

Funding the Future

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Andrew Rawnsley [wrote this in The Observer](#) this morning:

Nigel Farage can promise the moon on a stick. Sir Ed Davey can oppose every tax rise while bemoaning every spending curb. They enjoy the luxurious privilege of being opposition leaders many years ahead of a general election. For the residents of Downing Street, there is no magic money tree.

It takes years in the Westminster bubble, with a mind dulled by far too many lunches with the occupiers of desks at the Treasury, to write something so crass.

The reality is that if Reeves wants to spend, she can. She can:

- * Borrow from the Bank of England.
- * Borrow from financial markets, creating the capacity to do so for more constructive purposes by ending quantitative tightening, which is sucking £100 billion a year out of markets right now.
- * Raise taxes on the wealthy. U have shown her how to do it, very straightforwardly. The options are money creation, borrowing and tax, or a mix of all three to control inflation.

There is no shortage of money.

There is only a lack of three things:

- * Understanding that money is available.
- * A willingness to use the options available.
- * An understanding that balancing the economy is much more important than balancing the books.

One day, we might get a Chancellor who understands all this. Rachel Reeves is not that person.