

Is anyone going to take this letter to the FT seriously...

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As I have reported on this blog, there have been letters supporting the debate created by Corbynomics, including [one notable one from more than 40 academics in the Observer](#).

Tonight the near [inevitable response](#) has come in the FT, from 55 academics. I can't help but be amused by it. They start by saying:

Sir, We wish to register our opinion that [the economic policies sketched by Jeremy Corbyn](#) are likely to be highly damaging, and send this message to counter the impression that might be got from the previous [letter of "41 economists"](#) that Mr Corbyn's policies command widespread support in the mainstream of the discipline.

Which means:

We've suddenly realised someone has had the temerity to challenge what we say and have finally got ourselves sufficiently together to draft some sort of response.

They continue:

Renationalising industries is highly unlikely to improve the performance of its targets, and very likely, if history is anything to go by, to make things worse. If compensation is paid, it will be a waste of fiscal space, even unaffordable; in case it is not, it will be extremely damaging to the climate for enterprise in the UK as other companies fear the government would get a taste for it.

Which in translation says:

How dare you suggesting nationalising things? If you do there's a good chance things might work out for the best and that will prove we're wrong in saying the market has all the answers, once and for all, and we really don't like that so don't upset us, or else

Then they add:

"[People's QE](#)" would be a highly damaging threat to fiscal credibility, and unnecessary, since at this time of very low interest rates and tolerable debt/GDP public investment – in many areas much needed – can be financed conventionally.

This also needs a bit of translation. What it means is:

We want you to believe that we think that the Bank of England is independent even

though there's a whole pile of paperwork showing all decisions on QE were taken in the Treasury , and in case you rumble us we'll pretend we're all in favour of bond borrowing that's more expensive than PQE even though we actually think austerity and cutting the deficit is vital to UK recovery, and we just hope you won't notice the flipping great hole that creatwes in our argument

And finally they say:

Figures put on money that could be found from ending “corporate welfare” and combating tax evasion are almost unbelievable and add to the sense that Mr Corbyn’s plans have not been seriously thought through.

The corporate welfare figure is not mine, so I will leave it aside. Let me address the other part on the tax gap. What this says is:

We can't possibly believe that there can be a tax gap, or that the return on investment to recover it is at least 18 to 1 even though HMRC staff do believe theere's such a gap and the recovery rate is the one HMRC uses.

I suppose some people think this letter is telling: the FT is giving it headlines. But seriously, is this really the best they could do? If so there really is nothing to worry about.