

Letter on *The Evening Standard* Message Board, Friday March 27, 2009. This letter responded to the paper's story of the previous day, "Gilts auction flop sparks fears over Government funds," by Simon English, found here <http://is.gd/qsKB>.

WE must keep a sense of proportion about our present economic position. The shortfall in demand for gilts on Wednesday was a tiny fraction of the Bank of England's quantitative easing budget, while the UK's debt to GDP ratio remains manageable and will stay below several comparable EU economies' pre-recession ratios.

But an effective fiscal stimulus is crucial, and Angela Merkel and Czech PM Mirek Topolanek's hostility to further borrowing is worrying. International coordination would make it easier for all governments to reconcile stabilising their economies with limiting the increase in public debt.

To save 100 UK jobs, the Treasury must add around £3 million to our national debt. Through imports, however, this extra debt also pays for 20-30 jobs created abroad. If Germany or the Czech Republic undertook a fiscal stimulus, they would save mostly their own jobs but also some of ours. With full coordination the national-debt cost of saving 100 jobs in the UK could fall to around £2 million.

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