

Funding the Future

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This morning's [thread from me on Twitter](#):



Richard Murphy @RichardJMurphy · 6m

Rishi Sunak's gov't backed loan schemes mean that more than 1.2 million U.K. businesses - which may be more than 80% of all businesses - are laden with debt and tax bills they have to start repaying next year. That's when they begin to fail and the recession gets very much worse.

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Richard Murphy @RichardJMurphy · 6m

Piling debt burdens on companies to get them through a crisis is one thing. To then think they'll invest in new employment, products or sustainability when struggling to repay that debt is another. They can't and won't. Sunak has built a debt time bomb that will drive recession.

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Richard Murphy @RichardJMurphy · 6m

The Office for Budget Responsibility has suggested £33bn of the £53bn of government backed loans to businesses may not be repaid. The gov't says it expects banks to take failing companies to court to recover the money. They're literally planning to drive the UK out of business.

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Richard Murphy @RichardJMurphy · 6m

The gov't has a choice to make when it comes to recovering its coronavirus loans to business. It can seek to be repaid and destroy hundreds of thousands of companies, and many more jobs. Or it can convert the loans into shareholdings as the basis for a national wealth fund.

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Richard Murphy @RichardJMurphy · 6m

The UK has never had a national wealth fund - which could be the basis for a future National Wealth Service. Converting £53bn of government backed loans to business into shareholdings in the companies that borrowed to get through coronavirus could be the basis for that fund.

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Richard Murphy @RichardJMurphy · 6m

Of course no company should be forced to convert its gov't loan into a shareholding. They should have the right to repay. But if they convert there must be conditions attached. They must publish their accounts, have an employee on the board, pay all their tax and be sustainable.

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Richard Murphy @RichardJMurphy · 6m

A National Wealth Service, running a national wealth fund, based on converting coronavirus loans into stakes in businesses could be the basis for the economic recovery the UK needs, and a transformation in the UK business model that is long overdue.

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Richard Murphy @RichardJMurphy · 6m

Replies to [@RichardJMurphy](#)

What's better? A National Wealth Service dedicated to the recovery of UK business from the impact of coronavirus or a government that is planning to force banks to take companies to court to recover these loans when they can't pay, which will force companies to go bust?

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