

# Is Mr Carney playing double bluff?

Published: January 13, 2026, 1:28 pm

---

The [FT has reported that](#):

*Mark Carney says it would be “foolish” to cut interest rates or expand quantitative easing in response to falling oil prices, unless lower inflation hurts wage growth, consumer spending and business investment.*

They added:

*Speaking to the House of Lords economic affairs committee yesterday, the Bank of England governor said UK inflation would fall to about zero in coming months and stay there for much of this year. However, he ruled out more monetary stimulus, adding that a “gently rising path” of interest rates was likely to bring inflation back to the central bank’s 2 per cent target.*

I think there are two possible conclusions. They are that either Mr Carney has learned to speak in double negatives or he has lost the plot.

The double negatives are in the first paragraph. It would indeed be foolish to react to low inflation if it had no consequences. To that extent Mr Carney is, of course, right. But to think he believes there will be no such consequences pushes credibility to its limits. Of course low inflation has impact on wage growth, consumer spending and business investment. In each case we would expect low inflation that persists for anything but a few months to have negative impact on all three. So, at best Carney was hedging his bets with his comment that embraced what was, in effect, a double negative.

Alternatively, as the second paragraph implies, he is adopting the route to economic suicide for the UK. Steadily rising interest rates, matched with no stimulus, limited or no real wages growth for most people and currently stagnant business investment that is likely to fall still further with deflation and rising rates on the cards, plus a new government that, of whatever its hue, appears to be committed to cutting government spending is, in combination, a recipe for years more in the economic and so social doldrums for the UK. The cost in terms of human suffering alone will be enormous.

Either Carney is playing a dangerous game of double bluff when he has said he is committed to openness or he is playing a dangerous game with our economy and futures. Either way, I don't like it.