

The frustrations with modern parties 3 the myth of nationalisation

Labour think nationalisation is a better answer than free enterprise. They are held back from nationalising more by the cost of it. The last Conservative government gave up on making the case for free enterprise and allowed some business to slip back into public ownership. They too went in for back door nationalisation of energy by imposing a network of price controls, windfall taxes and subsidies. Both parties favoured rolling rail nationalisation. Labour nationalised the bulk of the railway when last in government and the Conservatives added some train operating companies as their leases ended. Labour will carry on. Railways are effectively nationalised with government controlling profits, prices, timetables and much else.

Labour will discover all over again that nationalised industries rule governments more than governments run them, There is the doctrine of independent management strangely allied to the reality that when anything goes wrong people and Parliament blame Ministers. Labour inherits a nationalised Post Office that started wrong sending staff to prison on its watch. They now have to find large sums from taxpayers to pay for all the losses and for the compensation owed to staff. Labour will also have to wind down HS 2 as its costs spiral and its ambitions are scaled back because they are ludicrously too dear. Another nationalised industry that devours tax revenue excessively.

What can we expect of Great British Energy? Last year U.K. infrastructure Bank and British Business Bank made losses in the well established nationalised tradition. Why would Great British Energy do anything different? It will be offered the investments the private sector does not rush to buy.