



**FINANCIAL
TIMES**



ADJUDICATION

GREG CALLUS

EDITORIAL COMPLAINTS COMMISSIONER

Financial Times Limited

Introduction

1. This is an Adjudication of a complaint made by Jonathan Portes, director of the National Institute of Economic and Social Research (NIESR), about an article by Niall Ferguson, who is the Laurence A. Tisch Professor of History at Harvard University, a Senior Fellow at the Hoover Institution, and an occasional contributor to the *Financial Times*.
2. The Article, headlined “*The UK Labour party should blame Keynes for their election defeat*” was published on 11 May 2015 in the print editions of the *Financial Times*, and at 18:50 BST on 10 May 2015 on FT.com¹. It was commissioned to be under 800 words in length.
3. In summary, the Article was a robust response to Keynesian critics (particularly Paul Krugman of the *New York Times*) of the Chancellor of the Exchequer, George Osborne, and the Chancellor’s economic policy of austerity. The central theme of the Article was that the UK economy is actually doing rather well, in contrast to the doom purportedly predicted by Krugman and the Keynesians.

The Article

4. The Article received a spirited response in the comments, on the Letters Pages of the *Financial Times*, and elsewhere online, not least on Twitter. There are different views taken of British economic policy under the Coalition Government of 2010-2015 and of the correct monetary and fiscal policies that should be adopted.
5. It should not need saying, but I shall say it in any event: no part of my job, or of this Adjudication, will seek to *in any way* resolve or take sides in that debate about economics. No part of my decision depends on the correctness or otherwise of any of the views of any of the participants in that debate. My sole function is to determine whether there has been a breach of the FT Editorial Code of Practice. Anyone hoping for more than that will be disappointed. It is not my function to opine on whether the UK economy is doing well.

¹

<http://www.ft.com/cms/s/0/9dd9c7ee-f71c-11e4-99aa-00144feab7de.html>.

6. The relevant part of the Article about which Mr Portes makes his complaint is the following passage (paragraphs 6-10 inclusive) emphasised in **bold**:

Mr Krugman was equally relentless in predicting that austerity would lead to recession; indeed, he insisted that the UK's economic performance would be worse than during the Great Depression. In April 2012 he warned darkly that Britain would "continue on a death spiral of self-defeating austerity".

It was, he lamented, a "policy disaster" that would cause a double-dip recession and "cripple the UK economy for many years to come".

*In fact, there was no double-dip recession. The UK had the best performing of the G7 economies last year, with a real gross domestic product growth rate of 2.6 per cent. In 2009, the last full year of Labour government, the figure was minus 4.3 per cent. Moreover, far from being in depression, the UK economy has generated more than 1.9m jobs since May 2010. UK unemployment is now 5.6 per cent, roughly half the rates in Italy and France. **Weekly earnings are up by more than 8 per cent; in the private sector, the figure is above 10 per cent. Inflation is below 2 per cent and falling.***

Meanwhile, the government's much-derided policy of fiscal stabilisation has also been a success, even if the extent of deficit reduction fell short of Mr Osborne's original goal. According to the International Monetary Fund, the general government deficit has been nearly halved from 10 per cent in 2009 to 5.7 per cent last year; the structural deficit more than halved from 9.8 per cent to 4.2 per cent. The net public debt has been stabilised at roughly the same level relative to GDP as that of the US.

Few governments since 1945 have achieved comparable economic results from such a difficult starting point. If the opinion polls had been right, and the Tories had not won this election, it would have been a travesty.

The Complaint

7. Mr Portes first complained to the FT at 08:46 on 11 May 2015 by email to the Corrections Desk. His principal complaint was that Prof. Ferguson's use of the weekly earnings statistics had been "*wholly and deliberately misleading*" because the Article cited the 2010-2014 nominal average weekly earnings, not the real (i.e. inflation-adjusted) figures.

8. In the absence of any qualification of 'weekly earnings', a casual reader would (he asserts) assume that the figures were of *real* wage growth, and as such this passage was misleading. Real wage growth has in fact been negative for almost all of the last Parliament, until the final four months of 2014.
9. Furthermore, he says that even if the nominal figures are rightly relied upon, it is misleading to have cited an inflation figure that captures price rises in a single year (i.e. 2014-2015) against average weekly earnings growth over five years (2010-2015). Price inflation over the same five year period, he says, was approximately 11%.

The Response

10. It is only fair to say that Prof. Ferguson, from his emails to the FT and from his public responses on Twitter, does not accept that what he wrote was misleading or inaccurate. When he was initially accused of mistaking the 8% and 10% for *real* wage growth rates, he very quickly confirmed that he had fully intended to cite nominal average weekly earnings growth, followed by an indication of inflation, both being relevant statistics.
11. Part of Mr Portes complaint was that no-one writing about economics in a serious newspaper would cite the nominal growth: he said it was generally accepted that the real growth in wages was what was important. In the course of an often-unedifying Twitter argument with Mr Portes, Prof. Ferguson cited in contradiction an article by Larry Elliott, Economics Editor at *The Guardian*, who said "*Earnings growing at around 2% a year in conjunction with inflation 0.1% lower than a year ago equals a modest increase in real incomes that are likely to keep shop tills jangling in the months ahead*" ("Is the UK in the early stages of deflation?", 19 May 2015).
12. Prof. Ferguson also brought to the attention of Lionel Barber that the Office for National Statistics (ONS) itself releases earnings statistics on a nominal basis, suggesting that there is nothing in the argument that only 'real' wage growth is meaningful.
13. The complaint was handled first by Murray Withers, then Frederick Studemann, before being elevated to editor Lionel Barber. Mr Barber was strongly of the view that this conflict of views was best resolved by Mr Portes having the opportunity to respond, either in a published letter or in an article of his own, making his arguments against Prof. Ferguson's use of statistics.

14. Lionel Barber emphasised that this was a comment piece, and that the FT's commitment to freedom of expression and to a diversity of voices and perspectives meant that it would often be inappropriate to correct purportedly erroneous *interpretations* of fact. The appropriate remedy was therefore a rebuttal.

The Reply

15. A little surprisingly, Mr Portes has declined this offer. In spite of, or perhaps because of, his somewhat rebarbative conversation with Prof. Ferguson on Twitter, he has made clear he has no interest in having a debate on the merits: he considers that the use of nominal figures was an inaccuracy of fact, which was misleading, even deliberately so. He elected, as he has every right to do, to appeal the editorial handling of his complaint to me.

16. After submitting his appeal, Mr Portes drew my attention to an article Prof. Ferguson on LiveMint² in which he says: *"Without question, the pain was real. Average inflation-adjusted weekly earnings fell more than under any postwar government."* Mr Portes paints this as inconsistent with Prof. Ferguson's reliance on nominal earnings in the Article.

Framework for Adjudication

17. As FT Editorial Complaints Commissioner, I have an appellate function, giving editorial the first opportunity to resolve complaints. This is rooted in the due deference for editorial judgment that any quasi-regulatory function should have if it is to properly respect freedom of expression.

18. I may adjudicate breaches of the Code, but unlike a Readers' Editor or a Public Editor, it is not my place to say whether things were done well, or could have been done better. The question of whether or not there has been a breach is always binary. My role is quasi-judicial not supervisory, and other than finding breaches, I will be as disinclined to involve myself in the merits of editorial judgment as a judge would be to consider questions of academic judgment or tenets of religious faith.

² <http://www.livemint.com/Opinion/ZVj906rhSjhYeBJBdq32DM/Niall-Ferguson--The-economic-consequences-of-Mr-Osborne.html>

19. This disinclination will be at its very highest when considering an Opinion Editorial (“OpEd”): a degree of latitude will always be given for comment pieces, *vis* news stories. Save for breaches of the Code, only if an editorial judgment is so egregious that no reasonable journalist or editor could justify it in good faith (i.e. an irrationality or *Wednesbury* unreasonableness test) will I be prepared to interfere.
20. However, allowing for such lassitude, OpEds also often contain unambiguous statements of fact. Statistical citation is the most obvious species of factual statement, which (under Clause 1 of the Editorial Code of Practice) must be accurate. I am wary, as was Lionel Barber, of adjudicating on *interpretation* of facts in OpEds, but a *bare* statement of fact is just as capable of adjudication as if it appeared in a news story.
21. Article 2(1) of the *Financial Times’* Editorial Code of Practice³ provides that:
*FT editorial employees and **freelance contributors must comply with the [...]** Editors’ Code of Practice, a copy of which is set out in Annex 1.*
22. Clause 1 (Accuracy) of the Editors’ Code of Practice, set out at Annex 1, provides that:
- 1.1 *The Press must take care not to publish **inaccurate, misleading or distorted information**, including pictures.*
- 1.2 *A significant inaccuracy, misleading statement or distortion once recognised must be corrected, promptly and with due prominence, and - where appropriate - an apology published. In cases involving the [FT Editorial Complaints Commissioner], prominence should be agreed with the [Editorial Complaints Commissioner] in advance.*
- 1.3 *The Press, whilst free to be partisan, must distinguish clearly between comment, conjecture and fact.*
23. Although headed “Accuracy”, Clause 1 actually concerns itself with three forms of error: statements of fact may breach by being either inaccurate, misleading, or distorted. The forms of remedy available if Clause 1 is breached are: correction, clarification, and apology. It is implicit in both the distinction between ‘inaccurate’ and ‘misleading’, and in the distinction between a ‘correction’ and a ‘clarification’ that a statement of fact may be entirely correct, and yet still breach Clause 1,

³

<http://aboutus.ft.com/files/2014/09/FT-Editorial-Code-08.09.pdf>

24. Whether a statement is 'inaccurate' (in the narrow sense of factually wrong, and requiring a correction) can be judged by comparing the published information to a provably true version of the information. If they differ, and the difference is 'significant', a correction will be directed.
25. A statement will be 'misleading' where the objective reasonable reader of the FT would take away an erroneous belief *about the subject of that statement*, even though the statement was true. The words "John Doe has been caught in bed with woman who isn't his wife" may be perfectly true because John Doe has never married, but if a reasonable reader would take away that John Doe is both married and having an extra-marital affair, the statement is misleading. Significant misleading statements will require clarification, not correction, given that the information is not intrinsically inaccurate.
26. What then of 'distorted'? It clearly is intended to mean something distinct from 'misleading'. My provisional view is that whereas a misleading statement misinforms the reasonable reader about the factual content of that statement, a 'distortion' is an assembly of statements that are neither inaccurate, nor misleading, but collectively give an impression that a reasonable and fair-minded person in possession of all the facts would not have. To say of Adolf Hitler that he was a vegetarian, liked dogs, painted watercolours, and never cheated on his wife might not be inaccurate or misleading in any of the specifics, but would give the most grossly distorted view of his character.
27. An alleged distortion therefore requires me to find the limits of fair and reasonable views of an article's subject matter, to see if the article (although the facts are true) is a distortion of the picture generally. Partly for the reasons discussed above, I will be *much* more wary of doing so where the complaint is about an OpEd (where readers should expect a columnist to be giving a particular, subjective view on 'the truth') than in the news sections (where there is a reasonable presumption of objectivity and fairness).

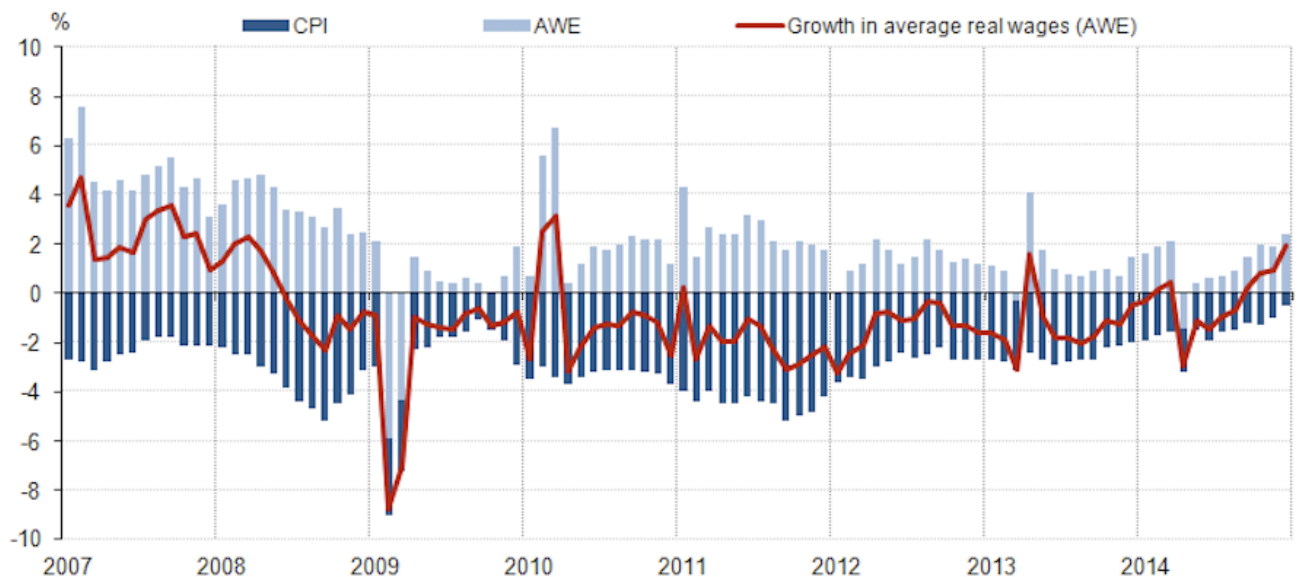
Discussion & Decision

28. Given this was an OpEd, about a highly contested question of 'whether the UK is doing well economically', it would clearly be inappropriate for me to consider whether citation of the statistics complained-of in the Article was a 'distortion'. Although many economists including Mr Portes may consider it to be so, I consider Prof. Ferguson's general thesis

well within the bounds of reasonably-held opinion. I shall therefore limit my inquiry to the one statement alleged to be misleading or inaccurate.

29. The underlying facts in the present complaint are not – as far as I can tell – much in dispute. I have sourced all figures independently from the ONS, whom I also wish to credit for my use of their graphics. They appear to confirm that the nominal growth in average weekly earnings under the Coalition Government was indeed around 8% for the total workforce, and as much as 10% when the dataset is limited to private sector jobs.

30. By way of illustration, the ONS chart below⁴ shows total **nominal** average weekly earnings (AWE) above the X-axis (when positive) in light blue, and inverse inflation according to the Consumer Price Index (CPI) below the X-axis in dark blue. **Real** wage growth is calculated by subtracting the absolute value of CPI inflation from the nominal AWE, and is shown by the red line.



31. I would estimate the mean of the monthly nominal AWE growth figures in the period May 2010 until December 2014 as all being somewhere between 1.5% and 2%. Cumulative nominal AWE growth in the period of 8% presumes a smoothed mean of 1.55% per annum over 5 years, which is consistent with this chart. However, as can be seen, the nominal AWE increases were largely overborne by inflation from mid-2008, and so real growth was positive for only a handful of months until September 2015.

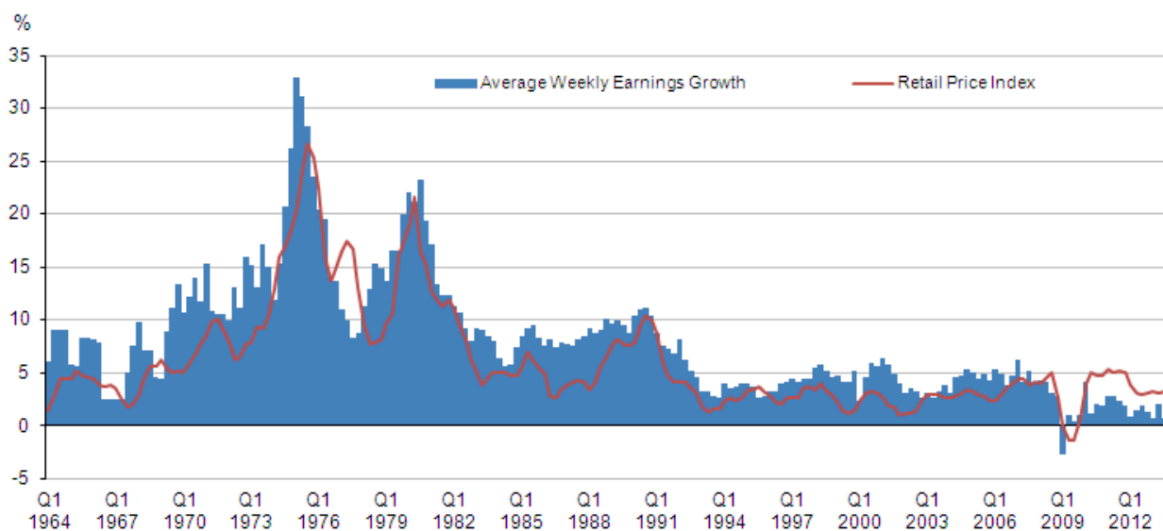
⁴ Anon. (18 February 2015) "GDP and the Labour Market – Q4 2014 Quarterly Update (ONS)"

32. Therefore, for the avoidance of doubt, I do not think the statement of fact as to the weekly earnings growth was ‘inaccurate’ (in the narrow sense of that term). There is no figure that I would wish to simply substitute that would improve the *accuracy* of the remark.
33. The proper head of Clause 1 under which to consider this complaint is to ask whether or not the unqualified citation of nominal figures was ‘misleading’? This is a question of fact as to what an objective and reasonable reader would have taken the sentence to mean.
34. A non-scientific survey of the *Financial Times*’ recent use of the term “average weekly earnings” turns up usage both for the nominal and real measure, though it is fair to say that which use is meant is almost always immediately clear from the context, and quite often the two are juxtaposed, by reference to inflation. The use in the nominal sense only tends to be news reports of the release of ONS statistics; editorials tended to more often cite only real wage growth. I found no examples where the usage was truly ambiguous.
35. The example Prof. Ferguson unearthed in *The Guardian* is a good example of common usage: *“Earnings growing at around 2% a year in conjunction with inflation 0.1% lower than a year ago equals a modest increase in real incomes...”* sets the figures out as a calculation, and that context explains that the ‘Earnings’ are nominal. In the Article, it was far from clear that readers were being asked to set the nominal AWE growth of a five-year period against a current inflation rate, which would lead them to the truth of negative (but improving) real wages growth in the period.
36. Mr Portes’ complaint goes further: he considers that there is no possible benefit to Prof. Ferguson’s argument that could accrue from citing the nominal statistic, and that if this was not an error (the author thinking the nominal growth was real growth) then it must be either a mistake or a wilful attempt to mislead.
37. Prof. Ferguson has made clear that his use of nominal figures was entirely intentional, and neither misleading nor intended to be. In an email to Lionel Barber, he says:
- “FT readers are not stupid. They understand that I am contrasting the upward trend in nominal earnings with the downward trend in inflation. At no point am I claiming that real wages went up. I am merely pointing out that the trends in earnings and inflation are benign. I could equally well have said that the government has successfully ended the decline in real wages that began under Gordon Brown.”*

38. This is perfectly consistent with the ONS figures. With the exception of March 2013 and April 2014, all months of Coalition Government saw nominal wage growth, so wages were and are trending upwards. The rate of growth increased in the final 8 months of 2014.

39. But then see below a chart⁵ of the ONS historic projections (the current model of data collection has been in place only since 2000) of nominal average weekly earnings growth. The red line is inflation (on the basis of the Retail Price Index – RPI – rather than CPI). Thus ‘real’ wage growth occurred whenever the red line was beneath the blue block, and real wages fell whenever the red line exceeds the blue block.

Figure 1: Nominal wage growth and RPI inflation, Q1 1964 to Q3 2013, per cent change on the same quarter a year ago



Source: Office for National Statistics

40. What is immediately obvious is that **real** wage growth has rarely fallen below zero except at times of major economic turbulence, involving high levels of inflation (see mid/late-1970s). But to find occasions when **nominal** weekly earnings were not positively growing is more difficult still. The significant fall in nominal earnings growth to -6% in February 2009 appears to have been the first time that nominal wage growth was negative since at least 1964. Until around 1992, nominal wage growth appears to have been solidly above 5% per annum. From 1993 to February 2009, it was consistently above 2% per annum.

⁵ Taylor, Jowett & Hardie (31 January 2014) *“An Examination of Falling Real Wages, 2010-2013”* (ONS). See also Crane & Elliott (September 2013) *“Creating a long term modelled historic time series for Average Weekly Earnings”* (ONS) for the methodology employed to create a dataset ranging back to 1964.

41. Against this history, it is difficult to see that a boast of 8% growth in nominal average weekly earnings over 4-and-a-half or 5 years (approximately 1.55% per annum cumulative) is meaningful. That record would be bettered even by the 2005-2010 Parliament, thanks to nominal wage growth well above 2% per annum until January 2009.
42. The 2010-2015 Parliament has seen the most anaemic nominal wage growth since at least 1964. The return to real wage growth (itself a notable achievement given the severity of the fall in wages since 2008) is less attributable to bullish nominal wage growth, but rather to the unprecedented fall of inflation (which in 2015 has reached 0%, and even – since the publication of the Article – produced a negative CPI inflation measure).
43. It is true that nominal average weekly earnings are ‘trending upward’ and have done so throughout this Parliament. But the same would be true – indeed far more true – in any other Parliament in modern times. It is also true that the trend in the **growth** of nominal average weekly earnings is upward, but that upward trend in the final 8 months of 2014 is no more remarkable than the period June 2013 to March 2014, before they fell to *negative growth* in April 2014. When nominal weekly earnings growth is so historically low, it is hard to see what is meaningful about acceleration from such a low base.
44. In summary, Prof. Ferguson’s reliance on nominal average weekly earnings – although I consider it to be within the very broad editorial discretion given to journalists and contributors – is not so strong or so obvious a point that I think it would have occurred to most informed readers of the *Financial Times*. Compared to his other statistical citations, the boast of ‘nominal earnings still trending upward’ is milquetoast at best, whereas had the same rates been ‘real’ wage growth, they would have been as impressive as the other statistics cited on GDP and unemployment. Inclusion of this statistic was not a distortion, but – unqualified as to whether it was real or nominal – it had the potential to mislead.
45. In all the circumstances, I consider that, given the context of lauding the Chancellor’s management of the economy, a boast of growth in average weekly earnings would ordinarily have been understood by a reasonable reader as a reference to **real** wage growth rates. My initial impression was firmly that way, such that I expected to be told the use of the nominal statistics was a mistake. Although I recognise there is a mix of usage of nominal and real figures in the *Financial Times*, I still think that on balance, ‘real wage growth’ is the more usual source of an economic boast in an OpEd than nominal growth that is overborne by high inflation. I am satisfied most readers would have read it as such.

46. I also consider that the error is sufficiently 'significant' to require clarification, meaning that I have found a breach of Clause 1.2. The OpEd pages are amongst the best-read in the newspaper, and the response to this article is testament to its reach. Although it was not a necessary or sufficient part of Prof. Ferguson's thesis, I consider that if not clarified, there would be a good chance that this nominal statistic would be repeated as though it represented real wage growth rates through the period in 2010-2015. Accordingly, I consider a clarification in the terms set out below to be the appropriate remedy.
47. Mr Portes relies on the above to suggest that Prof. Ferguson and/or the FT have wilfully or deliberately sought to mislead. I'm afraid the evidence not only falls far short of that conclusion, it points the opposite direction. Very early on – as soon as challenged by Mr Portes (as early as the evening of 10 May 2015 on Twitter) – Prof. Ferguson insisted that the use of the nominal figures was intended and not a mistake. He was prepared to not only respond to critics on the point, but to publicise their criticism.
48. I also note that another (much longer) piece by Prof. Ferguson criticising Paul Krugman appeared on the *Huffington Post* website, titled "*The Rise and Fall of Krugmania in the UK*"⁶ at 12:40 EDT on 11 May 2015. This contained a familiar paragraph (**emphasis added**):
- "Let us just be clear. Paul Krugman predicted that George Osborne's policies would devastate the UK economy, producing results worse than those of the 1930s. The outcome? More than 1.9 million jobs have been created since May 2010. The UK unemployment rate is now roughly half the rates in Italy and France. **In nominal terms**, weekly earnings are up by more than 8 percent; in the private sector, the figure is above 10 per cent. Inflation is below 2 per cent and falling."*
49. The *Huffington Post* article was published within 24 hours of the online edition of the *Financial Times* article. Allowing for the additional material in the latter (which in tone would not have been entirely suitable for the *Financial Times*), it is clear that they were written and submitted broadly contemporaneously. Given that Prof. Ferguson was prepared to make explicit that his statistic was '[I]n nominal terms' in the longer piece but not the shorter, it seems highly likely to me that the difference was as much to do with the word limit imposed by the *Financial Times* as with any desire to mislead, which would be flatly contradicted by wording of his *Huffington Post* article within hours.

⁶ http://www.huffingtonpost.com/niall-ferguson/the-rise-and-fall-of-krugmania-in-the-uk_b_7257236.html

50. I will be generally be reluctant to find a journalist or editor has been wilfully misleading – which is akin to finding of dishonesty, and as such a breach of Article 1.2 of the FT Editorial Code of Practice – without cogent evidence. The inference that Mr Portes invites me to draw comes, I am afraid, nowhere close to satisfying me.
51. Mr Portes also mentioned when I spoke to him the culpability of the FT desk in failing to spot the potential for readers to be misled: a potential breach of the Clause 1.1 duty to “take care” not to publish inaccurate information.
52. Newspaper OpEd columns are produced at great speed, usually by subject matter experts, and the editorial turnaround is as quick as at the rest of the newspaper. Long-form magazines may enjoy the luxury of giving teams of fact-checkers months to make every citation watertight: newspapers deal in immediacy. Furthermore, while desk editors and their staff may pick up inaccuracies, in doing so they often act well beyond the expectations imposed by the duty to take care. It is much harder for a desk editor to assess what might be misleading than what is untrue. In the present case the facts were correct. I am perfectly satisfied that there was no breach of Clause 1.1 by the Features Desk.

Remedy

53. The Complaint having been partially upheld under Clause 1.2 (misleading), the Article should be amended online to read as follows (or words to similar effect): *“Nominal weekly earnings are up by more than 8 per cent in the period 2010-2014; in the private sector, the figure is above 10 per cent. Inflation is below 2 per cent (per annum in 2014) and falling.”*
54. Both in print (on the Letters Page) and online, should be published the following (or words to similar effect): *“Clarification: 8% weekly earnings growth in 2010-2014 was nominal, not inflation-adjusted. Real wage growth was negative for most of that period, becoming positive again in September 2014, largely due to falling inflation.”*
55. A link to the published version of this Adjudication should be included online beneath both the Article and the Clarification.

GREG CALLUS
Editorial Complaints Commissioner
Financial Times Ltd.
27 May 2015

POSTSCRIPT

56. It was perhaps foolhardy of me to imagine that this complaint would proceed to a straightforward adjudication without another round of argument. And so it came to pass that Mr Portes contacted me (albeit apologetically) by email at 21:00 on Thursday 28 May 2015 to raise a further complaint about Prof Ferguson's Article under Clause 1.

57. Mr Portes termed his second complaint as follows, beginning with a passage from the Article which I have set out in bold:

"Unfortunately for Mr Krugman, the more he talked about the confidence fairy, the more business confidence recovered in the UK. In fact, at no point after May 2010 did it sink back to where it had been throughout the past two years of Gordon Brown's catastrophic premiership."

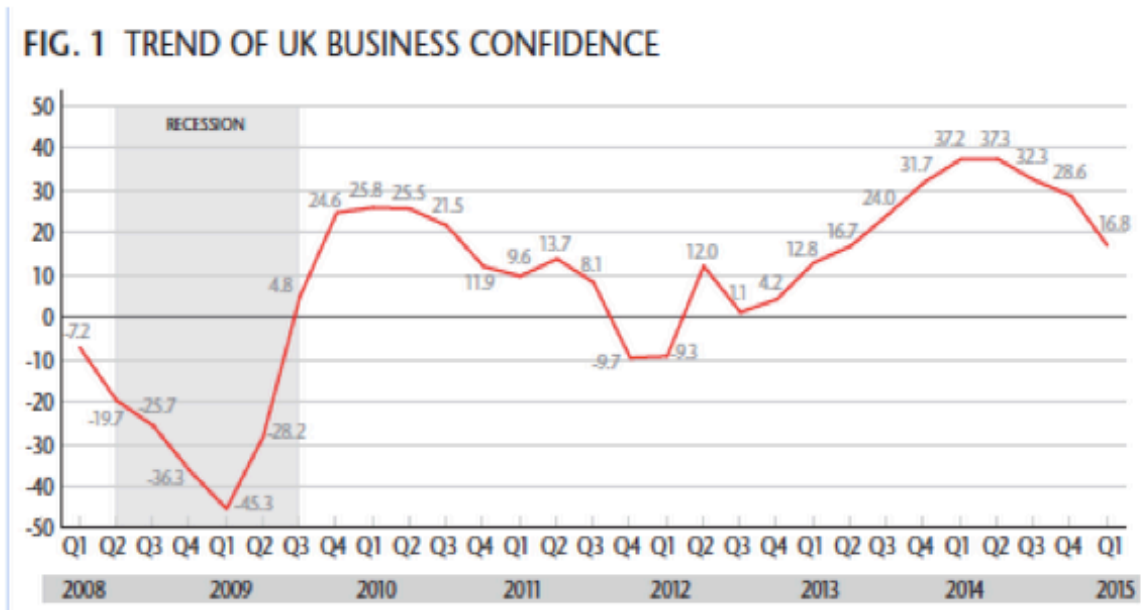
This struck me as implausible when I read it. However, there are numerous different indicators of "business confidence", so I didn't bother to do the research to prove it false beyond doubt. It was therefore not included in my original complaint, to the FT or to you.

But, as Lord Skidelsky points out, Professor Ferguson subsequently repeated the statement, with his source data, shown in the first chart here: http://www.huffingtonpost.com/niall-ferguson/the-rise-and-fall-of-krugmania-in-the-uk_b_7257236.html [the article I have cited above]

As you can see, confidence rose from the third quarter of 2009; all the last four readings under Gordon Brown were positive (the 2010 Q2 survey was pre-election). Confidence began to fall at the end of 2010 and was negative by the end of 2011. The low to which Professor Ferguson correctly refers in his Huffington Post article was considerably lower than at any time in Gordon Brown's final year. There is no possible interpretation of Professor Ferguson's statement under which it is correct (or even close to being correct).

So not entirely sure what to do here. On the one hand, this is an (even more) obvious breach of the Code. Again, as with the earnings data, the FT should have spotted this and asked Professor Ferguson to provide source data to substantiate. On the other hand, I don't want to unnecessarily prolong the process, which I'd hoped might be nearing a conclusion."

58. This is the chart in question:



Source: Grant Thornton, "UK Business Confidence Monitor," Q1 2015, p. 2.

59. Prof. Ferguson, to his credit, immediately acknowledged the error when it was put to him, and sent the following to Lionel Barber for my consideration:

On the issue of confidence I wrote:

"The confidence fairy" was the term Mr Krugman coined to ridicule anyone who argued for fiscal restraint. Unfortunately for Mr Krugman, the more he talked about the confidence fairy, the more business confidence recovered in the UK. In fact, at no point after May 2010 did it sink back to where it had been throughout the past two years of Gordon Brown's catastrophic premiership."

The last sentence was erroneous and the result of an over-hasty rewrite. I should have written: "at no point after May 2010 did it sink back to where it had been at the nadir of Gordon Brown's catastrophic premiership."

I am quite content to have that corrected as my own data clearly show that confidence recovered in the second half of 2009 and the first half of 2010. Of course, this is no way alters my point about Krugman. He did not begin talking about the "confidence fairy" until the 3rd quarter of 2010, after Cameron and Osborne were in Downing Street. And he kept talking about it even as confidence rallied.

Nor can the Keynesians argue that confidence weakened between 2010 and 2012 purely because of the government's fiscal policies. Much else was at work, not least the Eurozone crisis. Finally, it remains the case that confidence never sank as low as it had under Brown."

60. The error having been swiftly acknowledged, I am content with the Correction that Prof. Ferguson proposes, to be published on the Letters Page with the Clarification that I directed in respect of the weekly earnings statistic.
61. As to whether the FT Features Desk should have spotted this error, I repeat what I said at Paragraphs 51-52 above. When even he, Prof Ferguson's eagle-eyed critic, failed to spot the inaccuracy until 17 days after publication (for the very good reasons he himself mentions), it would expect far too much of editors to do so in the pre-publication period.
62. There is actually a far trickier question as to whether I would or should have adjudicated on this second part of the complaint at all, had Prof. Ferguson resisted a correction. Whereas nominal and real weekly earnings are objectively quantifiable facts from an official governmental source on which all reasonable parties must agree, I'm not sure the same could be said for 'business confidence'.
63. The latter term is, by its very nature, an artificial and amorphous qualitative matter. Absent the parties agreeing on a particular metric (here the Grant Thornton monitor), the correctness of the methodology for making that assessment quantifiable, and thus determining whether or not 'business confidence' was higher or lower in given periods, is not something it is within my role to ascertain. It relies on *interpretation* of facts, and assessment of the caveats that are intrinsic to any quantification methodology.
64. As such, I might well have considered that such a statement (especially in an OpEd) was not an unequivocal statement of bare objective fact which is amenable to adjudication under Clause 1. Thankfully, in this case I have been spared from coming to a firm view, and so simply make these comments with a view to assisting parties in future disputes.

GREG CALLUS
Editorial Complaints Commissioner
Financial Times Ltd.
29 May 2015