

The Labour fiscal rule is common sense....

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I was at a meeting last night where John McDonnell said that the [Labour Party fiscal rule](#) is common sense. After all, it says a government should only borrow to fund investment. That has to be right, doesn't it?

Well, no. That's fine if you are a currency user. But the government is a currency issuer. And different rules apply.

That fact that household analogy for running the economy might be common sense does not mean it is right. In fact, it can be the exact opposite of that.

And so too with Labour's fiscal rule.

There is a long way to go to get this message through it would seem.