

# The Bank of England realises that coronavirus means tha...

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I'm sharing a [large chunk of this comment from the FT](#) because it is important:

*Andrew Bailey, the incoming governor of the Bank of England, said on Wednesday that it was very likely the central bank and UK government would soon need to provide bridging finance to small companies to help them deal with coronavirus.*

*Under questioning at the Treasury committee, Mr Bailey insisted he would not just be a “safe pair of hands” at the central bank, but would also act quickly to mitigate crises. He said it was already pretty clear “we are going to have to provide some supply chain financing so that the effects of the [coronavirus] shock are not damaging to small and medium sized firms,” he said.*

*“We’re going to have to move very quickly to do that,” he added, highlighting that the BoE’s response should not be limited to traditional monetary policy tools of changing interest rates.*

*Setting out his attitude of BoE independence, he said, “we must act in a co-ordinated manner [with the government] and can’t let out independence get in the way of that”.*

This needs unpacking. First, it says that there is an awareness in the Bank, if not in the Treasury, that we're facing a crisis.

Second, it says that extraordinary measures will be required.

Third, they only see that as an SME issue: apparently people are inconsequential and will not need help.

Fourth, since individuals and SMEs do not hold accounts with the Bank of England very clearly this must mean that the interventions will come from support to other banks.

Fifth, if traditional monetary policy is not the limit then the very strongest hint that QE is on the cards has been given.

And sixth, the conventional rules laid down by neoliberal dogma are going to be thrown aside: the charades of that policy will be exposed as the shams they have always been and that the Bank has, and always will, work with and for the Treasury.

This is significant: it is the first sign that there is awareness of the crisis that we face.

The [types of policy I have proposed](#) will follow next.