

Why rail nationalisation is not a priority - but massiv...

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I received a comment on the blog last night which suggested I ignore an international expert and his comments on competition law because the case for rail nationalisation proved the point that we had to leave the EU. The expert in question is George Pretez QC, who wrote a Guardian opinion piece that I recommend reading, [here](#). I happen to think he knows what he is talking about.

I also happen to think in terms of priorities for political parties - including Labour - rail nationalisation should come in at 153rd on the list of things to do (give or take a few). I guess I have to explain.

My first question when someone puts an idea to me is pretty much always the same. It is 'What difference will it make?'

The follow up is 'How will you know?'

Next is 'Given that resources are always scarce, is this the best thing to do?'

And unless the answer is unambiguous it is obvious to then ask 'What achieves your goal more effectively?'

The last question includes the killer element - because it requires the specification of a goal.

If I was to specify a goal for Labour (and it's not my job to do so, but what the heck; one is needed for this argument to work) I'd say it should be 'To improve the current and future prospects of all in the UK, but most especially those on median and lower incomes, whilst protecting all those who live in the country from risk and the causes of fear'. An economic and social priority is set. Bias is created, quite deliberately. The generic duty of government is accepted in the prevention of risk. The freedom from fear requires a strong social safety net. Just about everything Labour should do is encompassed.

So, what difference will rail privatisation make in the context of this goal? And how

would you know?

My answer is very little difference would be created because apart from, maybe, some small savings on fares the same trains would run on the same lines staffed by the same people for considerable time to come, as successive East Coast nationalisations prove. And any gain would largely go to the better off, because it is they who use trains by far the most.

So rail nationalisation does not fit the priority Labour should have. The scarce resources it would use is political capital in parliament, and capacity with markets, where fights over bond issues should be reserved exclusively for creating investment in new activity, such as the Green New Deal, rather than changing the ownership of existing activity for little gain.

Now don't get me wrong. The answer to my third question is that there are better things to do. Improve the skills of Railtrack. Stop contracting everything. Use capital for the state to build essential new trains. Use the National Investment Bank to do that and stop the rip off of the train leasing companies. Enforce contract terms in performance. Make refunds for late running mandatory, and require unclaimed repayments to fund fare reductions. Stop franchise extensions. Create more onerous terms in future so that franchises return to the state. Require investment now. Ensure better bus and low carbon local transport integration.

All this is possible. All these things can achieve real change. But changing ownership? No, that's just a distraction for now. Do it slowly and simply instead, because the state will become the preferred bidder (with LNER becoming the hub for such bids) and then a vastly more intelligent transformation that delivers real change without wasting political or financial capital can take place.

All of which answers my fourth question, entirely. There would be more trains if my plan was followed. And more jobs. And a transition to state control where lessons could be learned and errors avoided. Better, more integrated, lower carbon transport for all (because those on lower incomes are the people really suffering when it comes to public transport right now) would be created. And no one would have to waste time fighting anyone else: the best operator, which is always going to be the state, would emerge.

And all this is possible within current state aid rules.

So is rail nationalisation a reason to leave the EU? The answer is very obviously that it is not.

I wish some constructive thinking was embraced by those shouting such things in the left.

And I wish the left would work out its priorities and then work to achieve them in the best way possible.

I want radical reform. Nationalising our railways may well happen. It may well be necessary. But making it a goal is wrong. The goal is Improving the lives of those on lower and median incomes. In that case the priority is to deliver change for them. And to deliver sustainability. I have suggested how to do that without wasting political capital much better expended on funding a National Investment Bank.

Why can't the left do the real job it has to get on with and leave the posturing aside?