

# Reeves is going to do austerity next week

Published: January 13, 2026, 3:30 pm

---

According [to the FT](#):

*Chancellor Rachel Reeves will not raise taxes in next week's Spring Statement, Labour officials said, as they tried to dismiss Conservative claims that she is preparing an "emergency Budget".*

*Reeves will instead turn to public spending reductions — a combination of welfare cuts and savings to the planned budgets of Whitehall departments — to rebuild adequate headroom against her fiscal rules.*

So, the choice is to let the best off enjoy their wealth and to punish all those who rely on the state.

It is very hard to work out who Labour hates more, the state or those who need it - which it would appear they do not think that they do.

This is not necessary, of course. As I keep saying, [we could tax those with wealth more](#). It really would not be hard.

Austerity has been chosen instead.

Reeves will, of course, no doubt deny that she has chosen austerity, but look for definitions of it, and you will find a strong consensus around it being measures aimed at reducing public sector debt and budget deficits through spending cuts, tax increases, or a combination of both. That is what she is going to do. Austerity it will be then, and all because of a fixation with a fiscal rule that is utterly inconsequential.