

Financial Solutions

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Numbers of commentators on economic questions are presently writing or saying that the world's financial system is on the brink of collapse. None of them are sure of the timing, but many of them predict that it will be a major collapse. Yet before the onset of the financial crisis in 2008, few people saw it coming because they were comfortable in a way of life that seemed well established and for ever moving forward. However, if these commentators are right, it is about to come off its hinges.

We should all of us be thinking what went wrong and how it should be put right. Here below are a series of practical proposals, adapted from a recent article on the website *Burning Platform*. One need not agree with each of them to begin envisaging alternatives to our present broken system. There are political and financial proposals. Let us begin with the latter:—

*Nationalize those banks which by being “Too Big to Fail” can hold the State to ransom. Let any consequent losses fall on the people responsible or involved, not on the taxpayer. *Re-institute (in the USA) the Glass-Steagall Act to stop banks from ever becoming so big again. *Re-institute mark to marketing accounting rules, so that banks can no longer pretend that their assets are worth much more than they are worth in the market-place. *Regulate the derivatives market so that likewise no financial entity can become so big that it can threaten to crash the entire system if it goes under (as happened in the USA with AIG). *Simplify the present highly cumbersome system of income tax, or replace it altogether with a consumer tax, and eliminate corporate tax breaks. Notice how such proposals may be explicitly financial, but they are implicitly political, because to be put into practice they would need a significant change in the political way of

thinking of the people and especially of the leaders. Finance depends on politics. Here are the more obviously political proposals, which may be disputed, but they at least point in the right direction:—

*To combat the corruption of too comfortable politicians, impose term limits. To combat the corruption of elections by special interests, cut out all lobbying and lobbyists. *To cut down the power of the central bank, take away its control of the nation's money supply. *Re-organize the States' welfare benefits, today so draining the States' finances that tomorrow they will be able to benefit nobody. *Re-instruct the people to go without, and to accept a lower standard of living, so that instead of spending society into oblivion, they build it by saving. *Do what can be done to replace suburban sprawl by more self-sufficient communities. *Renounce world empire so as to cut down the enormous military spending of the USA, for instance by bringing thousands of troops home from their bases all over the world.

Here again, for such proposals to be put into practice, they require great changes in the people's way of thinking, especially in that of the leaders. Political decisions depend upon what people value more, or most. Why are we alive? To enjoy on earth, or to be truly happy for eternity? Is that an either-or question? Is there an eternity? Thus politics depend on religion, or on the lack of it. Will today even a financial crash bring anyone to their senses?

Kyrie eleison.