

## It's time for a new path on the economic crisis that we...

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As I [mentioned a couple of days ago](#), Danny Blanchflower and I have written a [feature for The Mirror](#) on how to get out of the economic crisis we are in. It is out this morning:



If you click on the image and then click again you get a much larger version.

I especially like The Mirror's explanation of the multiplier on the left-hand side.

What do we say? In seven parts, it's this:

- \* Admit we have a crisis. Face up to the reality of this in other words, and stop saying this is just a cost-of-living issue but call it what it is: a full-blown economic meltdown.
- \* Cut bank interest rates. The Bank of England needs to reverse its disastrous policy now. They are making things much worse than they need be.
- \* Cut taxes - especially those on the lowest paid. NI should be cut more. Income tax for the lowest paid could be cut (the rate, and not the allowance) and VAT cuts are required.

- \* Raise benefits - and not just universal credit, but all in line with current inflation.
- \* Create jobs - which is where green issues come into play as they are easy to create and the payback is high. We are going to need those jobs very urgently soon unless action is taken now.
- \* Align UK rules on goods with the single market to save business money and to stop the excessive costs that are fuelling inflation. Poverty is a price not worth paying for rule non-alignment and the chaos they are causing.
- \* Pay for this with tax increases on the best off and especially on capital where inflation is a real issue and where nothing else can work; by changing tax rules to redirect savings to investment; by using QE which has never so far created inflation, and by letting the deficit grow, because having a deficit is vastly better than having people in need.

As we argue, all of this is possible. But is there the political will? Time will tell.