

How long until People's Quantitative Easing? Not long, ...

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As the [Guardian and other papers have reported](#):

Interest rates in the UK could be cut further from their record low level, the Bank of England's chief economist has warned, as he highlighted signs that the global financial crisis is entering a third phase of turmoil.

The signal is that we could have an official negative interest rate soon.

Why's that:

Andy Haldane used a speech entitled "How low can you go?" to flag signs of a slowdown in the UK and discuss events in China, where an economic downturn has coincided with a stock market rout and sent jitters through global markets.

As the paper notes:

His comments appear to be at variance with the Bank's governor, Mark Carney, who has indicated that rates might rise from 0.5% early next year.

As [the Telegraph reports](#):

Andy Haldane, one of the Bank's nine interest rate setters, made the case for the "radical" option of supporting the economy with negative interest rates, and even suggested that cash could have to be abolished.

Why abolish cash? That's so that people would have no choice but leave their money in the bank at deteriorating rates.

Haldane did not stop there. He said:

The balance of risks to UK growth, and to UK inflation at the two-year horizon, is skewed squarely and significantly to the downside

And made clear that:

he [sees] the case for raising the UK's inflation target to 4pc from the current level of 2pc. Mr Haldane said that a trend towards low interest rates across the globe has made it increasingly difficult to fight off recessions.

In the past, central banks have helped stimulate economies by slashing interest rates. But with rates at rock bottom in many parts of the world, many have found their ammunition depleted.

How long then until we have People's Quantitative Easing? I designed it to address this issue, after all. Mark Carney says he does not approve of it. What if he has to do it? And what will the naysayers say then?

PQE is an idea whose time is coming, soon, I suspect. And of the options available it might well seem amongst the least radical on the table.