

The irresponsibility of the Office for Budget Responsib...

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I have had a chance to review the Office for Budget Responsibility's [Fiscal Risk Report](#) for the UK for the last 30 minutes or so. It's over 300 pages long. Of course what follows is not a complete review, but searching some key words always helps find key facts.

The headline is that it says we are in a bad way:

Over the longer term, we see some relatively high probability, high impact risks to fiscal sustainability.

That's the one thing the report seems sure about.

And now let me say why this is nonsense. First, it assumes we must balance the books by 2025. This is its key assumption.

The second key assumption is that whatever happens in the future the government will do no more QE, even though the report admits that one third of all government debt is now owned by the government and that the debt in question has, effectively, been cancelled.

And, third, it assumes that in that case the government is beholden to inflation and debt management risks over which it seems to think it has little control, even though the report acknowledges that QE has managed this risk rather well.

So, to come to some basic first conclusions they are that this report is based on an objective of a balanced budget that is neither desirable and attainable, goes on to ignore the most powerful economic weapon used by the government in the last decade and all of its consequences and then suggests that prudence is required even though this is only because the OBR is assuming that we are living in a household economy, subject to the whim of markets, when that is simply not true.

That could be dismissed as absurd except for the fact that such a report, based on such unsound logic, will impinge massively on the well-being of people in this country. It would seem that the reckless economic irresponsibility of the Office for Budget

Responsibility knows no limits, and we'll all pay the price for that.