

## **AN UNFESTIVE MESSAGE FROM HUMPHREY & CO**

It gives us no great pleasure to say it, but we told you so. The Pre-Budget Report, recited recently by the ventriloquist's dummy, Mr Darling, was a seminal moment when the sheer scale of the economic ruin facing the country was laid out for all to see.

We have been concerned for many years by the astonishing amount of Government and personal debt racked up in the UK. Absurdly inflated house prices, a culture of easy credit and excessive consumption, vast amounts of taxpayers' money being poured into unreformed public services and the hiring of an additional 900,000 public sector employees were just a few of the issues that set the alarm bells ringing. We have highlighted these issues and others in our newsletters in recent years.

But Gordon 'Prudence' Brown assured us repeatedly there would never be a return to 'Tory boom and bust'. He told us how the public finances were safeguarded by his 'Golden' rule. He told us of the record number of consecutive quarters of growth, the low inflation, the low interest rates and how the economy of UK plc was the envy of the world. The media lapped it all up and dutifully regurgitated the soundbites thrown their way by the head spin doctors, Campbell and Mandelson (how nice to see these wonderful public servants back in harness).

As with all booms, it carried on way past the point where logic said it should turn to bust. There were too many vested interests making sure the economic bubble carried on. Northern Rock and Bradford and Bingley realised that the long established rules about how much people could afford to borrow were wrong and most of the other banks and building societies joined in. Gordon, the canny Scot, had invented a regulatory framework for the banks, so nothing could go wrong there.

Mr Brown had established a winning formula. Money was shovelled out of the door to anyone who wanted it. Credit cards were dished out like confetti. The consumer spending frenzy led to record tax receipts. The Chinese manufactured cheap consumer goods to keep shoppers happy, mass immigration ensured a plentiful supply of cheap labour, stealth taxes went largely unnoticed by the majority and the vast number of additional public sector jobs and welfare claimants created meant enough of the electorate would vote Labour for ever.

Government spending rose to incredible levels. Nobody in Government bothered about the billions wasted, or trivial matters like the total failure to improve transport infrastructure or proper strategic planning for our power stations and utilities. The political opposition was disorganised, incoherent and largely implausible. And all the children at school got cleverer and cleverer.

Funnily enough, the party eventually came to an abrupt end. Mr Brown however has confirmed that nothing is his fault, at all, in any way, whatsoever. Apparently it's all the fault of the Americans. Or the oil producers. Or the bankers. Or all of them. But certainly not him.

In fact, he tells us that he has designed a system to save the whole world from ruin. In the UK, this will include the Government (who couldn't run a wheel stall) running the banks and telling them how much money to lend and who to lend money to. In addition, the appropriate way to deal with excessive Government and consumer debt is, strangely, to take on massive amounts of new debt. Don't worry, even if the national debt is a trillion pounds in a few years time, the general public won't understand how big this number is. Or that this debt is deferred taxation. They won't understand that they and their children are going to pay it back, for years and years, through higher taxes.

The key thing, apparently, is to ensure consumers don't do anything silly like cut back on their spending. It's vital, now that we've run out of money, for the Government and consumers to spend more. And by cutting the price of the £20 Christmas present by 43 pence this will help solve all our troubles.

Jim Callaghan realised right back in 1976 that 'You can't spend your way out of a recession'. Unfortunately, our deluded PM could not have been listening.