The power of retrospect does not diminish the relevance...

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The Washington Post published what I thought a very wise op-ed a couple of days ago. It was only when I was well into it that I realised the author's name. It began:

Talleyrand said of the Bourbon dynasty that ruled France both before and after that country's revolution: "They have learned nothing and have forgotten nothing." Today, with the same shortsightedness, Europe's leaders stick unblinkingly to policies that the whole world can see have already failed.Having learned nothing and forgotten nothing, they have just announced yet another version of a seemingly never-ending succession of Greek rescue plans that they must surely know will not work.

But the unfolding tragedy of a bankrupt Greece is only a symptom of an even more fundamental miscalculation: a wrong-headed conviction, widely held across Europe, that if austerity is failing, it is because there is not enough of it.

Quite so. It continued:

Already the half of the euro zone that is in recession threatens to bring down the other half. But, by holding dogmatically to a policy of ever more austerity despite all the evidence of stagnation, Europe now threatens the economic recovery of not just the euro area but also the wider world. Understandably the biggest U.S. economic worry of 2012 is that of a recovery derailed in an election year by another sharp European shock.

I'm sure that's true. I can't quote it all, of course, but let me just highlight this:

A European banking model that is suffocating under such leveraging, financed by short-term borrowing, is fatally damaged and cannot survive without fundamental reform. That model also massively damages the prospects of economic recovery for a private sector that needs liquidity and investment to function efficiently.

And this:

Europe's loss of global competitiveness, however, presents an even more profound problem. A continent that was once responsible for 40 percent of the world's output is now producing only 18 percent – and within a decade it will produce little more than 11 percent. This is an epic shift, yet one virtually unnoticed. What Europe is experiencing may prove to be a permanent and irrevocable loss of prosperity.

Against this background, the obsession of Europe's leaders with imposing a swift and deep austerity seems hopelessly superficial and short-sighted. The debt-to-national-income ratio is the internationally agreed standard for measuring fiscal health and, not surprisingly, as growth falters, debt ratios in Greece, Spain, Portugal and Italy are not falling but rising.

Yet the whole of Europe has signed up toGerman-led austerity that will ensure the levels of growth that could reverse this rise remain impossible to achieve.

The author's right, of course. His solution?:

With Europe unable to generate its own growth without outside support, a coordinated global growth plan – a modern and international equivalent of the Marshall Plan – is the only way to stem the continent's decline and prevent a new European recession from pulling down the rest of the world. China should raise its consumer demand and import more, giving U.S. and European industry a boost in confidence. Europe and America should expand investment in infrastructure.

Who wrote it? Gordon Brown.

Perhaps I should send him The Courageous State.

Perhaps he should also talk to Ed Balls.

Because Labour has to get this, and soon.

Hat tip: Andrew Dickie