

I presume Osborne thinks we're stupid

Published: January 14, 2026, 3:42 pm

It's extraordinary that George Osborne thinks that he can use Portugal's woes to justify his economic policies.

As the [Guardian has reported](#), he's argued that Lisbon's debt crisis is warning that those opposed to the British government's deficit reduction plans were playing "Russian roulette" with UK sovereignty.

This is nonsense.

Portugal is a small, low income, peripheral state in Europe. Like Greece and Ireland, it is unable to deflate its currency to get out of this crisis as would be logical for it to do when it is so obviously suffering in comparison to Germany. The result is obvious: it has no choice but to, in effect, default - otherwise called a bail out.

The UK has its own currency. It sets its own interest rates. Its currency is a reserve currency. Its debt is long term and has a strong and ready market. The UK is not peripheral in Europe - it is still a major trading economy.

It is an insult to the intelligence of people of this country to compare Portugal, Ireland and Greece to the UK. The comparison simply does not exist.

But there will be a parallel - cuts are pushing the UK in the same direction as these states. That's what's really worryinmg.

There is only one way out of a recession of the sort we have - and that is for a government to spend more. Osborne is sucking money and demand from the UK economy at the very time he should be injecting both. His goal is to head us in the same sorry direction as these countries. It's the job of those who realise that to oppose him.

Labour should be at the forefront of the demand for spending, now.

We still need a Green New Deal. Osborne is just promising despair.