

There is every reason to be worried

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Compared to the end of last week, I had a quiet weekend. I had little choice. The antibiotics for post-Covid sinusitis ended, and the sinusitis and the fatigue returned. So I tried to rest. However, some themes emerged over the weekend, albeit not nearly strongly enough.

I wrote these on Twitter:



John Harris [had a good article in the Guardian](#) on a not dissimilar theme.

A lot of fuss was made by the Guardian about Gordon Brown [saying we needed an emergency budget](#). The trouble was, he did not say what needed to be in it.

Rachel Reeves didn't either:



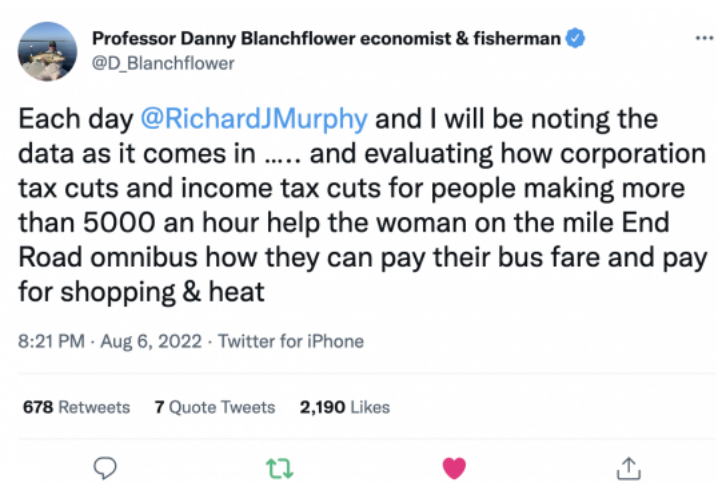
Process is not the same as action. Danny Blanchflower noticed:



As he also noted:



He added:

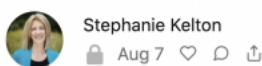


That is the aim.

Stephanie Kelton noted this. As [she asked in her substack column](#) (behind a paywall, but recommended):



Why Are We Kneecapping the Recovery?



Stephanie Kelton
Aug 7

Her key argument was on interest rates:

I consider myself a fairly vocal critic of the strategy to bring down inflation by indiscriminately jacking up interest rates. And while I have mostly focused on the Fed, other central banks are pursuing similarly troubling policies. For example, just last week the Bank of England's Monetary Policy Committee (MPC) delivered the biggest rate hike (50 basis points) since 1995 while **simultaneously** delivering news that the British people are facing a long and painful recession. For a critique of British policy, I recommend **reading Richard Murphy** and **David Blanchflower**. Both have advised policymakers in the UK, and Blanchflower, who is a former member of the MPC, **says** that if he was on the committee today, he would be voting to **cut rates** by 50 basis points. Here they are in tandem:



Why note all this? Because being a Cassandra feels like being in an uncomfortable place right now. As I also noted on Twitter:



We are heading for a meltdown. You would not know it from the government's actions, and the Opposition is not demanding specific actions from it. Of course I am worried.