

## Lower interest rates are vital

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I cannot recall how many times I have said that UK interest rates, as set by the Bank of England, are too high. Now, the FT has agreed. In an editorial this morning, [they say](#):

*Current interest rates are too restrictive. Financial markets are pricing in around three further 25bp cuts before the end of the year. But, given sluggish economic activity, the BoE may need to go further, faster. Indeed, with most UK mortgages agreed at a fixed rate, it will take time for any rate cuts to improve consumers' cash flow.*

Despite that, they suggest caution - because of the risks of an uncertain world. I think they overstate those risks, but I have to agree with their conclusion, which is:

*Importantly, though, [whilst] lower rates would prop up Britain's sagging economy — and reduce government borrowing costs — it would only soften the symptoms of a deeper malaise. The onus remains on Labour, not the BoE, to reignite animal spirits and outline a fiscally credible path to higher long-term growth.*

There is. no chance of that happening with Starmer and RTeeves in charge. And that's why the mess will continue.