

Rory Stewart would be a threat to the economic well-bei...

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There are those who, it seems, think that Rory Stewart is indication that there is still sense in the Conservative Party. I wish to assure them that they are wrong.

Stewart has written on tax, fiscal rules and related issues in the [FT this morning](#). He criticised the spending and tax plans of all his leadership rivals and had this to say:

I am both a Conservative and a fiscal conservative. If I am lucky enough to be chosen as the next UK prime minister, my priority will be to secure the long-term sustainability of Britain's public finances.

It was a portent of what was to follow. Like this:

So, although I have made my priorities clear – above all in education, productivity and broadband and infrastructure in the north of the country – I am not committing any money until it is clear that there is money is available. And I am not promising tax cuts.

So, the household economy analogy prevails then. And it gets worse when it comes to fiscal rules:

I will set clear rules to maintain discipline in spending. The current UK fiscal rule is far too complicated: it incorporates commitments to hit four overlapping targets over three different timeframes.

Ultimately, the stability of the public finances rests on one thing: a sustainable path for public-sector net debt. I will, therefore, introduce a new and simpler fiscal rule: that public-sector net debt as a percentage of GDP will decline each year over the three years of the next spending review.

This new rule will be more easily monitored by investors, taxpayers, and the Office for Budget Responsibility. It will allow for more appropriate flexibility in the underlying budgets. It will also establish a clear and disciplined framework allowing us to put to work the results of the work the UK has done to reduce the deficit and debt since 2010 without jeopardising fiscal stability.

With a growing economy, debt reduction is the minimum the electorate should expect from a Conservative government, and I challenge the other contenders to meet this promise.

This rule is, to be polite, economically illiterate. For example, it can be achieved by letting inflation run away: this always reduces debt as a proportion of GDP. I suspect that is not the plan.

And the goal can also be achieved by growth: increase GDP and on this basis the debt need not fall. Again, I suspect that is not the Stewart plan.

More worryingly, the reverse is also true: when GDP stagnates, inflation struggles to be much and the economy is in the doldrums this plan demands harsh austerity. There is no room for compromise.

I criticise Labour's fiscal rule, but it is a paragon of virtue compared to this rule which is intended to impose severe cuts on the economy whenever a stimulus is needed. This is an economic rule from the 1920s and 1930s, designed to deliver depressions and not recessions, and to impose misery on ordinary people through no fault of their own and solely because of the economic illiteracy of those who might rule them.

Rory Stewart is very definitely a fiscal conservative. And that makes him a threat to the well-being of everyone in this country.