

# Economy Matters

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Comprehensive  
Spending  
Review special

**George Osborne has now set out the detail of its spending review, outlining measures which will have huge repercussions for families up and down the country. With concerns that the cuts will hit growth and jobs and undermine public services, Labour believes there is an alternative approach - one which is fair and prioritises growth and jobs.**

## George Osbornes's cuts

## Growth

## Labour's alternative

▶ The Government's plans are a reckless gamble with the economy which put the already fragile recovery at risk. Forecasts of one million job losses highlight the cost of the Government's inflexible approach which takes no account of what's going on in the world economy. And more people claiming benefits will make the job of paying down the deficit even more difficult.

▶ Labour believes we need to reduce the deficit. But this must be done in a way which does not endanger the recovery. We would prioritise growth and jobs, in recognition that they must be central to any economic strategy. Under our plans, additional money from the banks would contribute to £7.5 billion of capital spending - supporting jobs now and creating the infrastructure for future growth.

## George Osbornes's cuts

## Public services

## Labour's alternative

▶ The scale of cuts to public services go far beyond what is necessary and include scrapping measures the Conservatives had promised to protect, including the guarantee of one-week cancer tests. Police funding cuts of 20 per cent will be impossible to achieve without cuts to the numbers of police on the street and programmes to fight crime and anti-social behaviour.

▶ Labour recognises the important role public services play in the lives of families across the country. While tough choices do need to be made, Labour's approach to make taxation play a larger role in getting the deficit down would ensure that public spending on vital public services would not be cut at the level currently proposed by the Government.

## George Osbornes's cuts

## Fairness

## Labour's alternative

▶ The Spending Review fails some of the basic tests of fairness. Under the Government's plans families with children will have to pay more than twice the amount that the banks are being asked to contribute. Independent experts have already described the measures as "not progressive" on the Treasury's own analysis.

▶ Labour believes fairness must be at the heart of any cuts to spending. Instead of hitting lower and middle-income families so hard, we would ensure the banks made a larger contribution to tackling the deficit and driving forward growth. Those who bear the greatest responsibility for the economic crisis must be seen to shoulder their fair share of the burden.

**The Government claims the cuts are unavoidable. But the truth is that the deficit was unavoidable if people were to stay in their jobs and homes during the recession.**

Labour believes there is an alternative to the Government's risky approach - one which will halve the deficit over four years while accepting that tough choices need to be made.

But Labour's approach would also strike the right balance between getting the deficit down and supporting the recovery, would ensure that the burden of cuts is more fairly shared, and, most importantly would go for growth.