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The silver lining [1]

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One of the most heartening things about the Northern Rock bank fiasco is how determined the UK's government is *not* to nationalize it.

In past decades, a Labour administration would have thought nothing of nationalizing a bank, and maybe a few of its customers and suppliers to boot, because the Labour Party believed in public ownership. Indeed, its constitution aspired to seek control of the 'means of production, distribution and exchange'. Clement Atlee's Labour government of 1945 nationalized the Bank of England, the railways, coal, gas, electricity and steel in speedy order.

Some Labour supporters still hanker for those days. But not Labour ministers. Certainly not after the last move to renationalize something that Mrs Thatcher had privatized ? Trade Secretary Stephen Byers's replacement of the Railtrack infrastructure company with a new body, Network Rail. It's proved unaccountable and hugely expensive.

The minister who had to try to make this costly train crash work was of course Allister Darling, who is now taking all the Northern Rock flack. Having loaned the bank £35bn to prevent worried savers forming queues outside its door, he is now staring at another £15bn, perhaps, to take it over and try to turn it into a saleable proposition. That's a bill of around £1800 per taxpayer.

But *absolutely* nobody in government is suggesting that the government should continue to run the Northern Rock indefinitely. So as I say, that's heartening. Now if only we could convince them that governments *controlling* things is just as bad as them *owning* things...

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