

Labour's nationalisations in the 1940s increased the na...

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A comment on the blog yesterday referred to a valuable paper from the House of Commons Library on how so many activities were nationalised by labour after 1945. That [paper is here](#).



Like a great deal that comes from this source, the paper is very helpful.

Amongst the data made available is this table:

In total, compensation for the nationalised industries cost £2.6 billion in the 1940s (in current prices, not adjusted for inflation). This was equivalent to around 25% of the value of annual GDP.

Compensation paid for industries nationalised in the 1945-1950 Parliament		
	£ millions	% of GDP
Cable and wireless	32	0.3%
Bank of England	58	1%
Gas	220	2%
Iron and Steel	245	2%
Coal	392	4%
Electricity	542	5%
Transport	1,150	10%

The payments were not made in cash: bonds were used as the means of payment with the national debt increasing as a result.

Would it be worth increasing the national debt by 25% of GDP now to achieve the same result? I think so.