

# The Telegraph is deeply confused

Published: January 14, 2026, 1:29 am

---

The Telegraph is deeply confused about People's QE. [In an article out this morning it notes](#):

*Economists warned that [PQE] would have disastrous consequences. Tony Yates, a former Bank economist and now a professor at the University of Birmingham, said: "Down that road leads monetary policy ruin."*

Poor Tony: perhaps he has not noticed that monetary policy has effectively ceased to exist for the last six years or so as interest rates at or near zero have gutted it as an instrument of policy and given [what is happening in China](#) it is unlikely to see a revival for many more to come.

Then they quote Mark Carney, the Bank's Governor, who they report:

*has said that he could "not envision any circumstance" in which an advanced economy central bank should finance government deficits.*

It seems Mr Carney should look at what happened before he got here. From 2009 to 2012 HM Treasury borrowed (as I recall, but I think I am right) £426 billion and over the same period the Bank of England repurchased £375 billion of gilts. If that was not the Bank funding the deficit what was it Mark? Please tell?

And then they say:

*Mr Corbyn's proposals would clash [with Article 123 of the Lisbon Treaty](#), which forbids central banks from printing money to finance government spending. Lawyers warned that a lengthy fight with the EU would be a certainty, and could mean that infrastructure projects end up incomplete.*

So that's why the Bank of England was allowed to buy £375 billion of government bonds, the ECB is now buying €1 trillion of bonds in an operation that looks very like PQE and people like Adair Turner and Martin Wolf can mention helicopter money and not once is section 123 mentioned.

The challenge won't happen. I have bothered to [establish that this is legal](#). [Mario Draghi](#) and [Mark Carney](#) have both made clear this is the case.

So, in the past resort Tony Yates mentions Zimbabwe. You know they're desperate when they get to that point. It's not even worth responding to someone who has so run out of arguments that they have to stoop to such levels.

And what is really odd is Peter Spence spoke to me and I cleared all these points with him. There is not a mention of that, I note.