

Reform wants to destroy the UK economy

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Reform has proposed a Bill in parliament that would destroy the ability of the UK government to create money. Worse still, it wants us to use gold – which we'd have to import – as the basis for issuing money. A policy of that sort would crash UK economic credibility and our economy.

<https://www.youtube.com/watch?v=mKvVoGVDL5k&si=8bxhhMygVikCBm3f>

This is the audio version:

https://www.podbean.com/player-v2/?i=miekt-17ae690-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=&logo_link=episode_page&btn-skin=c73a3a

And this is the transcript:

Reform wants to wreck the UK economy. I can now say that with absolute confidence because last week, Reform tabled a bill in the House of Commons that they honestly wanted it to take seriously. That bill was called, and I will check my notes at this moment, the Quantitative Easing (Prohibition) Bill. It was promoted by Reform MP Rupert Lowe, who is the MP for Great Yarmouth in East Anglia, and the aim of the bill was quite extraordinary. He wanted to ban quantitative easing because he recognised that quantitative easing is based upon the fact that a government has the right to create money. In fact, government is the only agency inside a country that can create

money, and he wants to limit that ability.

Let me remind you of what quantitative easing was used for.

Before 2008, we did not really understand this term.

In 2008, we faced a crisis. The world's banks began to fall over, successively, because they were all overextended, with loans which were going bad as a result of it being understood that mortgages had been advanced in the USA to people who had no ability to repay them. The collapse was going to be universal unless somebody jumped in to provide those banks with the necessary liquidity, or cash, in other words, that was necessary to ensure that they could literally pay each other so that they could continue to support us and the economy by providing the payment function that we all need on an everyday basis.

The UK government had no choice but to do that. It did step in. It created the necessary money. The banks were saved, albeit that quite a number of them were nationalised, and some of those disappeared because they were insolvent. But the day was saved. Very little credit has been given to either Gordon Brown or Alistair Darling for having done that. They thought incredibly well on the spur of the moment and delivered something which was really, in a very proper sense, miraculous. When we faced crisis, they solved it by using the ultimate power of any government like that in the UK, which is the power to create money. They literally put the money into circulation that was necessary to keep the banks going.

Now, there were horrible consequences of them doing so. In particular, there has been a massive upward shift in wealth concentration in the UK because most of that money ended up in the possession of very wealthy people. That's not surprising. When a government creates new money, somebody gets the benefit. Public debt - and that is what new money is - results in private wealth. And private wealth has been concentrated amongst a very few in this country for a very long time. And that pattern was replicated with QE money.

But the country was saved, just as it was in 2020. Reform would clearly not have allowed a lockdown as a result of COVID.

They would not have tried to save the NHS.

They would not have protected people from disease. A great many people, including a great many NHS workers, but a great many other people as well, would have died if there had been no intervention in March and April 2020.

The economy was saved when that intervention took place by issuing more money. This time, it wasn't the banks that were bailed out, it was UK businesses and households who were bailed out.

Reform would not have done that. They would have let you go bust. They would have let you fail. And they would have let you die, because they didn't want that money created.

That's what this Bill is about. They want to clip the wings of government.

In fact, they want to go to something even more absurd than that. They want to take the UK back onto what is called the gold standard.

Right now, we have something called fiat currency. The pound in your pocket is only worth a pound because the government says it is. By law, they have declared that one pound is one pound, and it will be recognised as such because it's the legal tender of the UK. And that is the only thing that gives your pound value. Nothing else but the capacity of the government to pass law and to collect tax. Because of course they insist that you pay your taxes using the pound, and because they insist that you pay your taxes using the pound that they put into circulation, you have to have pounds to make settlement of the tax liability that they demand, and therefore you use pounds, which in turn delivers value to that pound.

But Reform wants to take that away. They want to base the value of the pound on gold.

Now, when we were last on the gold standard, which went in the 1930s in the UK, but finally went from the world economy in 1971, when the USA broke with it, we were all right in using gold because South Africa was under UK control; we had our own gold supply. It was within the UK's economic area of influence.

But now, of course, we have precisely no gold supply of any consequence. Yes, I know a little bit is mined in Wales, but absolutely none in terms of the total quantity of gold that will be required to back our currency. So quite bizarrely - almost incredibly - Reform wants to base our money on an imported product that we would have to pay for, bankrupting ourselves in the process by reproducing a situation rather like that of the Weimar Republic post the First World War, which had to secure gold without the means to do so because it was demanded that it make payment using a currency that was gold backed that they did not have access to.

You couldn't make up an economic policy quite as absurd as that from a party that claims that it is nationalist in outlook. They're actually wanting to import the money that they say we should use. I find that just bizarre.

Things get worse, though. They also claim that the policy of quantitative easing produced moral degenerate behaviour in the UK by encouraging the use of credit.

It would seem that they don't like mortgages as a result, because the vast majority of loans in the UK are made for mortgage purposes. Apparently, Reform doesn't want you to borrow money to buy your house.

I don't know how else they think you're going to get one in most cases. I know they presume that everybody is already wealthy, at least that they're worried about, but for everybody else, apparently they want to remove the right of access to credit, in other words - mortgages.

They also want to clip the sides of government. They say that it must be shrunk, but they don't say whether they're going to get rid of health care, or education, or defense, or the criminal justice system, or what. They just want to shrink the size of government. This, apparently, is their goal.

And the policy went on and on with rants that were quite extraordinary. But let me just go back to that fundamental point. What Reform wants to do is take away the power of government to create money. I have little doubt at all what they actually mean is they want to outsource it to crypto.

What they want to do is, therefore, undermine the entire social safety net on which our country is built.

In fact, what they want to undermine is the entire basis on which our country is built because without the power to create money and tax, there is no country of any sort anywhere in the world. That is what defines a country.

So, these ultra-nationalists actually want to destroy the very thing which they like most of all: the country and the flag of the United Kingdom. As political incoherence goes, this is off the scale.

But people need to understand that. Farage and his outliers are literally proposing a policy which would destroy the UK or England, which is, of course, how they view the UK, and undermine the very basis on which it can operate.

Is that the basis on which they should currently enjoy the support of maybe 25 per cent of the UK population? Or are they just not telling those people the truth about what they are really planning to deliver, which is destruction of everything of value which those people hold dear?

I think that message about Reform needs to get out there.

That economic policy is one of destruction.

People need to know.

Please share this video.

Make sure that people do know because Reform is the ultimate threat to the well-being of people in this country.

