 2010; Tweedale & Jeremy, 2006) . Much of it considers how events developed in different jurisdictions to Britain (Silvestre, 2010). Broadly speaking, the level of compensation for the workers is typified as inadequate and official responses to their plight can be characterised as defiance, avoidance and manipulation rather than acquiescence and compromise. The form and specific reasons for these responses naturally differ from case study to case study, though typically inadequate legal frameworks, vested interests and political bias are cited (Silvestre, 2010; Harvey, 2016). This study's initial contribution to business history is therefore a shift in the objects of study from organisations' responses and compensation to workers to responses and

compensation for customers, or more specifically passengers. This comparison in the railway industry has been discussed in somewhat greater detail in the United States than in Britain and the findings from the US in the 19<sup>th</sup> century show that compensation to passengers from private companies was lavish and relatively uncontested in comparison to their employees (Aldrich, 2006). However, the evidence supporting the US findings is considered to be a uniquely American set of circumstances in the development and construction of railways which in turn created a uniquely dangerous system. These dangers are attributed to the comparatively enormous distances that needed to be covered and the relative abundance of cheap wood as a construction material. Not only were US railways therefore built comparatively cheaply and badly, they persisted with relatively primitive forms of signalling system after they had been abandoned in the UK (Williams-Searle, 2007). The relatively large number of deaths and injuries in the US as a result of railway accidents sparked a public campaign far more vitriolic than any in the UK which explains some of the disparity in compensation (Aldrich, 2006).

From a thematic perspective, the US research on railway safety covers the progress of safety technology, the social construction of risk, 'volunteerism' as a mechanism by which organisations adjusted their behaviour and the economics of safety vs. profits (Jones, 2006). Some of these themes concern the issue of compensation, others hardly at all. To summarise, despite the detailed research into the US system there remains plenty of scope to investigate the issue of passenger compensation in the UK.

Secondly, having changed the both the objects of study and the location as frames of reference, this study takes a series of service liability events and places them in a series of different time periods. This allows a series of commonly held views in Britain about the overwhelmingly modern nature of compensation culture to be challenged.

Thirdly, while recent studies (Higgins & Tweedale, 2010; Tweedale & Jeremy, 2006) have focused on the role of the state in enacting and enforcing legislation which, effectively or otherwise, compelled industries to pay compensation, this article examines what organisations were willing to do voluntarily. Railway companies fought hard to preserve this tradition of volunteerism with respect to the health and safety of their workers (Esbester, 2005), though the socialisation of risk associated with the creation of state insurance schemes for workers steadily undermined this approach from the early 20<sup>th</sup> century onwards (Crook & Esbester, 2016). In comparison to America, this process happened several decades faster in the UK (Williams-Searle, 2007).

Fourthly, many existing studies provide either a detailed individual case study ‘snapshot’ of specific events in specific organisations (Harvey, 2016) or present data over a longer timeframe but at national level (Silvestre, 2008). By using a series of case studies contextualised by wider supporting data, this study combines both the specificity of analysis at an organisational level and generalisability over a long time period. While some studies have a similar approach, their field of research was compensating workers rather than passengers and the form of ownership of the organisation remained the same throughout (Tweedale & Jeremy, 2006). Both these factors made for differing outcomes in the scale and speed with which compensation was delivered.

## **The Accidents**

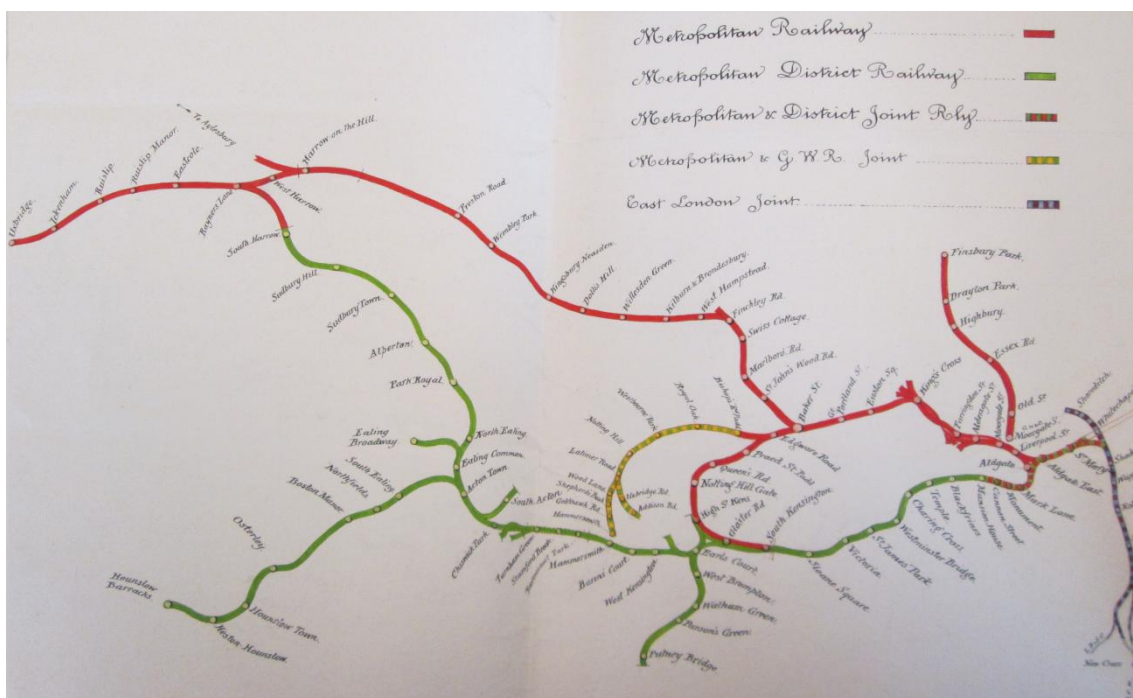
### ***Moorgate 1909***

The Metropolitan Railway opened in 1863 was the first underground railway running between Farringdon and Paddington. By 1909 it had begun a scheme of electrification and as can be seen in Figure One below, its network extended from the inner city, through the suburbs of west and north west London and out into Buckinghamshire. It had extensive property interests in this area which acquired the moniker ‘Metroland’ in



the company's property publicity in 1915. Moving prosperous commuters from the suburbs to the city was its core business, and though the early decades were characterised by rapid growth, its passenger numbers stabilised at about 90-100 million annually in the Edwardian period (Horne, 2003). This was due to the increasingly fierce competition on its route which included the Great Western Railway, the Grand Central Railway and to a lesser extent the Metropolitan and District Railway and Central London Railways. Consequently, by 1913 the company was under financial pressure and able to pay only 1 ¼ to 1 ½ returns to its ordinary shareholders (ACC/1297/10/382, London Metropolitan Archives). In 1933 it was amalgamated into the London Passenger Transport Board.

**Figure One: The Metropolitan Railway and Connected Underground Railways.**



**Source: ACC/1297/10/382, London Metropolitan Archives**

On the 5<sup>th</sup> August 1909 the 1747 train from Hammersmith collided with the rear of the 1744 train from Neasden. There was slight damage to the rolling stock, none to the permanent way and only three passengers were recorded as slightly injured in the Board

of Trade report (ACC/1297/MET/10/128/001-004, London Metropolitan Archives). The cause was determined to be the failure of the up home signal which should have alerted and stopped the second train. Though only three passengers were identified as having slight injuries a far larger number came forward to claim various forms of compensation. Shortly after the accident on the 7<sup>th</sup> August, The Assistant General Manager of the Metropolitan Railway, Mr A B Garside wrote to Sir William Birt, Director and Deputy Chairman, informing him that 25 passengers had come forward and left their addresses in the immediate aftermath of the accident, of which six cases had already been settled for £13 (ACC/1297/MET/10/128/001-004, London Metropolitan Archives). About a month later Garside was able to report on the 15<sup>th</sup> September that 38 claims had been received of which 37 had been completed for £453 and one remained outstanding. The final bill for compensation came to £559 /8 (ACC/1297/MET/10/128/001-004, London Metropolitan Archives). This would have been worth £913 in 1938, £1410 in 1946, £6 952 at the time of the 1975 accident and now would be worth £52 600. This amount would appear quite a ‘modern’ sum of compensation if it is considered that a Board of Trade inquiry found that only three passengers had sustained minor injuries. Some of the claims also appear frivolous or disproportionate. A couple of the most remarkable include a Mr Joseph of 34 Hatton Gardens who was awarded £3 /3 (£296 today) for a damaged hat and a Mr Jany at 5 Bedford Row who got £2 /10 (£235 today) for a tear in his trouser knee, the company Clerk recording his incredulity about this last claim by singling it out with a large exclamation mark in the ledger (ACC/1297/MET/10/128/001-004, London Metropolitan Archives). The Metropolitan Railway certainly thought the vast majority of the claims against it were essentially spurious. It accepted that in only one case, that of a Miss Grant, were the injuries objectively identifiable and that there was: ‘No

attempt of exaggeration in this case which was genuine throughout, and the injuries received disfiguring'. This may be compared to the comment made about the most expensive settlement to a Mr Josselsohn, who is described as being 'of a neurotic temperament' (ACC/1297/MET/10/128/001-004, London Metropolitan Archives). However, whatever its beliefs about the appellants, The Metropolitan Railway made little or no attempt to contest the claims, a pattern of organisational behaviour replicating that of other railway companies in the USA (Aldrich, 2006). This stands in stark contrast to the extensive efforts to frustrate claims made by employees of Turner and Newell and the Lancashire Cotton Spinners (Tweeddale & Jeremy, 2006).

Whilst The Metropolitan railway were still in the process of settling their claims to passengers, on the 13<sup>th</sup> September a parliamentary question was tabled asking the President of the Trade about the allegedly considerable number of failures that had already occurred through the use of the Johnson signalling system and whether any other inquiries had been held. This galvanised a robust advance refutation from the Company that of the seven incidences upon which the question was based, only one was attributable to signal failure and another was entirely fictional. Despite this outward show of defiance, in response to the Parliamentary question the Board of Trade then admitted that the Metropolitan railway had now decided to withdraw the Johnson signalling system anyway and Westinghouse was moved to offer £1000 plus all additional staffing costs on the proviso that they would formally admit no wider liability (Acc/1297/MET/10/128, London Metropolitan Archive). Their anxiety to settle out of court was no doubt fuelled by widening ripples of public speculation about the overall safety of the signal mechanism and the episode is a fine example of the 'regulatory bargaining' by which Railway companies persuaded Parliament that state action was unnecessary in the light of their own rapid compliance (Esbester, 2006).

This chain of events shows sensitivity to the issues of compensation and safety. No-one had actually been killed in the accident and any injuries suffered were overwhelmingly slight. Nevertheless compensation was generous and prompt and the event prompted a question in Parliament calling for further inquiries. A variety of institutional responses may be seen in action here. While there is evidence of acquiescence through the force of habit, imitation and compliance, the characteristics of organisational compromise; balancing, pacifying and bargaining are more notable. These responses typify relations with passengers and Parliament. However, there are some elements of defiance through challenge and attack, which are then blended avoidance via escape and possibly buffering, symbolised by the cancellation of the whole project. These typify relations with the Westinghouse Company. The level and the speed with which the damages were awarded do not present a picture of a situation where senior management in the underground rail industry felt secure enough to defy or challenge public interest or criticism. We have seen that this insecurity was partly rooted in a high degree of sensitivity to media coverage that in turn fed off social anxieties about underground rail travel.

The role of competition in fostering those insecurities was also prominent (LT352/007, Transport for London Archives). At the time of the 1909 accident the Metropolitan Railway was one of three large scale transport providers in London. Its principal rivals were the Underground Electric Railways Company of London (UERL) and the tram system provided by the London County Council (LCC). Of these the Metropolitan Railways was the smallest both in terms of network, passenger usage and capitalisation, but it in turn was far larger than the remaining small scale private companies and transport systems operated by Borough Councils. Realistically only the UERL and the LCC offered any plausible threat of takeover but the spread of tram, bus and even rail

companies in this period put all existing companies under financial pressure (LT352/007, Transport for London Archives). By 1909 the UERL had begun the process of horizontal amalgamation that would make it the basis of the LPTB, and after some resistance, eventually subsume the Metropolitan Railway in 1933. In the LCC, members of the Progressive Party were calling for municipal rather than private ownership of the capital's transport. These proposals were only finally defeated in 1921 (LCC/959/91, London Metropolitan Archive). Concurrently, the Metropolitan Railway was concerned about the competitive threats like the one posed by the Great Central Railway which paralleled their route into central London and had caused passenger traffic to fall from 96 to 87 million per year 1899-1901 (LT000/103, Transport for London Archive). Thus in 1909 the Metropolitan Railway faced long term threats from amalgamation and municipalisation as well as immediate threats from rival providers. In the face of those dangers combined with accentuated press interest, acquiescence and compromise are understandable responses to the level and speed of compensation granted.

### ***Charing Cross 1938***

The London Passenger Transport Board was created by statute in 1933 and its area of operation was a 30 mile radius from Charing Cross. Although it was a quasi-public monopoly service provider, it did face competition in London's suburbs particularly from the Southern Railway and to a lesser extent from the other three of the 'Big Four' railway companies and the growth of private car ownership. Nevertheless, its annual passenger number grew steadily to 3.7 billion in 1938. It was able to consistently pay 5.5% returns to its A and B type stockholders, though it was never able to pay more than 4.25% to its C type stockholders in spite of a statutory requirement to pay at least

5.5%. In 1948 it was fully nationalised and subsumed within the British Transport Commission (Jackson & Croome, 1962).

At 0955 on 17<sup>th</sup> May 1938 a west bound circle line train collided with the rear of another west bound District line train in the tunnel between Temple and Charing Cross Stations at about 20mph. Six people were killed and 43 seriously injured (LT486/020/001, Transport for London Archive). The root cause was due to repair work on signalling that inadequately inspected, but the Ministry of Transport report was also critical of the slow response of station staff as there had been reports about 20 minutes before the accident, albeit confused, that the system was not functioning correctly (LT486/020/001, Transport for London Archive). 1938 had already been a bad year for safety for the London Passenger Transport Board (LPTB) and especially Charing Cross station. Two months previously in March there had been another crash, also at Charing Cross and also caused by poorly maintained signalling.

The compensation for the injured and families of those who died was prompt and the level was uncontested. By the summer of 1939 130 of the 151 cases which had been bought had been settled for a total of £23 885 with the remaining 21 cases expected to bring the total to £45 785 (LT486/020/001, Transport for London Archive). Given the scale of the accident this was unsurprisingly a great deal more than the sum in 1909 but in 1975 terms it was worth £348 500 and today it would be worth roughly £2.6 million. This was about half the value of the compensation paid out to the far more numerous dead and injured of the 1975 accident and it had been paid a great deal more promptly. The Board recorded and investigated the particulars of each case carefully but respectfully with few officially recorded attempts to cast doubt about the veracity of the claims. 93 of the cases bought were for less than £50 and were settled quickly and easily. Of the six claims for fatalities, two had families and were the owners of

substantial businesses which together required compensation of £12 500, whereas three of the other four dead were unmarried and two were students. By contrast, their entire compensation added up to £4 550. Amongst the injured those who were either seriously disabled or occupied influential positions in their careers appear to have received markedly higher pay outs. For example, a permanently injured Lighterage Manager who could not return to work received £5 344 and an employee of Rothchilds whose father personally knew Lord Ashfield received £3 000 whilst he was recuperating on a cruise (LT486/020/001, Transport for London Archive). However, there was no press campaign on behalf of the victims and no enduring public discussion about the safety of underground travel. Articles from the time discussed how personally harrowing and terrible the accident had been, but the press also emphasised just how exceptionally rare railway accidents were. There was no criticism of the LPTB (LT503/037, Transport for London Archive).

Taken together, the records of the claims agent suggest a careful but not overzealous guardianship of the Board's costs combined with a keen sense of what would play well in the public sphere. For example, the physicians attending the scene from Westminster and Charing Cross hospitals had their clothing replaced free of charge and the Board also made an enquiry about making a donation to the special appeals run by the hospitals (LT486/020/001, Transport for London Archive). As with the 1909 crash, the rapidity of the response is also notable. To settle quickly and apparently generously with an eye on the press appears to have been the underlying principle and the evidence suggests that the LPTB proved itself as capable as the Metropolitan Railway in this respect.

In 1938 the competitive situation facing the LPTB had changed. There was no longer any internal competition from other urban mass transit providers. Instead, a residual

competitive threat existed from the Southern Railway and to a lesser extent from the London and North Eastern Railway (Croome, 1998). However, there was still a real and growing threat was the private car. Ownership had reached two million nationally by 1939 (Barker & Savage, 1959) and the degree of the competitive danger posed by this development was appreciated by LPTB (Wolmar, 2005). Politically, municipalisation was no longer a perceived threat but nationalisation was. The senior management of the LPTB had fought to keep the organisation out of full ministerial control in 1920s and 30s, and they knew that well versed and experienced critics of their private monopoly remained in potentially senior governmental positions (Donoghue & Jones, 1973). Adverse comment in the press about the treatment of passengers' safety needed to be avoided and the need for staff training at all levels in public relations was well understood and thoroughly thought out (LT234/10, Transport for London Archives). The actions of the LPTB in reaction to the Charing Cross crash present a similar spectrum of managerial responses than the 1909 accident. The response to the immediate losses suffered by passengers indicates the same preponderance towards acquiescence and compromise that characterised the Metropolitan Railway's actions.

### ***Moorgate 1975***

The London Transport Executive – Greater London Council (LTE – GLC) was created in 1970 and functionally covered the same area and modes of transport as the LPTB. Like its predecessors, the London Transport Board 1963-1969, the London Transport Executive 1948 -1962 it was a monopoly challenged only by British Rail and the private car. It differed from them though in that it was answerable to a local authority rather than to central government. However, it existed through a period of dramatic political swings at GLC elections which made long term planning problematic. It was abolished in 1984.



At 8.46am on 28<sup>th</sup> February 1975 the train from Drayton Park overshot the platform at the Moorgate terminus and collided with the end of the overrun tunnel some 20 metres further on at a speed estimated at between 30-40 mph. 43 passengers were killed and there were 74 injuries requiring hospital treatment (HM Inspector's Report on Moorgate Accident, 1976). No mechanical failures were found to have caused the accident. Whilst the guardsman was found in the Coroners Inquiry and subsequent report to have inadequately discharged his duties it was also determined that there was nothing he could have done to prevent the collision. The cause of the accident was fully attributed to the failure of the driver to stop the train, the reasons for which remain unclear (HM Inspector's Report on Moorgate Accident, 1976).

In the aftermath of the accident the London Transport Executive (LTE) dealt with the issue of compensation to victims and victim's families poorly and which suggests that the managers of the 1970s understood a great deal less about how to handle public relations than their predecessors though they proved to be at least equal if not more scrupulous guardians of the business's costs. London Transport's initial position was to offer the relatives of those who died £500. By comparison, in 1909 it would have been worth £40 /4, in 1938 £65 /14, and today roughly £3 800. This would have resulted in total compensation payout of £21 500 at the time for those who died, in real terms only about three times as much as the compensation bill paid by the Metropolitan Railway 66 years previously for some scratches and cuts and a remarkably meagre 6% of the total paid out by the LPTB in 1938. To imagine that this alone would suffice shows a remarkable degree of naivety and indifference. When challenged, London Transport's defence was that it was bound by statute from 1939 and by case precedent from 1967 (LT653/128, Transport for London Archives). Unsurprisingly this proved little defence in face of very widespread adverse reporting in both all the major daily newspapers,

radio and on television where families described it as a horrible insult (LT653/130, Transport for London Archives) and even reporters were moved to describe it publically on air as diabolical (LT653/128, Transport for London Archives). The now tarnished image of the London Underground took another knock when it was also revealed that they were insured up to a total of £1 million for catastrophic events, and it took until January 1981 for the last claim to have been reported as settled (LT049/049, Transport for London Archives).

By 1981 £376 351 had been paid out on account of those who had died, and a further £275 801 to those who had suffered both serious and minor injuries. On average families of those who had died received £8 752 and those who were injured received £3 098. However, this disguises very wide discrepancies in the level of compensation, as indicated by the largest individual payment of £67 714 and the smallest of £5.17 (LT830/052, Transport for London Archives).

Many unfavourable comparisons may be made with here with the management of the earlier incidents. Firstly, the length of time required to settle the cases. Some defence can be made that this was a product of the sheer scale of the event. However many of the cases were contested because the level of compensation initially offered was absurdly small in real terms when compared to the degree of loss sustained and varied wildly in value. This in turn created a long term sense of injustice and dissatisfaction which persisted long after the event.

The minutes of the senior management meetings of the department of claims and insurance show that some of the claims made are regarded as spurious, exaggerated or that they unreasonably inflated by legal fees (LT049/049, Transport for London Archives). This basic defensive stance was similar to that of the Metropolitan Railway and the LPTB, but in 1975 the records show that it was magnified by some remarkable

examples prejudice and indifference. For example, a young widow's payment was kept to a minimum because her prospects of re-marriage were deemed excellent as she was 'Young, attractive and had no children' (LT049/049, Transport for London Archives). The committee considered that any general inclination towards generosity merely because the insurers would ultimately compensate the costs had to be guarded against, and that there was always the possibility that claimants could be guided towards entirely other relief funds such as that set up by the Mayor of Islington (LT049/049, Transport for London Archives). Taken as a whole, it is fair to conclude that the LTE were at least as financially rigorous as the LPTB and the Metropolitan Railway in their vetting of claims and in minimising the awards made, and considerably less generous in their payments. Consequently, their publicity was very poor. These events and actions show an almost full reversal of the sequence of corporate positions taken by the Metropolitan Railway and the LPTB. The institutional response of the LTE was straightforward defiance through dismissal, challenge and attack. Eventually, after some attempts at manipulation through influence and control, the LTE fell back to a position of compromise and avoidance via bargaining, pacifying and escape. Overall, these three accidents present evidence of a clear change in organisational responses. The question remains though to what extent these individual instances are indicative of the organisation in general in the period.

### **Generalisability**

It must be acknowledged that historical case studies of this type are fairly critiqued for being unable to draw or sustain meaningful wider conclusions from overly specific circumstances. Nevertheless, significant numbers of journal articles continue to make use of individual case studies to infer wider conclusions about the trajectory of whole sectors of the economy or reactions to localised events at a national or societal level

(Aldrich, 2007). We may infer then that organisational history is not incompatible with generalised mechanisms (Maclean, Harvey & Clegg, 2016), but the question is at what point the evidence presented makes the transition from being a single isolated incident to being indicative of a wide trend.

Some simple tests of validity and reliability may be imposed to achieve this. Firstly, what other evidence is there to corroborate what has been found? Secondly, if another researcher studied the evidence, would they reach the same conclusions? To address these requirements, I present the available evidence from separate archives from different sources and cover a 10 year period either side of the date of each specific accident. I accept that I cannot provide absolute positivist proof of my hypotheses and that no two accidents are ever quite the same, but this is congruent with history as a testing ground to confront theories with an incremental process of knowledge creation (Maclean, Harvey & Clegg, 2016).

We begin with the wider record of the Metropolitan Railway and other underground railways in dealing with relatively minor injuries similar to those suffered in the 1909 Moorgate accident. Regrettably, surviving archival records from the Metropolitan Railway are fragmentary, and judging by the more comprehensive records left by other railway companies what remains probably understates the number claims paid.

Nevertheless, by virtue of comparison to other more comprehensive records (LT159/13, Transport for London Archives) the surviving records for 1912 offer a fair representation of the types of claims and the amounts that were settled for.

**Table Four: Minor Injury Passenger Claims Paid by the Metropolitan Railway in 1912.**

Date	Location	Incident/Injury	Nominal Compensation	Real Compensation <sup>2</sup>
21 <sup>st</sup> January 1912	Chalfont	Train hit buffers, shock	£10 12/ 6d	£998
19 <sup>th</sup> April 1912	Chorleywood	Dragged along platform, injury to leg.	£18 2/	£1703
22 <sup>nd</sup> August 1912	Chalfont	Fall from footboard whilst disembarking.	£15 15/	£1435
5 <sup>th</sup> September 1912	Pinner	Fall on platform – train left unexpectedly	£8	£753
13 <sup>th</sup> October 1912	Harrow	Door closed on right hand.	£10	£941
9 <sup>th</sup> November 1912	Great Missenden	Falling load - Two injured fingers.	£2 11/ 3d	£282

**Source: LT343/295, Transport for London Archives**

This pattern of payments confirms the same order of value for the same type of injuries as at Moorgate in 1909, but by way of making an even wider comparison data amassed during the First World War to reassess which London transport companies paid what proportion of compensation claims offers further proof that the 1909 Moorgate payments were not unusual. After discussion, a fund of £30 000<sup>3</sup> was created by all the London underground railways<sup>4</sup> for passenger compensation. By contrast only £ 3 000 was set aside for the employees' fund, thus supporting the arguments made in wider literature that the compensation of workers was half-hearted. For passengers, details of the minor compensation claims paid by the companies were as follows:

**Table Five: Total Passenger Claims Paid under £100 by The London Railways Companies Party to the 1915 Revenue Pooling Arrangement 1911-16.**

Year	Total Annual Compensation Paid			
	London Electric Railway (2017 Value)	Metropolitan and District Rly	Central London Railway	City & South London Rly
1911	£430 (£41 569)	£569 (£55 080)	No data	No data
1912	£830 (£78 110)	£1159 (£109 100)	„	„

<sup>2</sup> 2017 RPI Values. <https://www.measuringworth.com/>

<sup>3</sup> £1.9 million in 2017 values.

<sup>4</sup> Represented by The Metropolitan and District Railway, The London Electric Railway, The City and South London Railway and The Central London Railway.

1913	£362 (£33860)	£658 (£61 540)	„	„
1914	£218 (£19 890)	£346 (£31 560)	£36 (£3 284)	„
1915	£444 (£33 820)	£394 (£30 010)	£110 (£8 379)	£282 (£21 480)
1916	£272 (£17 530)	£680 (£43 820)	£149 (£9 603)	£202 (£13 020)

**Source: LT159/13, Transport for London Archives**

From Table Two we can see that the total paid out to passengers in 1909 and 1912 by The Metropolitan Railway is broadly comparable to other operators taking into account the different size of their operations. For example, the London Electric Railway was carrying approximately 2 ½ times as many passengers as the Metropolitan Railway in the period (ACC/1297/UER/04/065, London Metropolitan Archives). In summary, I find that the compensation a paid out after the 1909 accident was not an outlier. Comparisons to records in a similar year of operation in the same company and evidence from other companies engaged in similar operations over a longer time period support this finding.

We now move to consider wider evidence from the period of the 1938 Charing Cross crash. Across the whole network, the final report of the LPTB claims superintendent gives the average claim paid to passengers at £17 in 1938/39 (LT1658/038, Transport for London Archives). This average is comparable to the 93 claims settled for less than £50 in the specific Charing Cross incident.<sup>5</sup> In other years, returns from the claims committee of the East London railway to the HQ of the LPTB corroborate the finding that claims are still being settled quite generously in the 1930s, even for comparatively trivial mishaps. For example £3 paid to a Cllr O’Brien for slipping and straining his leg in December 1935, £2 to a Mr Cavill in June 1935 after two of his fingers were trapped in a door and £3 10/ to a Mr Ward for slipping on at the bottom of a stair way in May 1935 (LT343/552, Transport for London Archives). Moving forward a decade, in 1947 the LPTB settled 300 claims, 243 for an average of £2 19/, 43 for an average of £43, 13

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<sup>5</sup> £1 032 and £3 035 respectively in 2017 values.

for an average of £153 10/ and there was a single claim for £1 718 (LT1658/038, Transport for London Archives). The value of these payments would have not appeared unusual even in the Edwardian period. Once again, the level of compensation paid in the aftermath of the 1938 Charing Cross accident is not singular, but typical of organisational responses over a lengthy period of time.

Finally, we can compare the compensation offers made in the immediate aftermath of the 1975 Moorgate crash to data gathered from across LTE and its predecessors over several decades. Though regrettably the data is not continuous, Table Six provides a clear picture of the stagnation in the nominal value of the compensation offered from the 1960s onwards.

**Table Six: Average Compensation Paid to Passengers by London Transport 1938-1980.**

<b>Year</b>	<b>Average Nominal Payment</b>	<b>Average Real Payment (2017 Values)</b>
1938	£17	£1032
1945	£25	£931
1962	£29	£588
1963	£32	£636
1964	£37	£712
1965	£34	£625
1966	£33	£584
1967	£39	£672
1968	£41	£675
1974	£33	£326
1975	£29	£231
1976	£28	£191
1977	£33	£194
1978	£33	£180
1979	£179 <sup>6</sup>	£860
1980	£76	£309

**Source: LT1455/2055, Transport for London Archives**

Thus the initial £500 offer made by LTE in 1975 after the Moorgate accident was low by historical standards, but entirely commensurate with the general decline in wider

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<sup>6</sup> First large scale payments made to the victims of the 1975 Moorgate crash.

average settlements in the preceding decade. The £29 average in 1975 was the same as in 1962 and would have been worth £3 16/ accounting for RPI in 1938, 78% less than the average amount paid that year. In summary, the wider archival evidence shows that the levels of compensation awarded in each of the three specific accidents considered in detail in this paper fitted a pattern of typical responses rather than being singular events.

## **Conclusions**

We now return to the contributions to business history as claimed and the research questions as posed at the start of the article. We began with the claim that this article would extend the scope of the research literature on compensation from workers to customers or passengers and from the US to the UK. Self evidently it does so, but it in no way approaches the scale of Aldrich's US study. It is true that within the UK London's underground railways are disproportionately heavily patronised by passengers in relation to their network mileage, but nevertheless they still represent only a fraction of the wider picture. I find this claim partially fulfilled, but it offers scope for future research. The second claim is easily demonstrable in the evidence and offers renewed proof against neophilia and myopia on the topic of compensation. The third claim concerns the exploration of 'volunteerism' as mechanism used by organisations to keep the state at bay. Here we see that in the UK this system was pursued, but the railways had to cede control to the state sooner than in America. The reasons why lie beyond the scope of this paper, but again offer scope for future research. Finally, we reconsider the claim that this work is both specifically detailed and generalisable enough over a long time period to offer an extensive and comprehensive case study of a piece of business and organisational history which is evolving rather than fixed. This work provides a dynamic rather than a static study of three incidents and their surrounding context over a 66 year period. This presents both the opportunity to analyse strategic organisational



change but also the danger of over simplification in presenting in a paper what might be presented in a book. I welcome reviewers' and readers' thoughts about whether the requirements for sufficient evidential vigour preclude relatively short papers like these from adequately addressing metamorphosis in business, or whether this paper has struck the balance right.

We now move to the initial research initial question, where it is clear from the evidence that the factors motivating the actions taken by the organisations did alter radically in the time period considered. The degree and nature of the competition faced by public transport providers in London also changed dramatically between 1909 and 1975. The mass of private companies providing 'public' transit effectively became a private monopoly in 1933, and this monopoly was nationalised in 1948. Car ownership grew exponentially over the same period, pausing only for the decade of the 1940s (Barker & Savage, 1959). However, the limits of public acceptance of road building as a solution to urban transport needs in London had been reached by the early 1970s (Barker & Robbins, 1976). Thus the threat of public or private competition had been wholly or substantially removed.

In the media, fears of gender and class intermingling on public transport had long since evaporated as had the trepidation and novelty of underground travel. By 1975 it had been 22 years since there had been an accident on the underground killing more than a single passenger.<sup>7</sup> Underground travel was commonplace and boring. Public interest was focussed on annoyance about graffiti, delays and general dilapidation rather than death or injury (Wolmar, 2005). Therefore the managerial responses to the 1975 Moorgate crash should be contextualised against backdrop of decades of monopoly

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<sup>7</sup> <http://www.railwaysarchive.co.uk>

status, a strong safety record and the previous quiescence of media interest, little or none of which was the case for its predecessors in 1938 or 1909. The LTE's understanding of the implications of monopoly status is evident in the report into traffic figures by the revenue controller in October 1974. It estimated that receipts had fallen by £25 000 in the first week following the Moorgate accident, then by just £10 000 in the second week<sup>8</sup> before returning to the level before the accident in the third week (LT820/052, Transport for London Archive). These figures represent a fall of just 3% and 1% in weekly earnings and it was further pointed out in another memo that these losses could be mitigated by the rise in bus passenger takings over the same period (LT820/052, Transport for London Archive).

The initial responses to compensation claims and level of offers should also be set against a similar background. The real value of awards had been falling for over a decade and the minutes of the meetings of the claims and insurance managers department demonstrate that control of costs was a concern that overrode their sense of public image. Rather than acting quickly to keep media stories friendly or at least neutral, the minutes show an organisation closing in defensively on it, and the media was treated with suspicion and wariness (LT820/052, Transport for London Archive). Regarding the second research question, the haste and generosity of private railway companies in settling with their passengers was noted in America (Aldrich, 2006), and was equally typical of the Metropolitan Railway and other similar railways across a variety of different accidents in the period. Going forward, this level of award continued into the 1930s and responses to the 1938 Charing Cross accident were congruent with other incidents. Equally, LTE's reactions in 1975 were not the product of exceptional circumstances, but emblematic of a long period of similarly low compensation awards

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<sup>8</sup> £199 300 and £79 700 respectively in 2017 values.

which, luckily for the management of the organisation, had been awarded in response to incidents previously too minor to excite press interest in the context of a consistently good safety record.

In synopsis, we saw earlier that the responses of organisations to workers' compensation claims for industrial accidents were typified by defiance, avoidance and manipulation, but that passengers were treated differently. In the case of London transport this differentiation lasted as long as they were able to exercise choice and there remained wider interest in and vigilance of the organisation's safety record.

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