

# Funding the Future

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*The following press release has been issued by the Green New Deal group this morning:*

**Bank of England should use the £10 billion windfall  
to kick-start 'jobs in every constituency',  
say Green New Deal Group**

The global economy is reeling and the Chancellor's dreams of 'rebalancing the economy' with a 'march of the makers' selling to a booming China lies in tatters. In response Professor Richard Murphy, widely credited as the author of 'Corbynomics', and the Green MP Caroline Lucas have called upon George Osborne to urge the Bank of England to use the £10billion quantitative easing windfall it has received from the Treasury this week to kickstart a 'jobs in every constituency' programme to help counter the adverse economic effects of global economic instability.

New research by Professor Richard Murphy shows that the Bank of England will this year receive at least £20.1 billion as some of £375 billion QE fund is repaid as the gilts in which it is invested reach their final redemptions dates.

This means that the Treasury will pay the Bank of England £20.1 billion during 2016 and, because the Bank of England has decided to keep the UK quantitative easing total at £375 billion, the Bank will then have to reinvest this sum in further gilts (or government bonds) that it will buy from banks, insurance companies, pension funds and others. This reinvestment will happen in two broadly equal tranches, one this week and another in September. This will happen despite the fact that it is now widely thought that this type of quantitative easing has helped wealth flow into the hands of those already well off and that it has, as a result, helped create the financial bubbles that are now bursting all around the world.

Professor Murphy and Caroline Lucas MP are suggested that this sum should be used to buy bonds issued by a new National Investment Bank (or the existing Green Investment Bank, or both, depending on the intended use of funding) which will be tasked with creating national infrastructure and a sustainable energy future for the UK. This

would reduce the threat of climate change and in the short term would create new jobs, support demand and inject funds into the local economy of every constituency in the UK.

Caroline Lucas MP stated 'the Bank of England's calculations have shown that the £375 billion of QE released into the economy between 2009 and 2012 did little to support the general economy. What it did do was boost the value of shares and bonds by £600bn, with 40% of the gains going to the richest 5% of households. The Bank of England now has an opportunity to use QE much more positively by investing the £10 billion windfall it has received from the Treasury in green energy and retro-fitting of existing buildings, generating secure jobs be in every constituency, reducing people's fuel bills and getting climate emissions down too".

Professor Murphy asserted that "a recessionary environment is once again sweeping the UK. This time we have to tackle it head on. Green or People's QE could do that. The programme could be kick started this week by putting the £10 billion redeemed from the QE programme by the Bank of England on 22 January into new real investment instead of buying government bonds in the open market. That's what a brave Chancellor should propose. It is what a brave opposition should suggest. This is not the time to wait. This is the time to start saving the UK economy. Over to you George Osborne and John McDonnell'.