

RIP The Treasury: National Conservatism now rules

<https://www.taxresearch.org.uk/Blog/2020/02/13/rip-the-treasury-national-conservatism-now-rules/>

Published: January 12, 2026, 8:31 pm

Whatever you thought you knew about this government's economic policies, I suggest you forget. For the first time in way beyond living history the Treasury is under the direct control not of the First Lord of the Treasury (otherwise known as the Prime Minister) but of an unelected special adviser to whom it is now very clear that the Chancellor will report.

It has long been said that the biggest block to political progress in the UK has been 'the Treasury view'. This has been true under both Labour and Tory administrations, with all Chancellors subscribing to the opinion fed to them by their officials that prudence is paramount. Even Gordon Brown, for all his supposed recklessness, subjected himself to this view.

The result has been the fetish with balanced budgets.

And constraining expenditure.

Plus an aversion to borrowing.

Whilst always seeking to appease City interests.

But the fight that Cummings won with Javid changes all that. Whatever the reason Javid walked (and I strongly suspect that he could neither stomach Cumming's views on policy or face the cliff edge he knows is coming) the superficial reason of his refusal to work under Downing Street control without advisers of his own is important. He held out for the independence of the Treasury and lost. As a result the whole architecture of power in Whitehall has changed. The traditional twin bastions of power in No 10 and No 11 are no longer divided: there is only No 10.

That means that the fights that have for so long characterised, and constrained, governments will not take place.

Equally, the voice of constraint that Brown, for example, used to stop Blair taking us

into the euro (which I have no doubt he would have done) no longer exists.

What is the consequence? I genuinely do not know. It is possible that nothing will change. But such fights do not happen with that outcome. So it seems extremely unlikely that this will be the case.

Instead we face a whole new politics. I have seen someone call it National Conservatism. I think that choice was deliberate. This is about using the power of the state, without limit, to suit the audience for the new populism.

Many aspects of this, from increased taxes, to substantial new borrowing, to significant spending on infrastructure, will look very like policies Labour might have pursued. Economics policy will appear to be liberal.

But that will be done to secure support for the most regressive and even oppressive of social policy agendas. This will be very far from the policy agenda of Labour.

The Treasury view would object to this use of its powers.

But the Treasury view is no more.

National Conservatism is in power.

And whilst I had no love for the Treasury view, because it was profoundly misplaced on a great many issues, this alternative is very much worse.

Today is a dark day for UK politics, I suggest.