Funding the Future

# The UK could recover economically - but only if we chan...

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I have already discussed the failure of the UK to invest this morning. The FT highlights another aspect of this today.

Having noted our rather wet summer, it also notes that many rivers in the UK are running dry, and ask why. Its suggestion is that:

*Changing climate patterns are part of the picture. But a key culprit in the UK is an over-reliance on abstraction — where companies take water from rivers and natural underground reservoirs called aquifers — and a neglected water and sewage network, some of which hasn't been upgraded in decades.*

*This includes water distribution pipes that leak a fifth of the water they carry, a failure to build new storage capacity such as reservoirs, and the contamination of waterways with unknown quantities of raw sewage that depletes the stock of clean water.*

In other words, the problem is underinvestment, yet again.

Unless and until we get our heads around the fact that we have been living off the depletion of our national capital for some time, almost all of which needs to be replenished and updated now, then we are in very deep economic trouble in the UK.

Will we change in time? I don't know. But I do know we need to change our national accounting and tax systems to make this possible. In the process, we need to reject thinking based on the idea that time does not matter, which is implicit in almost all modern economics, and that low taxation is a sign of national virtue when that is very clearly not the case.