

What is talk of interest rate rises all about?

Published: January 13, 2026, 5:25 pm

George Osborne talked about interest rate increases in the UK yesterday now that the US has, as he put it, taken the lead.

Why has he done that when, as he acknowledged yesterday, the wheels are falling off the world economy? Three reasons.

First, to pretend the UK is different.

Second, to pretend he's in charge (after all, it's not even his decision, in theory - although he can impose on the Bank of England if he wants to).

Third, to pretend we're getting back to normal.

Do you remember that old story about the swan looking so serene as it floats along whilst underneath it's paddling like fury? George Osborne is trying to look serene. Underneath I suspect he realises he's already drifting downstream uncontrollably. But he's got to pretend otherwise.

That's what this talk of interest rates is all about then: cover as the economy descends into chaos in the exact opposite direction of that George Osborne would like to suggest we are going in.