

# We do not need tax increases or spending cuts: what we ...

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We are, at present, in the very early stages of the worst recession that this country will have seen for almost a century. No one who will have any responsibility for managing it will have ever witnessed anything like it before.

We might have unemployment of 20% or more.

Maybe one-third of UK businesses might go bankrupt.

Without government intervention the prospects of massive hardship, including life-threatening hunger, are very real.

And in this situation what are the questions that are being asked by the media?

No, and they are not 'what is the scale of the planned spending programme?'

And nor are they 'Where are the jobs to be created?'

Or 'How is the training that is going to be required to be provided?'

Let alone 'Is there going to be a job guarantee for all young people, at the very least?'

Those would be the questions that a caring media representing the real concerns of many in society would ask. But that is not what our media does. Most of our media is dedicated to the interests of a small part of society whose concern is with shrinking the size of government, keeping taxes low, and ensuring that inflation never happens.

That is why [you get the question asked](#), for The Times I believe, as to whether the government deficit that the recession will give rise to should be tackled with either spending cuts or tax increases, without ever considering the possibility that the deficit will, in itself, simply not be an issue of concern in the coming years.

And so, the media feeds the deliberate line to the public that there must be either spending cuts or tax increases when the government makes an announcement on this

issue. But both will be catastrophic in the current circumstances.

Cuts will increase unemployment: that is like night following day.

And cuts will reduce the essential services that people will need to rely on in this crisis, the scale of demand for which will be unprecedented.

Whilst every single overall net increase in taxes will take money out of the economy and so reduce spending power at a time when that is essential if jobs are to be preserved.

That said, there is a case for the redistribution of tax liabilities, so that the wealthy who do not spend all their income are taxed more whilst those on the lowest income, who spend all they earn, are taxed less, because this will stimulate recovery. But overall tax rises will simply increase the scale of the devastation that the coming recession is going to create in the UK.

Nothing, and I mean literally nothing, can justify either cuts in spending or overall increases in tax in the UK at present when every single penny that is required to meet the demand for services from the government can be created at will by the Bank of England to ensure that no one has to go without and everyone who wants a job can be put to work.

If we suffer extreme hardship in the years to come it will be the result of government choice, and not from need.

And I will say so time, after time, after time. And sometime this will be believed.