

Third time lucky Mervyn King should make it Green QE3

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From [today's Guardian](#), from my Green New Deal colleague Colin Hines:

[Mervyn King](#) is right that the UK is looking over an economic abyss ([Britain in grip of 'worst ever financial crisis'](#), 7 October), but giving greedy, tight-fisted banks a further £75bn in the hope that this time they will lend enough to business is a fantasy. [Quantitative easing](#) should instead have been used to increase economic activity and hence jobs and business opportunities. Without that, who is going to want to borrow when for many businesses the real crisis is increasingly a shortage of sales and not a shortage of capital.

The [Bank of England](#) could have started to tackle this demand deficit, had it used a substantial percentage of the £75bn to finance a green new deal to make all UK buildings energy efficient. This would have helped kickstart the economy by creating hundreds of thousands of jobs where people actually live. King admits he will probably need a QE3, but to be third-time lucky he should make it a green QE3. It could even be nicknamed plan B.

Colin Hines
Convenor, Green New Deal Group

Full details of [Green Quantitative Easing here](#).