

Socialism in the UK

Yesterday I pointed out that borrowing too much, spending too much and nationalising too much had wrecked the current day Venezuelan economy. Some wrote in to say it would be different in the UK if a Labour government tried the same here.

Well when they did it here they created similar problems. The 1940s, 1960s and 1970s Labour governments nationalised too much, spent too much and borrowed too much. In 1976 they created a financial crisis and had to go to the IMF and beg for some additional borrowings. The IMF made them cut spending and start to denationalise to raise money. In the 1960s they caused a devaluation crisis and had to slash the value of the pound to stabilise the economy.

Labour nationalised or kept in public hands trains, buses, some road freight, electricity, gas, coal, telecoms, postal services, water, steel, some car production, aerospace, and shipbuilding.

These great nationalised industries cost the taxpayer a fortune in subsidies as many of the businesses were heavily loss making. Many of them had to sack thousands of employees in an effort to limit losses. They often overcharged their customers by international standards, abusing their monopoly position.

They did so badly because productivity was low and capital investment ill judged. The steel industry spent huge sums on five large integrated works that produced far more steel than the market wanted to buy. There then followed agonising debates about sacking people and closing plants. The coal industry kept shrinking as pits became exhausted. The telecoms service fell behind world standards. It failed to adopt new technology to improve services and cut costs. BL allowed its car designs to lag behind popular demand and struggled to maintain volumes.

Privatising many of these industries allowed them to expand, adopt new technology and offer better service and lower prices to customers. The magic of competition drove down telecoms and energy prices after privatisation. Suddenly people could buy a whole range of phones and other devices to add to the phone network that the nationalised monopoly had denied them. The electricity industry made a dash for gas, raising its thermal efficiency, cutting prices and reducing harmful emissions.

Mr Corbyn's wish to go back to the past would set us back badly. It would mean much higher taxes, more borrowing, and a less good service. Labour in office usually raises borrowing and unemployment.

Corbyn and the Venezuela model

The leadership of the Labour party admired Chavez, the socialist dictator of Venezuela and have not rushed to condemn his successor, Maduro. Between Chavez and Maduro they have shown the world what a true socialist programme does. They have undertaken widespread nationalisation, boosted spending programmes, borrowed huge sums of money and regulated and taxed the remaining private sector.

The results have been predictably dire. GDP per head and GDP is down by around 40% from the peak in 2011. Oil output in the nationalised oil industry has more than halved. Inflation has turned to hyperinflation. More than 1 in 3 are out of work. There are shortages of basics in the shops.

The nationalisation of oil is an important warning to a Labour party that seeks wide ranging nationalisation and see nationalising broadband and taxing digital companies as some kind of cornucopia they can wrestle away from the competitive sector. Venezuela saw the oil industry as a source of money for all they wanted to do. Instead they starved it of good management and of investment so today output has halved. Tankers are unable to transport more oil from Venezuela because they are not in seaworthy enough condition to pass modern maritime standards.

Labour seriously underestimates the costs of nationalising UK broadband and grossly exaggerates how much money it could get from new taxes on US technology companies operating here. There is not just the initial cost of partial compensation to the current owners of BT. There is also the need to pay an annual subsidy to replace the broadband charges that would be abolished, and the need to find huge sums of capital to complete the roll out of fibre optic cable to all parts of the UK to supply the capacity needed.

When we last had a monopoly nationalised industry running our phone service here in the UK you could experience a delay of six months or more in trying to get a new phone line. You were not allowed to buy your own choice of phone to add to the network. The switching equipment was out of date and the UK was falling well behind the USA in standards and capacity of phone system. Why would it be any different in the future if Labour had its way? Any how much would they rob from savers who currently own BT through their Pension funds and their share based savings and insurance policies?

Under past Labour governments nationalised industries cost taxpayers a fortune in subsidies needed to keep them going. They overcharged customers from their monopoly position and they often sacked large numbers of employees. It was wisely said we did not own the nationalised industries but they owned us.

My views

During an election political opponents have a habit of ascribing views to me I have never held and sometimes supporters attribute things to me which are also not my view. The definitive statement of my views is this site and I urge all interested in what my view is on any topic to use this site and its excellent Search facility. I have never regarded myself as responsible for the views others ascribe to me, however well intentioned.

If people want a view on a topic not covered here then I will usually be willing to help.

Nominations in Wokingham

I wish to thank the 30 electors who signed my Nomination papers to be the official Conservative candidate in Wokingham.

I see from the final list of candidates there will also be an Advance Together, Green, Labour and Lib Dem candidate.

Tree planting

I am glad the government shares my enthusiasm for more trees. We need to keep the woodlands we still have left, and expand our forest cover. Trees enhance the landscape, help bind the soil, act as windbreaks and often improve the view. Properly tended they can also be an important source of raw material and income when harvested and replaced with saplings.

Locally our Councils are working to boost tree numbers. Nationally the government has committed to 11 million extra trees. It is making money available through both urban and rural tree funds. It is backing the Forestry Commission who have a big programme.

This work needs to be part of better planning. I am working with Wokingham Borough Council on the next local plan which I want to slow the rate of development after the substantial housebuilding of the current plan period. I want the Plan to make proper provision for green gaps between settlements, Sites of Special Scientific Interest, parks, woodlands and other amenity areas.

Many of us get a lift from our green environment. One of the best features of England is our fabled "green and pleasant land". The mild temperate climate gives us green fields and leafy trees for much of the year which provides a good local environment close to nature. I am glad our local Councils are busy protecting and enhancing our green environment.

We also need to have a fair and controlled system of immigration. Our welcome to new people needs to be at a sustainable pace.