

Radio 2 at 12.30 today - now with after broadcast comme...

Published: January 12, 2026, 8:44 pm

I will be on the Jeremy Vine Show on BBC Radio 2 today at about 12.30, discussing Rachel Reeves' supposed economic crisis.

I will be up against the need to play a record by Abba, Jeremy Vine - who is paranoid about debt, and someone from Tufton Street, I suspect.

The points I will try to make are:

- * We have a debt crisis, but so does the USA. This is not a UK crisis and not a Labour crisis. It is a crisis caused by Trump and the insecurity he is creating.
- * Paying excess interest matters -it increases inequality in the UK
- * There is, though, no crisis. The UK can always pay its debts.
- * But that said, Rachel Reeves should be taking action. She should tell the Bank of England to:
 - * Suspend quantitative tightening
 - * Lower bank base rates
 - * Stop, or massively cut, the rate of interest paid on the majority of the central bank reserve account balances held by commercial banks with the Bank of England, bringing us into line with the Eurozone and Japan.
- * If Reeves does not take these actions, then this crisis is her responsibility - and she will have to pay the price for her inaction.

I offer no promises that I will get those points across.

The after-broadcast comment:

- * *I got most of those points*
- * *The IFS (Karl Emerson) made clear what is happening is small beer*
- * *The IEA (Julien Jessop) made clear that the BoE could cut interest on central bank reserve accounts - we agreed*
- * *The IEA did not mention quantitative tightening - and Jeremy tried to close me down*
- * *The IEA talked drivel about growth, and I was not given time to respond and should have been - I did complain.*
- * *Worth doing, but as usual, too rushed to really inform debate.*