

## The madness of Keir Starmer

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There was economic insanity on display from Labour at its investment summit this week as it set out its begging bowl to international finance because it has no awareness that all the financial capital required to deliver the infrastructure that this country needs can all be created here in the UK by the government simply borrowing from the Bank of England.

Of all the madness that was said, this particular section from [Keir Starmer's speech](#) was easily the most crazy. He actually said:

*It's not just that stability leads to growth – though we all recognise that.*

*It's also that growth leads to stability...*

*Growth leads to country that is better equipped to come together...*

*And get its future back.*

*That's why it's always been so critical to my political project.*

*The key ingredient of that 'Great Moderation' we became accustomed to before the financial crash...*

*But which together, in partnership...*

*We now have to earn again.*

Excuse the teleprompter-ready layout, and please focus on the substance. In particular, note this line:

*The key ingredient of that 'Great Moderation' we became accustomed to before the financial crash...*

For those not familiar with the 'Great Moderation' this is how ChatGPT summarised it, I

think quite accurately, except that in the UK, I would suggest that this era only lasted from the mid 1990s until 2007:

*The Great Moderation refers to a period of economic stability and low volatility that many advanced economies, including the UK, experienced from the mid-1980s until the global financial crisis of 2008. During this time, key economic indicators such as inflation, interest rates, and output growth showed reduced fluctuations compared to earlier decades. For the UK, this period was marked by sustained growth, lower inflation, and improved macroeconomic management, particularly with the adoption of more effective monetary policy tools.*

In other words, this was the era when neoliberal fervour cast all regulation aside, directly leading up to the financial crisis of 2008, which did not happen after the Great Moderation and did not even end it but was an integral consequence of it.

What Starmer wants to create is the madness of that era that led to massively over-leveraged banks, vastly over-indebted households, absurd asset price inflation and the collapse of real value in the economy because all that mattered was financialisation, which ultimately led to a massive financial crisis with the day only being saved by the first major use of money creation by governments in the fiat currency era.

If Gordon Brown's time as Chancellor is your role model, you're in the school of thought that suggests that those jumping off skyscrapers without a parachute have a great time until they crash. It's an uncomfortable analogy but an appropriate one.

And that is where Starmer is. He's so blindsided by the lure of the money those in finance have that he will do anything to be a part of it until it crashes, that is. Then, he hopes there will be others to pick up the pieces. As a summary of the madness of his premiership, that might be as good as it gets.