

## The opponents of fiscal stimulus are always with us

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[UK must invest its way out of recession | Michael Burke | Comment is free | guardian.co.uk](#)

Michael Burke in the Guardian:

*The latest letter from the EU commission, [admonishing the government](#) for its failure to set out a sufficiently bold programme of cuts is a timely reminder that there are strong opponents of fiscal stimulus. This is odd, since almost every industrialised country adopted stimulus measures in 2009. The one exception was the government in Dublin, much admired by the Tory front bench. The admiration seems misplaced: 18 months of spending cuts and tax increases have contributed to the longest and deepest recession in the Euro area. And the policy of "reassuring the financial markets" has been an utter failure even in its own terms. Tax receipts have fallen despite tax rises, and government spending has increased despite deep cuts in both welfare payments and public sector pay. As a consequence, the deficit continues to rise and Irish bond yields have gone from one of the lowest in the Euro area to the second highest, only below [Greece](#).*

This is the reality of the EU's demand - banker driven, of course.

And this is the reality of the Tories demand for cut - banker driven, of course.

And yet the argument for slash and burn will be heard from the Tory front benches this week.

If Alastair Darling has any sense then he'll create clear red water between his position and that of the Tories.

The choice at the next election should be an easy one - is it putting bankers or people first?

It is as blunt as that.

And there's only one right answer.