

Funding the Future

Article URL

Published: January 12, 2026, 6:28 pm

According to [the Guardian](#) this morning:

Philip Hammond [has] enraged leave MPs in his own party ... by telling business leaders in the Swiss ski resort of Davos that the government would seek only "modest" changes in its relationship with the European Union.

"Instead of doing what we're normally doing in the trade negotiations — taking two divergent economies with low levels of trade and trying to bring them closer together to enhance that trade, we are taking two completely interconnected and aligned economies with high levels of trade between them, and selectively moving them, hopefully very modestly, apart," Hammond said.

The story cannot be ignored. It is about the government party beginning to tear itself apart as the influence of Jacob Rees Mogg grows.

And it is about our future relationship with Europe.

But let's move beyond these superficially obvious facts. This is also about something much more important. This is about the future of reasonableness. If you like, it is about whether it remains possible to make a logical statement in British politics and remain acceptable for doing so.

Please do not get me wrong: as regular readers of this blog will know, there are many good reasons why issue might be taken with Philip Hammond. What he said on this occasion is, however, reasonable. If trade is of merit, and most still think it is, then Hammond's logic of putting as few impediments in its path as possible is not modest, as it has been described, but so obviously appropriate that the vast majority would think it reasonable. What is more, those with the strongest commitment to trade as their chosen expression of internationalism, who have always resided on the right, should have been expected to warmly embrace it.

But they haven't. Hammond's entirely reasonable statement of objective for the Brexit negotiations, which is no doubt entirely shared by the Treasury, and increasingly so by David Davis (or so it would seem) has caused furore in their ranks. Such agreement will

make us a “vassal state”. Concorde is unacceptable: it is difference in everything from negotiating position to outcome that is to be valued. So the argument runs. And yet it has always been in agreement that value has been created. And, it should be noted, it is always by reflecting common opinion rather than in seeking to inform it that democratic politics (as opposed to political thinking) has rooted its appeal.

Three consequences follow. The first is that the Tories will, if they reject the compromise that represents the art of the possible in political democracy, make their own already fragile position untenable. By revealing that there is no one right of centre Brexit position the coalition that they represent could fracture, and electoral support could wither as a result. We have seen that before.

Second, unless Labour can adopt a position that is reasonable it too faces alienation from many in the electorate. I am already being told by many on the left that they have no idea who they could or would vote for if there was an election tomorrow.

Third, more importantly, there is a risk that there will be a vacuum in politics in the place where the reasonable person might wish to be.

Don't get me wrong. The reasonable person might accept Brexit, but want the single market or at least the customs union.

And the reasonable person might well reject new-liberalism, precisely because it is a form of extremism.

Just as the reasonable person might want nationalisation of railways and the utilities and the end of PFI.

All these things are reasonable. But there is as yet no one stringing them together in a reasonable way that creates the necessary compromises to take power to deliver a new UK, working with Europe, but within its own rules that redefine the power of the market, that permits the state to play its essential role in the economy, and which puts at its heart the creation of that reasonable consensus on which peaceful coexistence depends.

Hammond said something that, for once, made sense. Except, that is, to a politics that is ceasing to value sense, and consensus, as something of value. And it is the demise of reason and the value of the reasonable person that is the most worrying thing happening in this country right now.