

The Chancellor changes his mind.

The Chancellor who told us he could not afford another financial package before the autumn produced £15 bn of giveaways yesterday. He says £6 bn of that will come from a new windfall tax on oil and gas, and the rest will be covered by existing taxes and borrowing.

Instead of taking down taxes on oil and gas heating and petrol which would have reduced inflation he went for the route of one off payments to people. Had he done more to cut inflation it would have cut his costs more, many of which are boosted by higher inflation.

He did not quantify the large amount of extra tax he must be collecting on energy profits and sales given the huge price rises. His taxes make the cost of living crisis worse.

He did tell us the Bank of England is independent and will now start getting on top of inflation. So I reminded him that he authorised the printing of another £150 bn of new money for strong recovery year. I asked him if he thought at the time that could be inflationary. He did not have an answer. I also pointed out he guaranteed the Bank against all losses on the bonds they bought, as his predecessors did. I asked him about the impact of the losses they must now be making. Again no answer.

Let me try again. What was it about the £150 bn you ordered to be printed that made you think it would not be inflationary?