

#GE2015 Today's messages on austerity

☒ Deputy First Minister John Swinney was at Spoon Restaurant this morning to deliver the SNP message on how they would deal with austerity and the deficit, words we have come to know quite well during this General Election campaign.

He was accompanied by the Cabinet Minister for Education and Lifelong Learning, Angela Constance, and they both met Moira McFarlane the owner of Spoon on Nicolson Street and who gave Mr Swinney instruction on making coffee.

This is what the Deputy First Minister had to say:

[The Edinburgh Reporter](#) from [Phyllis Stephen](#) on [Vimeo](#).

So what about the other main political parties? Earlier today the Institute for Fiscal Studies declared that none of the four main parties has set out a very good case. This is what they said:

“With the deficit in 2014–15 still at 5% of national income all these parties have pledged to reduce it over the coming parliament. New research, published today by the IFS and funded by the [Nuffield Foundation](#), analyses the public finance implications of these political parties' election manifesto commitments, and sets out the size and composition of the future fiscal tightening that each appears to be planning.

“None of these parties has provided anything like full details of their fiscal plans for each year of the coming parliament, leaving the electorate somewhat in the dark as to both the scale and composition of likely spending cuts and tax increases.”

✖ Gordon Brown explained in what the Labour Party describe as a major speech tonight in Kirkcaldy, how a Labour Government would deal with the poverty crisis by sending 167 Scottish food banks an emergency payment of £5,000 each on the very first day of a UK Labour government.

The Labour initiative is designed to end what they believe are the three shameful injustices. They will drive out pay day lenders, help with energy bills and cookers so that children can get a hot meal and they will help with bus fares to reach food banks as part of an emergency action plan.

Gordon Brown called for a day in the next two week period to be called Food Bank Poverty Day when he invites all the main parties to explain their policies. He also called on churches and charities to be involved in developing the new anti-poverty fund which the Scottish Labour Leader, Jim Murphy will establish.

The former Prime Minister used the opportunity to remind Scots that Labour is Scotland's party for social justice and fairness.

The Conservatives said in their manifesto that while they had done part of the job of turning the economy round they had not yet finished and need another five year term to complete the task.

"Our long-term economic plan is turning around Britain's economy. Five years ago, Britain was reeling from the chaos of Labour's Great Recession; in 2014 we were the fastest growing of all the major advanced economies – last year, we grew 75 per cent faster than Germany, three times faster than the Eurozone and seven times faster than France. Five years ago, the budget deficit was more than 10 per cent of GDP, the highest in our peacetime history, and the national debt was rising out of control; today, the deficit is half that level and debt as a share of national income will start falling this

financial year.”

The Tories go on to say that their deficit reduction plan has two phases during which they will reduce government spending by 1% a year for the first two financial years of the next parliament (same as the last five) which means that £30bn has to be found in the same period. They contend that they will manage this by finding £13bn from departmental savings, £12bn from welfare savings and £5bn from tackling tax evasion. This, the Conservatives say, will reduce the ratio of debt as a share of GDP and will allow them to deliver a balanced budget in 2017-18.

They anticipate a government surplus in the following year 2018-19 and will then allow government spending to grow with inflation.

✖ The Liberal Democrats set out what they describe as a responsible approach to tackling the deficit. They claim that it is the effect of the LibDems that has influenced the Conservative plans in the last government.

They say that it is only the Liberal Democrats who will complete this job in a way which is fair while enabling sustainable growth and protecting public services.

So back to the Institute for Fiscal Studies for the final word: “Our analysis suggests that, on borrowing and debt:

- The Conservatives are planning the largest reduction in borrowing over the next parliament, of 5.2% of national income, to eliminate the deficit by 2018–19. They would require some large spending cuts or tax increases to achieve this.
- Labour has been considerably more vague about how much they would want to borrow. They have pledged to ‘get a surplus on the current budget’ without specifying either exactly when or how much of a surplus. This pledge could

be consistent with any reduction in borrowing totalling 3.6% of national income or more (given the coalition government's investment plans). A reduction in borrowing of 3.6% of national income would require little in the way of spending cuts or tax increases after this year.

- The Liberal Democrats have been more transparent about their overall fiscal plans through to 2017–18 and are aiming for a tightening that is larger than Labour's but smaller than the Conservatives', at 3.9% of national income.
- The SNP's fiscal numbers imply the same reduction in borrowing over the next parliament as Labour, although the reduction in borrowing under their plans would be slower. While their plans imply a slower pace of austerity than those of the other three parties, they imply a longer period of austerity."