

The present is unsustainable. Oil and banking have made...

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The Bank of England meets this week to consider raising interest rates, yet again. The consensus of opinion is that they will do so by at least another quarter of a per cent. No doubt this will be accompanied by yet more calls for pay restraint because that is the only mantra that Andrew Bailey, the governor of the Bank of England, really knows.

There is no need for this increase in rates. This Guardian headline makes that clear:



Retail
UK shop prices in first monthly fall for two years amid big discounts

8h ago

Prices are falling, as was always expected to happen now, irrespective of interest rate rises.

What is more, pay continues to fall behind inflation, as this headline makes clear:

England school strikes called off as unions vote to accept pay deal

Members accepted 6.5% pay rise, but said it was not enough to correct decade of real-terms pay cuts

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And what is the real cause of inflation? That is hiding in plain sight as these headlines from the FT and Guardian this morning make apparent:



HSBC Holdings PLC

HSBC to launch \$2bn share buyback after profit boost from interest rates

AN HOUR AGO

US equities

■ US stocks notch longest monthly winning streak in two years

S&P 500 is up more than 19% in 2023 as investors seize on falling inflation and resilient growth

Energy

BP's £2bn profits cause anger amid climate crisis



It is profiteering that is driving inflation - with the government going all out to help by raising interest rates and maximising its support for big oil.

As I have [already discussed this morning](#), climate policy is already creating one tipping point for politics in this country. A continuation of the current interest rate policy will create another. Things cannot continue as they are with politicians and big businesses laying waste to people's lives without any apparent concern for the consequences. Something is going to have to change I feel: the present is unsustainable.