

Funding the Future

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Martin Wolf is [on form in the FT this morning, saying](#):

At some point – and it is likely to be during the next parliament – the political limits of austerity will be reached. Thereupon, painful options will arise: start imposing substantial user charges; raise taxes; or provide services at far below the standards people now expect.

As he then suggests:

Behind this will be a conflict between young and old and between the successful and less so.

But there is more to it than that, important as that debate about who is to have priority in our society. The role of the UK is in question to:

Planned cuts call the UK's role in the world into question.

It is astonishing that Conservatives are so relaxed about the changes that their programme implies for defence.

But the sting is in the tail, where Martin Wolf says:

The more important it is to deliver sustained falls in public debt in relation to GDP, the more necessary it is likely to be to raise taxes.

In other words, given that cuts will reach their practical limits during the next parliament, because the elderly and those less well off cannot be left aside from what is now expected of healthcare, education and care, a demand for a balanced budget will only be deliverable by imposing tax increases. And it is only the Conservatives, the tax cutting party, who are demanding that balanced budget. The paradox is obvious, but it's also real, and the electorate should be aware of it.