It's time to end Andrew Bailey's power-play at the Bank...

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The Bank of England did not cut interest rates yesterday, although three of the nine members of the Monetary Policy Committee wanted to do so by 0.25 per cent.

The Fed did cut rates the day before but indicated that the pace of cuts will need to slow to manage continuing inflation risks. Markets did not like that.

Only the ECB retains the courage to push rates downward, and it needs to do so given the state of many EU economies.

What is happening? Three things.

First, inflation paranoia continues to grip the UK and USA. Europe, meanwhile, has noted there is a real political and economic crisis outside the world of central banking that needs to be addressed.

Second, the media in Europe knows that reduced rates give people a chance to afford life. In the UK and especially the USA, the impact of interest rate changes on the value of stock markets appears vastly more important to the media than anything else.

And in the UK, in particular, the claimed concern is about the supposed re-emergence of inflation - which, as I have shown, the Bank knew might happen at least nine months ago - and which has become, as a result, an excuse to try to hold pay increases down when there are good reasons why pay rises are required so that spending power in the economy is restored.

In summary, then, there is a detachment in the UK and US from reality when considering this issue. In the ECB, there might be more realism.

You cannot run an economy with detachment. The Bank of England is a player within the economy, not an observer of it. The game it is playing, pretending to comment whilst actually seeking to influence the very things it claims to be dispassionate, but worried about, is all a sham. Andrew Bailey and his cohort are power-playing at cost to the UK, its people and its economy. We really do not need that.