

# Majorca Daily Bulletin

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## Bank of England brings down stimulus sledgehammer

London.—The Bank of England swung into action yesterday against the economic shock from Britain's vote to leave the European Union, cutting interest rates to near nothing and unleashing billions of pounds to cushion the Brexit blow.

In what one bank dubbed a "sledgehammer stimulus," the BoE cut interest rates 25 basis points to 0.25 percent and said it would buy 60 billion pounds (\$79 billion) of

government bonds with newly created money over the next six months.

It also launched two schemes, one to buy 10 billion pounds of high-grade corporate debt and another - potentially worth up to 100 billion pounds - to ensure banks keep lending even after the rate cut. The Bank said most BoE policymakers expected to cut the rate to even closer to zero later this year.

"By acting early and comprehensively, the (Bank) can reduce uncertainty, bolster confidence, blunt the slowdown and support the necessary adjustments in the UK economy," BoE Governor Mark Carney told a news conference. Sterling fell 1.2 percent against the dollar following the announcement, while British government bond yields hit record lows and the main share index rose by nearly 2 percent.

# FLY DRY

- British travel firm announces that alcohol will not be served on their flights before 8a.m. as part of a major crackdown on anti-social behaviour on aircraft bound for top resorts.
- See Page Three.



## Park Ranger dies in major blaze

Madrid.—A park ranger died and about 700 people have been evacuated as a wildfire blazed out of control on the Spanish island of La Palma, emergency services said yesterday. Francisco Jose Santana, a married father of five, was killed while fighting the fire which started on Wednesday and is being fanned by high winds. Spanish police said

they had arrested a 27-year-old German man who, according to a source from the investigation, has admitted to starting the fire accidentally. Spanish media reported that he had tried to burn used toilet paper.

The last major fire on the island, part of the Canary Islands, was in 2009 when 4,000 people were evacuated.



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