

Will there be a crash in the City because those with di...

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According to Rachel Reeves and her Treasury ministers, there will be a crisis in the City of London today because the £5 billion of savings that she claimed were essential to avoid this outcome have been removed from the bill intended to cut disability benefits.

Reeves always made a mistake by claiming that those with disabilities, and as a consequence amongst the poorest in the whole of society in the UK, must be those who would make the sacrifice to apparently prevent the wrath of the bond markets descending upon the government, so imperilling the stability of the UK economy.

The mistakes were, in fact, threefold.

First, it was in making this claim, for which there is absolutely no evidence.

The second was in actually saying what she thought, because she can now be proved to be wrong.

The third, was in not considering the alternatives, including cancelling part of the quantitative tightening programme, cutting pension tax reliefs for the wealthy, equalising capital gains tax and income tax rates, and the [whole raft of other options](#) that always existed, which she ignored precisely because they might, very marginally, increase the tax bills of the wealthiest, and she has always thought that is something that she cannot do.

Of course, I cannot be sure that the wrath of the City will not descend on Labour. It might, but I very strongly suspect it will not.

The best reason for that is that the City is, no doubt, delighted that the incompetence of Keir Starmer and Rachel Reeves has been exposed and will be celebrating far too hard to actually bother about rubbing salt into the wounds.

I will, of course, be watching, but if the nonsense that Rachel Reeves had to say about this Bill is proved to be just that, and was never worth people's while to report, then her credibility will be damaged even more, and no one will believe her again.

That, I suspect, is exactly why the City will be happy to do nothing, because nothing could please them more than to see Rachel Reese go, because they, like everyone else, know that she is not up to the job that she is doing.