

At a time when big thinking is required, we have the Wi...

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As [The Guardian](#) notes this morning:

Fears are mounting that Donald Trump's trade war will hurt the UK economy, even as the US president backtracks over some of his tougher measures.

Even though Britain is getting off relatively lightly with a 10% tariff, new trade disruption is likely to damage economic growth.

Andrew Bailey, the governor of the Bank of England, sounded the alarm in Washington last night, where the International Monetary Fund's Spring Meeting is taking place.

Three thoughts.

First, he was paid a great deal to make that statement of the bleedin' obvious.

Second, that he needed to say it suggested that he had previously thought otherwise: this reality has only just dawned on him.

Third, he is right. You only had to read what I have been saying here for a while to know that.

But, as ever with Bailey, he left the obvious question hanging. What are the consequences of this?

He hinted that one might be a cut in interest rates. Hallelujah! At last! But before I get too excited, I suspect that he means by a quarter of a per cent.

And after that? Who knows: Asking Bailey to think beyond the details of the time and location of his next dinner with the great and powerful is a bit much to expect; beyond his pay grade, he might say.

So let me spell it out. What we need is a fundamental rethink of the way in which the economy is managed:

- * For whom
- * With what goals
- * And with what governance structures
- * Based on what economic understanding
- * To reflect which power relationships that are of importance in society, and, as significantly, how their corrosive impacts might be addressed

But that is too much for Bailey to think about.

He can only manage one task at a time. Inflation is his only goal. Interest rates are the only tool. Anything more than that really is too taxing for him (because he can't do fiscal policy).

And the chance that the status quo might need to be challenged really is beyond his comprehension.

At a time when big thinking is required, we have Andrew Bailey at the Bank of England: the Winnie the Pooh of central banking, surrounded by Piglets. Such is our fate.