

Funding the Future

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I warmly recommend listening to the debate on the above subject broadcast on Radio 4 yesterday and [available to listen to here](#).

Duncan Weldon and Robert Skidelsky gave good, and amusing account of themselves for keynes. The Hayekians showed themselves in their usual light; as charmless people with no sense of empathy for the human race. As someone put it to me, chess players have more feeling for their pieces than these people seem to have for the people of the world.

One small example worth elaborating on: it seemed to be an obsession of those representing Hayek that those banks that were failing in September and October 2008 should have been allowed to go to the wall. The sheer downright stupidity of this desire indicates the complete lack of logic that underpins their thinking.

Suppose that both Royal Bank of Scotland and Lloyds had gone out of business in the space of a few days in October 2008. At least 50% of the U.K.'s population would have been left not only without bank accounts, but without access to cash. So too would a substantial number of the retailers in this country have been left without any mechanism for banking, whether to collect money electronically or to make payment of their suppliers. The consequence would have been all too obvious. There would have been a complete breakdown in the food supply chain of this country within days. There would have been mass rioting as people panicked about how to feed their families. Massive companies would have collapsed within days. Banking as we know it would have completely failed - because as we know banking is a system that works as a whole and is not a series of separate companies although the supporters of Hayek (almost none of whom, I suspect, have ever actually worked in business) think otherwise. Cash itself, almost entirely electronic these days and represented by entries on computer ledgers, would have failed. For all practical purposes we could have been reduced to a barter economy, or a police state, and democracy could certainly have been at risk. But this is what the supporters of Hayek wanted. They actively say that this would have been the best outcome and the one they wanted.

Now you can describe this as mad, but that's just being too kind.

This is not mad; this is bad. This is malevolence, targeted at real people; the people of the UK, with intent to destroy the structure of society as we know it.

We have to recognise this malevolence for what it is. Democrats from left and right have to stand up against those who promote economics designed solely to serve the interests of a tiny minority in the UK, which has deliberate intent to oppress the vast majority. We have seen such politics blatantly at work in the USA now, and have seen the chaos that is capable of causing, and are beginning to comprehend the havoc that it will unleash on ordinary people. And we are beginning to realise that this is not politics as we have known it. This is not the politics of democracy. This is not the politics of reason. This is the politics of oppression and fanaticism.

Keynes, democracy, the welfare state, reason and empathy have to win this debate. The alternative is too bad to contemplate.