be obliged, and one hopes eager, to challenge the power of money, and reject the prevailing economic orthodoxy. They will, in fact, become more like Jesus.

This thesis is currently available on the University of Exeter's website, (https://eric.exeter.ac.uk/repository/handle/10036/3065) but one must hope it will find a wider readership than that suggests.

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Finance at the Threshold: Rethinking the real and financial economies
CHRISTOPHER HOUGHTON BUDD
Gower 2011 £65 9780566092114

Finance and tax become interesting when Barclays bankers like Ricci Rich get a £44mn bonus, and when Barclays, whilst making over £11bn profits only paid £113mn in corporation tax this year. And when no less than Mervyn King of the Bank of England says that, 'Never in the fields of financial endeavor has so much money been owed by so few to so many and one might add, so far with so little real reform.' So the analysis by Chris Budd of the 2007 banking crisis, drawing on his understanding of Steiner's economics is welcome.

To summarise his argument, the usual explanation for the global financial crisis is that banks stopped lending to one another in May 2007. They stopped trusting each other. This caused a freezing of credit, which then triggered the failure of some big banks. As a result, the economy went into recession. 'To get the economy going again", governments have provided huge tranches of capita and guarantees to banks, up to a trillion pounds in Britain alone.

The hope is that these measures will return us to business as usual, meaning (a) banks lending to one another again (albeit on less risky grounds) and (b) property values returning to summer 2007 levels, from whence they can continue upward. So the hiatus in inter-bank lending is thought to be but a blip. Enormous in size and global in scope, but a blip nonetheless.

Budd asks the question,' Why did the banks stop lending to one another? And why now? Is the problem merely a matter of over-loose credit due to the relaxation of traditional prudence? Or did global finance find itself at its limits, both technically and epistemologically? Have government bailouts really worked, therefore, or merely 'kicked the can down the street'?

The global financial crisis could trigger a paradigm change in thinking. Global finance has brought us to the limits of what mechanistic economic explanations can capture. New ideas, and above all new instruments are needed, so that capital can instead support fresh initiative, especially on the part of young people. As there is too much surplus capital floating round, it should be used, 'to write off.. a portion of global capital in favour of nascent enterprise-the undertakings that will result when someone becomes a doctor, farmer, carpenter. If this were done on a conscious, regular and professional basis, it would amount to what we have called a perennial, systemic jubilee.'

There are good ideas in this book, and this is certainly one of them. However, there is no clear explanation of just how this proposal would work, and whether banks and bankers such as Ricci Rich or Diamond are at all interested in giving, investing or loaning money to young people for education and for enterprise. There is no discussion of how this would work as reliably, effectively and equitably as, say, the state funding of young people through higher education, as a public investment. When the financial system and capitalism was once to an extent underpinned by moral values, such as Barclays' founding Quaker values, Budd's idea for a kind of trickledown might have worked. But how realistic is this proposal now when the self interest of unfettered financial capitalism rules? As Keynes once observed, financial capital left to itself will try to dominate.

Budd accurately observes that the last twenty years have seen the ballooning of excess liquidity and the generation of enormous banking profits by selling complex financial 'products.' Encouraging the using up, the re-circulation, of such excess capital generated by the present financial system through giving to cultural life and supporting education, however is a good idea.

But I am not sure that Budd really analyses the many ways that such excess money is generated in the first place, such as through the financialisation of once common pool resources, through the financial engineering of hedge funds, through debt created money, through extensive qualitative easing (an equivalent of printing money and giving it to the banks), and though the growth of the unregulated, secret, offshore financial system as researched by Nicholas Shaxton in his new book, *Treasure Island.* And I was also left with the question, 'So why on the one hand is there 'too much capital' swishing around, and on the other hand are the banks so unwilling to lend to each other, to ordinary businesses and to households?

Surprisingly, no attention is given in the book to the analysis of the freezing of interbank lending by a range of heterodox economists including social credit thinkers, green economists and Marxists. And, after a literature review of 'a range of commentaries, selected at random,' it would have been relevant to conduct original research directly with the bankers themselves why they stopped lending to each other. And why selected at random?

Gillian Tett, the Financial Times journalist who *did* see the credit crunch coming from her derivatives research, suggested that few politicians were at all financially literate in her book *Fools Gold*. And Chris Budd is keen that young people become financially literate, as well as get their education and initiative funded by a permanent jubilee. But he faces the challenge of how to convince wealthy financial institutions and the Davos class that this is in their self-interest and how to design new, presumably banker friendly 'financial instruments' such as the equivalent of student grants and loans to be available on the financial markets. And why not consider a basic citizens income at the same time, as a practical way of giving social credit and effecting a permanent jubilee-not just for the Rich Ricci's of this world, but for ordinary people?

The more discussion, analysis and insights raised by such books as this, the better. Unless we have a clear analysis, take responsibility, re-establish the boundaries around 'proud finance', rebalance society between civil society, government and business, reclaim our financial commons as the servant of society not its feudal master-then the 2007-9 credit crunch will come to be viewed as just the prologue to systemic financial meltdown. As Mervyn King said, there has been little reform. Martin Large, author of Common Wealth for a free, equal, mutual and sustainable society.

Martin Large, author of *Common Wealth for a free, equal, mutual and sustainable society.*

DE-CODING MAMMON
MONEY IN NEED OF REDEMPTION
Peter Dominy

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