Funding the Future

The Governor of the Bank of England is intent on creati...

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Andrew Bailey has said in a speech published this afternoon that:

Based on analysis conducted in conjunction with colleagues at the Debt Management Office, we are currently looking at a total reduction in the stock of gilts held by the APF, which covers both sales and gilt redemptions, of something in the region of £50-100bn in the first year.

To reduce the Gollum-like nature of Bailey-speak to something approximating to plain English, what this means is that the Bank of England intends to reverse between £50 and £100 billion worth of quantitative easing in the next year, sucking this amount out of the economy as a result.

So, as we face a Bank of England-induced recession he wants to compound the suffering by sucking funding out of the financial markets that might have been available for productive investment to destroy it instead and put it beyond use, clearly with the intention of inducing recession which he thinks the condition for beating infaltion.

In the next year millions will face misery and financial destitution in this country and what the Governor of the Bank of England wants to talk about is making things very much worse.

How did we come to live in a society like this?