

# Nationalisation would be cheap, easy, involve no cash p...

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An article by Helen Thomas in the FT this morning opens with :[this paragraph](#):

*After this year, it is perhaps no great surprise that the UK can't make the trains run on time. This isn't a Mussolini reference. The opening sentence of the Williams-Shapps plan for rail, published in May 2021, set that modest aspiration: "We want our trains to run on time."*

The article makes all sorts of good points thereafter, except for the most obvious one, which is that the privatisation of railways in the UK has been a total disaster, leaving the whole system divided and utterly without direction, with the government largely unable to do much about that because contractual obligations prevent action in far too many cases. The cost of that inaction is high. No wonder we have such poor economic performance when so many of our basic services are in disarray, as the rail industry is.

There is no surprise about this. By the end of World War 1 it was appreciated that the operation of the UK's railways system by many separate privately owned railways companies was not viable when the system was so strategically important. The immediate post-war plan was for nationalisation. Even Winston Churchill supported it.

The plan failed. Four companies 'grouped' the railways on broadly regional lines. This did not work. Railways in the east of England and Scotland, in particular, were massively under-capitalised, most especially when recession hit. After WW2 the inevitable was done, and the railways were nationalised.

I am not suggesting that thereafter all was sweetness and light. There was mistaken investment in the 1950s. In the 1960s the reaction was the Beeching Report, where blatantly false accounting was used to deliver the closure of far too many railway lines that could have been very usefully retained. And it was undoubtedly true that British Rail was a trailer terrible catering company.

None of this distracts from the fact that there was at least a rail strategy at the time. There is no such thing now. There is, at best, micro-management when other countries

are reacting post Covid, and in the light of the need for sustainable transport, with truly innovative and low cost rail offers that ensure that rail is a real alternative to the car in many such places. With the staggering fares charged on some routes in the UK that is just not true here.

Railways are a natural monopoly. Safety requires a single entity in control of the tracks. Conflicting companies, indifferent to what is happening elsewhere on the network, have reduced the idea of service to the point where it is almost non-existent. And although we are promised Great British Railways, so far there is not even a hint of legislation to deliver it, so a cobbled mess of franchised operations persists. Given the inability of Sunak's Tory party to govern no doubt this will continue for a long time to come.

What we need is a government that understands that natural monopolies need to be in state control, with singular direction to ensure co-ordination of service, even if regional management is devolved to reflect local need as evidenced by local authority engagement. That observation covers rail, buses, health, education, water, energy, broadband, post and much else.

The time has come to reverse the privatisation era. Its main purpose was to create legal claims on profit streams that rightfully belonged to the state, with the simultaneous intention of making it as difficult as possible to reverse this process. It was never intended to deliver benefit to the country.

In 1948 British Railways was nationalised as part of the British Transport Commission. No money changed hands. Those who held shares in the vast array of companies that came under the control of the Commission were issued with British Transport Commission 3% bonds in exchange. They were supposedly repayable in 1978. They were, of course, simply rolled over into new bonds that formed part of the national debt.

We could do this again now: I would suggest 100 year bonds be used. As in 1948, sensible arbitration allowing for the value of state subsidies could be used to determine the value of bonds to be issued. We'd simply pick up a cost for the interest as a result and yet Labour keep telling us taxpayer's money (a meaningless and incorrect term because there is no such thing) should not be used for this purpose when other demands on cash are high. But as I suggest, no cash need be involved. So what is the problem Labour? Why not just say you'll do it? It's a guaranteed vote winner. And the country needs it, very badly.