

Reeves trolled the left, Labour of old, and Keynes as s...

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Rachel Reeves trolled the left in yesterday's fiscal statement. She unveiled what is obviously going to be her new mantra. Her claim, repeated several times, was that "we can only do what we can afford".

I am quite sure Reeves knew very well that what she was saying was based on a claim made by Lord Keynes, the architect of post-war thinking, and the effective creator of post-war prosperity as a result. He said [in a BBC broadcast in 1942](#) that "we can afford anything we can do". Reeves' new mantra is, of course, the exact opposite of what Keynes said.

Is it likely that Reeves chose to so explicitly and so directly reject Keynes by chance? I don't think so. I think it was absolutely deliberate. As I noted [in The National last night](#):

Keynes wanted to empower the country by letting it do the best that was possible, knowing that this would generate enough wealth to pay for what was achieved. Reeves, in contrast, wants to use her role to belittle the country by denying it, and all of us, the chance to do those things of which we are capable.

One of these is a noble aspiration. The other is a dismal one. Reeves has made clear where she stands today. She has made the dismal choice.

To again quote my article in The National:

She is a Chancellor in the Tory tradition of George Osborne, Philip Hammond and even Rishi Sunak. Just when the country most needed a new vision, she is going to offer us nothing of the sort.

It was, however worse than that, for two reasons.

First, we got a reprise from Reeves [of her 2013 claim](#) that Labour will be tougher on those on social security than the Tories are.

Second, she went on to prove her bias by removing the winter fuel payment from

millions of pensioners who rely on it and cannot claim pension benefit because the conditions for doing so are so strict. Doing so, she he made clear that she is on the side of the wealthy, and is determined that those less well-off should pay for the austerity she very obviously plans to impose.

As I concluded in my National article:

This was a deeply divisive, utterly unjustifiable, mean-hearted and economically illiterate performance by Reeves that, alongside remaining high interest rates from the Bank of England, makes the likelihood of a recession in the UK quite high. And there is absolutely no need for that. It will all be her fault if it happens.

Let me, then, some thoughts on where we, and some specific groups, are now.

Suppose you were one of those economists who signed letters before the election saying that Reeves was offering the best solutions for the UK. How are you feeling now?

And how are those Labour MPs sitting behind Reeves feeling now when they have to tell pensioners that they must suffer quite unnecessarily because of the fiscal position we are in, but the wealthy must not pay a penny more?

Then suppose, as some Labour MPs must do, that you both understood Keynes and what he meant by saying that we can afford whatever it is that we can do and that Reeves is now explicitly refusing to do what is possible for our country. How would that make you feel?

My guess is that all three groups will feel sickened, disheartened, demotivated and worried by what Reeves is going and her explicit trolling of the left, via Keynes. All of these groups must know that she is setting out to deliver economic failure. By copying Osborne she guarantees nothing less.

Is that, they will be asking, what Labour is for? Is this why they fought against modern monetary theory and the possibility it presents? Is Reeves as good as it gets, they must wonder? And the answers must, in all cases be 'no'.

Reeves is creating an economic nightmare for Starmer. The question is, how long is it before Starmer realises and sacks her? Unless he does it quickly he is a one-term prime minister, which with his majority would be quite an achievement, but totally deserved. A public betrayed by another neoliberal failure will not be forgiving.