

Why do BBC journalists report untruths?

I awoke yesterday to the R4 Today programme reporting I had called for the Bank to cut its interest rate. I had done no such thing. It is all there for them to read on my website if they now wish to report my views. There is a short form on twitter if they want the headlines. Why do they not read or check before reporting?

The BBC has singularly failed to hold the Bank of England to account. It has lamely repeated the nonsense that our inflation could not be foreseen and arose from the war in Ukraine. They ignored the difficult questions I put – Why was UK inflation three times target before the invasion? Why did inflation in Switzerland, Japan and China stay down if global energy prices were to blame? They failed to report my study of five Central banks showing how the Central banks that avoided extra bond buying and money creation did better on inflation.

The Bank of England is independent when it comes to setting the base rate. I have avoided calling for changes. It is not independent on bond sales and purchases, where I have been critical and called for fewer bond purchases and now for no more sales in the market.

I have called for greater diversity of thought on the MPC with a new approach to recruitment and remuneration. I have also campaigned to get the Bank to amend its models as its inflation forecasting has been so poor. If the Bank cannot forecast inflation reasonably accurately it has no basis for fixing money policy sensibly.

The BBC will doubtless continue to ignore all this whilst it busily makes up an alternative reality it prefers.

The drivers twelve days of Christmas

On the twelfth day of Christmas my true love said to me

Twelve ferries cancelled

Eleven lanes a closed

Ten restriction signs

Nine diggers digging

Eight potholes threatening

Seven bollards blocking
Six cameras flashing
Five closed roads
Four different routes
Three speeding limits
Two red lights
and traffic jams on the motorway

Time to reset economic policy

Inflation has fallen a long way and the economy has stalled. That is what you should expect given the intense monetary squeeze administered by the Bank, and the efforts at fiscal tightening by the Treasury.

There hasn't been a worse collapse in output and jobs because the tax rises and fiscal tightening started from a loose heavy borrowing position. Many better paid people have extra savings from covid period earnings when their spending was cut by lockdowns. Savers have some increased interest returns. The public sector has continued to expand job numbers and offer substantial wage increases to settle strikes .

The US economy has also seen a big fall inflation from tight money policy. It has had high growth this year from savings overhangs and from a large fiscal boost, with an extra \$1trillion of state borrowing.

The UK needs to relax the monetary squeeze a bit. The Bank has had a very bad run of wrong forecasts and damaging policies, lurching from too easy to too tough. It should stop the sales of bonds in the market at big losses, which add to the shortage of money . The Chancellor is in joint control of this policy and pays for all the losses, so he should sort it out with the Governor now.

The Chancellor should use the coming big fall in debt interest costs given the way they calculate and report them from falling inflation. This reduces the costs of indexed bonds considerably. He should announce a growth strategy with cuts to IR35, increases in the VAT business threshold and reductions in energy taxes at its heart. Cutting energy taxes would also cut inflation more, reducing spending pressures further. Lower energy taxes could save more of our industry and reduce imports.

He should impose an immediate freeze on external recruitment by the civil service and other public administration.

Happy Christmas

I wish you all a happy Christmas.

Feel free to comment on anything you like today. I will catch up tomorrow.

Christmas Eve

My poem for Christmas

Will Santa come for me?

May you all feel the excitement of Christmas.

WILL SANTA COME TONIGHT?

“Will Santa come? Will Santa come tonight?”

“He might. He might.

If you are good, he might.”

“Can I stay up and see?”

“No. He will not come for you or me

if we do not sleep . He’s too busy to meet us all.”

“And will he come for us?

If you go to sleep – he does not like fuss.”

Tonight, by the lights of the tree,

there is, at last, some grown up time for me.

The cake is iced. The wine is spiced .The carrots diced.

The pudding’s steamed. The brandy butter creamed.

The turkey prepared awaits. And yes, I did clean the plates.

The tree is up, the table laid,

the cards are out , though the credit card’s unpaid!

So shall I soon with gifts a plenty
mount the stairs to deliver twenty?
Do I dare to tread the stair?
And will it creak?
And will it make a noise that upsets all those Santa ploys?
I need to know if they slumber before I arrive with my lumber.
If they are still awake what dreams will go?
Or do they know? And is their belief just all for show?
So tonight by the magic tree there is need of more time just for me.
I will wait – and struggle to keep open my eyes
And wrestle with the morality of eating Santa's mince pies.
My adult mind is full of Christmas chores
The cooking times, and the cards through neighbours' doors
Drinks with friends to come – but not that cheap red
Which would give me a headache as soon as I got to bed
I was once a child too excited to sleep with a torrent of thoughts about what
I might be given
Hoping that it was a toy beneath the wrapping
Should I peep? –Not more socks or hankies, preferably something to be driven
So could Santa still come for me? Drowsily I dream as if I were eight
Hoping that Santa would not be late
Like every little boy there is of course a much wanted toy
So will Santa come tonight? He might, He might.
If you sleep well and if you believe
Only if you believe. And only if in your family Love fills the hours you will
be spending.
It could be the true Santa on the stair
Or it could be someone from an empty chair.
So will Santa come? He will. He will.