

The Tories said financial deregulation and big debt was...

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It's interesting to go back to see what the Tories thought in 2007. In [August 2007 they published](#) 'Freeing Britain to Compete: Equipping the UK for Globalisation'. It was largely the work of John Redwood. This happened at exactly the same time as the world's financial markets began to collapse. In it they said:

The last ten years in particular have been good years for the world economy as a whole. They have been characterised by two massively favourable trends.

The first is an era of easy money. The main central banks worldwide have opted for low interest rates, the ready creation of credit, and tolerance of innovative means of financing public and private sector activity through big increases in debt. It has been the era of public/private partnerships, specialised credit-based funds and funds of funds, collateralized debt obligations, collateralized loan obligations, credit default swaps, special purpose vehicles and many other similar ways of raising borrowing throughout the financial system.

The second has been the remorseless downward pressure on prices of both goods and internationally traded services from the migration of business to lower wage countries in the East using newer plant and equipment, and from the application of new web based technology that is revolutionising business models. ...

The UK has not performed that well against this very favourable background.

Note the language of August 2007: easy money, the ready creation of credit, financial innovation - all these are things that they said were massively favourable trends.

We need to remind them of that often. And to hold them to account for it.