

Geoffrey Howe's Statement  
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Today the Government raised Bank  
back to 10%. This gives the lie to  
the very picture which they have been  
trying to paint.

Only two days ago the Prime Minister  
was saying that he had no reason why  
inflation should ever return to double  
figures. But we have now reached  
double-figure Bank Rate again.

We have repeatedly warned the Government  
that the time would come when the  
consequences of Labour's irresponsibly used  
credit would catch up with the country. Our predictions are  
now coming true.

The Government has increased public spending  
by 6 per cent. It has overshot its monetary  
target by nearly a quarter. It has now

put Bank Rate up to 10%. And the  
mortgage rate will no doubt follow soon.

For today's actions comes too late to  
put off the consequences of Mr Nealey's

latent incompetence.