

---

# Labour chaos on cuts

---

## Labour attack backfires as it turns the spotlight on them

Labour are in chaos on cuts.

Treasury Ministers say there will be “extremely painful” cuts under Labour, but Gordon Brown says spending will carry on rising.

Treasury figures already imply 17% cuts in non-protected departments under Labour, but Gordon Brown keeps adding new protected areas without saying where the money is coming from.

The National Audit Office say that Labour’s defence plans are already “unaffordable”, and Bob Ainsworth has announced defence cuts, but today Gordon Brown is promising more spending on defence. If Labour are now protecting defence spending then cuts in other departments will be more than 20%.

Ed Balls says education spending will carry on rising, but Alistair Darling claims he has only protected “front line” schools spending.

Peter Mandelson says you can't make cuts this year but is cutting more than £300 million from his own Department this year.

Alistair Darling and Gordon Brown disagree over what to do if growth is stronger than expected – Darling says he wants to cut the deficit but Brown says he wants more spending.

Today Peter Mandelson couldn't decide whether to attack the Conservatives for cutting too soon or for cutting too little. Perhaps he should spend more time filling the vacuum at the heart of Labour policy.

---

## **Chaos on Public Spending – it's still investment versus cuts**

**Alistair Darling says the next spending review will be the toughest for 20 years and Treasury Ministers say that cuts will be “extremely painful”, but Gordon Brown says spending will carry on rising. Who's right?**

Alistair Darling said that: “The next spending review will be the toughest we have had for 20 years ... to me, cutting the borrowing was never negotiable. Gordon accepts that, he knows that... We are talking about something like a £57 billion reduction in the deficit through tax increases and spending cuts. It is a change of direction.” (Alistair Darling, quotes in the Times, 9 January 2010)

A Treasury Minister admitted that “what we are proposing is going to be extremely painful.” (Ian Pearson, Telegraph, 20 January 2010)

Gordon Brown continues to claim public spending will rise: “public expenditure will only grow by 0.8% in real terms each year” (Gordon Brown, Andrew Marr Show, 3 January 2010)

**Labour are already protecting health non-capital spending and “front line” education spending, implying 17% cuts in other departments according to internal Treasury projections.**

Ministers have refused to deny that this implies cuts of 17 per cent to other departments on Treasury projections. ‘Mr Darling declined to deny reports that the Treasury had put the figure at 17 per cent.’ (FT, 18 January 2010)

**Alistair Darling attacks Tory plans to cut the deficit, but accepts the Conservative argument that cutting spending is ‘key’ to getting growth**

He said that ‘key to getting growth in the long term is firstly to get the deficit down’ (Press conference Q&A, 4 January 2010).

David Cameron said this months ago: ‘Dealing with this deficit is not an alternative to economic growth - the two go hand in hand. If investors see that there is no will at the top of government to get a grip on our public finances, they are going to seriously doubt our country's creditworthiness.’ (David Cameron, Speech, 23 November 2009)

## **Chaos on Defence Spending**

**Labour's defence plans were already unaffordable:**

Less than two months ago the National Audit Office concluded ‘the Defence programme is unaffordable’.

It estimated that ‘the Defence budget remains over committed by £6 billion over the next ten years’. (Source: National Audit Office, The Major Projects Report 2009, 15 December 2009, HC 85-I, Session 2009-10, para. 2.3).

**Labour has already set out cuts in the defence budget**

In December 2009 Defence Secretary Bob Ainsworth has already laid out a package of Defence cuts. (Source: Hansard, 15 December 2009, Col. 802).

**Yet today Gordon Brown is pledging more spending for defence.**

“Gordon Brown will put two new aircraft carriers at the heart of his vision for the military this week as he commits Labour to billions of pounds of extra defence spending.” (The Times, 1 February 2010)

**Are Labour now ring-fencing defence spending? If so, this will mean even larger spending cuts for other departments more than 20 per cent.**

---

## Education spending

**Ed Balls says that education spending will carry on rising, yet in the PBR Alistair Darling only protected “front-line” schools spending.**

‘We said very clearly education spending will rise this year, next year, the year after. It's going to keep going up, it's vital to the future of our country to keep investing in our children's education’ (BBC Breakfast, 4 January 2010)

‘I am determined we will protect the improvements in these **front-line services** on which millions rely.’ (Alistair Darling, Hansard, 9 December 2009)

## Chaos on Higher Education Funding

**Peter Mandelson attacked the Conservatives for making cuts in 2010, yet he is cutting over £300 million from higher education in his own Department.**

Peter Mandelson said that Tory plans to cut spending in 2010 were ‘potentially dangerous nonsense’ (Sky News, 6 January 2010).

Yet he is planning cuts of £300 million to the Higher Education budget. The savings of nearly £315m are expected in 2010-2011 from universities... Further savings of £600m across the higher education, science and research budgets are required over 2011-2013. (BBC News, 1 February 2010)

## Public sector pay

**Alistair Darling says that public sector pay will have to be cut. Is this now Labour policy?**

“There’s a lot of evidence that people in the private sector have taken pay cuts and held on to their jobs... It is not altogether clear to me why we pay very large salaries to people to do the same jobs as were being done 10 years ago for rather less” (Sunday Times, 24 January 2010)

## What to do with any extra revenues in the future

**Alistair Darling and Gordon Brown disagree over what to do if growth is stronger than expected – Darling wants to cut the deficit but Brown wants more spending.**

Alistair Darling said any extra growth would be used to cut the deficit: ‘if we get stronger growth then I would want to make sure that we did everything we could to get that structural deficit further reduced, and people would expect me to do that, that would be a sensible thing to do.’ (Press conference Q&A, 4 January 2010)

But Gordon Brown told Andrew Marr on Sunday that a strong recovery might help sustain spending, amid suggestions that programmes outside Labour’s ‘protected’ areas of health, education and police face cuts of up to 17 per cent: “Now what gives us hope that we can actually do more.” (Andrew Marr Show, 3 January 2010)

---

**YEAR  
FOR  
CHANGE**



Promoted by Alan Mabbutt on behalf of the Conservative Party, both at 30 Millbank, London SW1P 4DP.