

There is a good case for targeted lending to manufactur...

Published: January 13, 2026, 11:36 am

From [Bill Keegan in the Observer today](#):

The [problem] is the way that the media has bought Osborne's woefully wrong view that the main economic problem was the budget deficit. The main economic problem is the poor performance of manufacturing industry, capital investment and the resultant balance of payments deficit. Everywhere I go I hear businessmen complaining that, whatever the banks are doing with quantitative easing, they are not lending enough for new investment and general plans for expansion.

There is a good case for targeted lending to manufacturing by the banks the state rescued and now controls, not returning them to a private financial sector dominated by short-term considerations.

Or to put it another way, we need the government to create money that can be put to use in the real business economy as far away as possible from the finance sector that would misuse it with that to be undertaken from a state run bank.

Call it [People's Quantitative Easing](#), I suggest.