

Without more credit we won't get out of the recession -...

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Vince Cable is right on this:

Vince Cable has warned Britain's banks that the economic recovery is "being imperilled" by a "yawning mismatch" between demands for finance from small business and the banks' reluctance to lend, [reports the FT](#).

Like it or not, and the anti-debt phobics now seem to think all credit a bad thing, we cannot get out of the recession without making more credit available to small business, and the fact is it's not available at present.

No amount of 'credit easing' by Osborne will change that when his instruments for delivery will be the self same banks who are not lending now. All he's actually doing is offering them an opportunity to offload debt onto the Bank of England at low rates so they can lend on at exceptionally high rates to boost their profits and balance sheets again before the next crash hits as the inevitable consequence of his austerity policies.

The only viable solution to this now in the short term (which is what is needed) is the one Vince has also outlined - which is taking control of RBS, in full, for the benefit of the state. That's something I was advocating in 2008. It's a shame Labour didn't listen then.