

The accounting for QE is anything but transparent

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I am at present working on the draft of an academic paper on the accounting for quantitative easing. Like all such papers, it will be some time before it sees the light of day.

I did, however, notice this [in the letter](#) from the late Alistair Darling sent to the Bank of England in January 2009 that set up the Bank of England Asset Purchase Facility that managed this fund:

You will also need to ensure that regular public reporting of the scheme provides a transparent account of the Fund's operations, together with an assessment of developments in corporate debt markets.

The one thing I can guarantee you is that this is the last thing that we got from the Bank, the Treasury, the Office for National Statistics, or anyone else on this issue. Opacity, denial, obfuscation and misinformation have been the order of the day and still are.

There were good reasons to use QE when it was in operation. I have little doubt that it will be needed again in the future. But the deliberate policy of denial - even to the extent that politicians still claim that it is not possible for the government to create money when they do so every day, without fail - that has surrounded this issue is profoundly harmful to the use of this essential tool.

I am going to presume Alistair Darling wrote in good faith. No one ever since seems to have acted in that way. It is a shameful episode in the UK's economic management, which is why the paper is worth writing.