

David Cameron is wrong about almost everything - even t...

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Martin Wolf [is robust this morning](#) in the FT:

[David Cameron's "there is no alternative"](#) speech last week on the UK economy has aroused much criticism. This is justified. The British prime minister's arguments for sticking to the government's programme of fiscal austerity were overwhelmingly wrong-headed.

He's right of course, most especially on this:

Mr Cameron argues that those who think the government can borrow more "think there's some magic money tree. Well, let me tell you a plain truth: there isn't." This is quite wrong. First, there is a money tree, called the Bank of England, which has created £375bn to finance its asset purchases. Second, like other solvent institutions, governments can borrow. Third, markets deem the government solvent, since they are willing to lend to it at the lowest rates in UK history. And, finally, markets are doing this because of the structural financial surpluses in the private and foreign sectors.

Cameron can't get the basics right; what chance for the rest? None at all, as Wolf shows. I suggest reading the whole thing - and it is possible for free - you just have to register.