

How to pay for renationalisation

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As I have predicted the question "[how will you pay for it?](#)" is being asked of Labour.

I have explained that current spending commitments can be paid for from tax revenues: the spend creates the capacity to pay. How is explained [here](#) and [here](#).

So the only real question is how Labour will pay for nationalisation. This is the same question, of course, as asking how the banks were bailed out and how £435 billion was found for QE which, among other things, boosted the price of the companies to be renationalised. The answer is neither, directly, cost the taxpayer a penny. The money was created to achieve both out of thin air.

So renationalisation could be done in the same way. Issue bonds for fair value. Make them redeemable in not less than thirty years, and maybe longer. Make the interest rate the very low ones on offer now. In net terms these are likely to be negative throughout that thirty year period. And what is the net cost of renationalisation? Next to nothing. Or less.

Problem solved.