

There's one simple solution to every crisis that Labour...

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As the [FT noted yesterday](#), Labour's chief executive, Sue Gray, has drawn up a short list of crises that might hit a new Labour government. The six most serious that she has identified are reported to be:

1. Potential collapse of Thames Water
2. Public sector pay pressure
3. Prison overcrowding
4. Universities going under
5. NHS funding
6. Bankrupt councils

As exercises in missing the point go, this one is quite staggering.

The solution to each of these supposed potential crises is quite remarkably easy to find.

Thames Water

- * Nationalise the company.
- * Wipe out the shareholders.
- * Pay for whatever debt is considered to be of value with new long-term government bonds.
- * Provide required new capital.
- * Change regulation to require appropriate levels of capital investment to deliver rivers and beaches free of sewage from all water companies.
- * Offer to buy out all English water companies on the same terms as Thames, with that offer diminishing in value as companies delay accepting it.

Problem solved.

Public sector pay pressure

- * Agree to the pay demands that public servants have quite rightly made because their terms and conditions have deteriorated so badly over the last 14 years.

- * Solve the problem of public sector recruitment overnight.
- * Change the total morale and productivity of public sector services as a consequence.
- * Exalt in the praise for having delivered an outcome that nobody considered possible.
- * Relish the extra tax revenue paid by those public servants and the multiplier effect of their additional spending on other taxation.
- * Enjoy the benefit of having a workforce able to deliver in every other sector of the economy.

Problem solved.

Prison overcrowding

- * Stop sending people to prison for minor offences, like not having a television license.
- * Decriminalise some parts of drug use.
- * Stop pretending that prison works, when everyone knows that it does not. Treat prison, as it was always intended to be, as a place used to protect the public.
- * Provide the funding to reform the failing prison service.

Problems solved.

Universities going under

- * Encourage overseas students.
- * Abolish the student loans scheme and the repayment of past loans because neither makes any economic sense whilst imposing intolerable burdens on younger people from lower-income households. See the [Taxing Wealth Report 2024](#) for the data.
- * **Returning to a student grant scheme.**
- * **Accept that providing education from the age of 0 to 24 is the basis of future prosperity.**
- * **Fund it by those with wealth, creating vast new wealth as a consequence.**

Problem solved.

NHS Funding

- * Fund it.
- * The [Taxing Wealth Report](#) provides numerous ways to do so. Finding the

money is really not hard.

*** Stop pretending there is any other solution. There is not.**

Problem solved.

Bankrupt councils

* Fund them.

* The [Taxing Wealth Report](#) provides numerous ways to do so. **Finding the money is really not hard.**

*** Stop pretending there is any other solution. There is not.**

Problem solved.

Conclusion

In summary, it can fairly be said that every one of the crises that Labour thinks it might face when coming into office will be entirely of its own creation.

They will all arise because Rachael Reeves has demanded that a Labour government must not use the power available to any government of any sort to spend to solve the crises that it faces if it is to meet the needs of the population of the country that it governs.

They also arise because Rachel Reeves is refusing to use the power that any government has to tax in a fair and appropriate manner to recover the sums expended by it with the aim of preventing inflation when the opportunity to do so is readily available to her.

To put it another way, there is no crisis in this country that neoliberalism has not created, and that Rachel Reeves' dedication to that cause cannot help but perpetuate, presuming that is that Sue Gray has correctly identified the crises that Labour will face. I strongly suspect that she has not, but that will be the subject of another blog.