

he Thames needs a new sewer and we ask a Swiss bank to.

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As the [FT reports this morning](#):

*Thames Water has appointed banking group UBS to lead attempts to raise £4.1bn of finance for the construction of the Thames Tideway Tunnel, or so-called super sewer*

When sewers were first built they delivered the greatest transformation of public health the UK had ever seen. They were built by local authorities and their water boards, and they were funded with public bonds.

Now a privatised company uses a Swiss bank to create a special purpose vehicle from which profit can be extracted even though the costs of this project are underwritten by public funds - and it is portrayed as if there's some big risk in this fund raising as a result.

As I said recently, when discussing the ethics of local authorities engaging in tax avoidance, it's a sad time when they think that being expert in tax avoidance is their duty but the ability of the local authority accountant to undertake their fundamental job of putting in place the funding to build the infrastructure their populations need has been lost.

This is all about the advance of the cowardly state (a concept explained in *The Courageous State*) believing its job is to leave everything to the market. It isn't of course, and we all pay the price for this folly.

Green QE could fund this project now. It's readily available. It has no effective cost. And the private sector need not cream off a surplus from it. But that would never do, would it?