

We need a majority government who can boost our economy now with the right budget

As feared and forecast here UK growth in the latest figures has slowed again, as has growth in most parts of the world.

I have been recommending for sometime that we need both a monetary and a fiscal stimulus. Monetary change awaits a new Governor of the Bank of England, which in turn awaits a government with a majority. Fiscal change also is waiting on such a government. The outgoing minority Conservative government did not think it could get the tax cuts through the Commons that the economy now needs to give it a boost and was apparently unable to agree with officials about a suitable new Governor.

The hung Parliament that did so much to create uncertainty and delay over Brexit did other damage as well. It diverted attention from big matters like the need for an economic boost, and made officials minded to avoid changes on the grounds that there was no Parliamentary majority for anything worth doing.

The new government formed by a change of PM has clearly signalled they recognise the need for a budget which boosts incomes, activity and public services. We need it as soon as possible. It is a fundamental reason why we need a government with a majority on December 13th so we can get on with the changes we need. The USA has recently seen a \$150bn injection by the Central Bank into markets to give things a boost even though the USA is growing much faster than the EU or UK. The ECB is administering a Euro 20 bn a month stimulus. The UK does not need more Quantitative easing but it could do with facilities for banks prepared to lend against good projects and to consumers to buy homes and cars. Consumers could do with a post Christmas present of keeping more of their earnings to spend on their priorities.