

Funding the Future

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Gillian Tett and Paul Mason seem to suggest there are three solutions to our economic crisis in their [discussion in the Guardian today](#). They are inflation, to write off the debt; default which writes off the debt, or forgiveness that is in effect consensual default.

The alternative, they seem to agree, is war.

I'd add a fourth option, which is, of course, collecting tax that is due which has much the same effect as when during the post war period growth and debt repayment were managed in no small part by collective saving in government bonds.

A fifth option would, of course, [be redirecting £80bn of pension saving a year](#) in the UK into such bonds, in no small part (which would also give a higher rate of return and substantially lower investment cost for pensioners than they have enjoyed for a decade or more). I think both options can be, and should be, added to Tett and Mason's option list.

But the real point is a very simple one. The risk of war as a result of the current chaos and a resultant increase in far right nationalist protectionism built around dogmatic pursuit for ideological reasons of the extreme austerity of the sort Osborne proposes is very real: it is something I mentioned on this blog recently.

In the face of that it is the duty of politicians to be courageous. They have to now tackle feral finance. They have to push through measures that constrain out of control markets. They have to take radical action to claim control over some capital made in the course of creating the current chaos as a price of containing it, whether that be by wealth taxation, direction on pension fund investment, the introduction of capital controls to constrain bank abuse or direct measures to reclaim illicit funds in tax havens through direct actions against the banks based in London elsewhere that knowingly control those funds with the deliberate intent to undermine democracy in the interests of the 1%.

When this crisis has reached the stage where serious discussion of the breakdown of society into social chaos and war has hit the mainstream news pages then action to defend ordinary people, democracy and the mixed economy that has overall served us

so well is essential.

Politicians who fail in that task now fail us all.