

Funding the Future

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As the [FT reports](#) this morning:

The leader of the Green party has called for the Bank of England to stop paying interest on reserves held by commercial lenders and instead invest in public services, refuting claims that his left-wing stance will repel conservative voters.

Zack Polanski told the Financial Times that ending these payments ... could save the government up to £20bn a year.

"We don't actually need to be paying that interest, we could be putting it straight back into our economy," Polanski said, speaking ahead of the Green party conference in Bournemouth this weekend.

Sometimes, it seems, people take note of what I have to say.

Why does it matter? That is not just because of the money involved. As readers here know, governments can create all the money they need. However, the narratives surrounding money matter a lot.

Reducing interest payments ends an excuse for austerity.

Changing this arrangement also challenges the household analogy: it suggests government is not the victim of circumstance but has the power to choose.

It also rebalances the equation of power. It says the government can create money costlessly. It is not, therefore, dependent on borrowing. It provides savings opportunities as a favour, and not because it relies on City money.

Changing these narratives matters as much as any estimate of the sums involved. They reclaim government for people, not financiers and banks, and that matters.

So, a good and very welcome move as far as I am concerned.

Taking further action

If you want to write a letter to your MP on the issues raised in this blog post, there is a ChatGPT prompt to assist you in doing so, with full instructions, [**here**](#).

One word of warning, though: please ensure you have the correct MP. ChatGPT can get it wrong.

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