

# Brown 'will not tax for taxation's sake'

By GEORGE JONES  
POLITICAL EDITOR

GORDON Brown staked out tax and spending yesterday as Labour's chosen battleground for the general election.

In a speech which drew a four-minute standing ovation, the Chancellor of the Exchequer said he wanted to launch a "great national debate" on the need to finance improvements in public services through taxation.

Although holding out the prospect of "targeted" tax cuts to help people in work, children and enterprise, he ruled out across the board cuts.

He attacked the Tory commitment to reduce taxation and said the country would face a choice at the next election — invest in hospitals, schools and "strong public services for all" or put them at risk by "irresponsible tax promises which if implemented will cut billions from hospitals, schools and our core services".

He said Labour would never tax "just for taxation's sake". But the Government was prepared to make the "difficult decisions" so that the country could enjoy stability in its public finances and investment in public services.

Future Budgets would have targeted tax cuts again. "But what we rule out is blanket irresponsible tax promises that cut into the £4 billion extra investment in transport, the £12 billion in education and training and the £14 billion in health."

"For however difficult the decisions, the country will never forgive us if we lurch from one opportunist tax decision to another and retreat to the short-termist ways of the past."

Mr Brown took a tough line with the fuel protesters, many of whom were demonstrating outside the conference centre as he spoke.

While the Government would listen to farmers and hauliers, it would also take into account the views of other sectors of the economy.

Although he confirmed he would make his official response to the protests in his pre-Budget statement, expected at the end of October, he underlined his opposition to cutting fuel duty.

"This national debate is too important to ever be decided by those who shout the loudest or push the hardest. The British way, the Labour way, is that every voice must be heard."

He blamed the soaring cost of petrol at the pumps on a 300 per cent rise in world oil prices over 18 months — an increase which he said "cannot be justified".

However he emphasised that the right approach to ease prices was by securing international agreement through the International Monetary Fund for the Opec oil producing nations to increase their output.

Mr Brown said there



Gordon Brown is greeted by Tony Blair and John Prescott after his speech. He receives a standing ovation and was joined on the platform by his new wife Sarah

## Haulier left feeling betrayed after 'sidelining' manoeuvre

By NIGEL BUNYAN

BY the time the Chancellor returned to his seat, Roger Davies was seething. Having abandoned his haulage business for three days and nights to join the fuel protest at Stanlow, Cheshire, he felt a sense of betrayal.

"That was just cynical," he said. "They say they're listening to the nation but they're trying their hardest to sideline us so we'll no longer be a threat to them."

"Quite obviously, in the Government's mind the fuel protest is last week's news."

would be no sudden lurches in tax or spending policy. Nor would there be an irresponsible pre-election spree. "We will not put the hard-won Labour economic stability at risk. No return to short-termism. No return to Tory

I'd have been happy if Gordon Brown had just said they needed to look after farmers and hauliers, but he's made no effort beyond trying to put the boot in and trying to humiliate us.

"This speech has been a PR offensive to make us go away... he's got the upper hand because he's got the spin doctors."

Mr Davies, a part-time farmer from near Shrewsbury, whose main business is now transporting straw, winced as the Chancellor spoke eloquently of not giving in to "those

boom and bust." It was not by accident that the Government had been able to cut inflation, boost employment and tackle "long-term neglect" in investment. "These things did not just happen," he added. "The

who shout the loudest or push the hardest".

"What this speech has done is make clear that when the 60 days are up one of us is going to back down and lose face," Mr Davies said. "That's the bottom line... and it's too early to say which of us it will be."

He acknowledged that a repeat of the fuel protest would be far more difficult than a fortnight ago: "It will be a lot colder and Christmas will be coming up."

"People certainly won't put up with being cold for very long."

priorities and tough decisions of your Labour Government made them happen.

"It's precisely because we have taken the time and trouble to build the long-term foundations for success."

"It's precisely because,



Roger Davies with one of his lorries. He described Mr Brown's speech as 'cynical'

with your support, we have resisted short-term lurches in policy that we can today steer a course of stability at a time of uncertainty in the world economy, without putting growth at risk."

There would be no change

either in the party's policy on the euro — "support in principle for the single currency, in practice the five tests that have to be met".

On pensions, Mr Brown said the Government had "much more to do" but he

again defended the approach of targeting the poorest pensioners first.

"It is a progressive principle that we should do more for those who have the greatest needs. So if we are to plan for the future, our priority

## The main points of his speech

□ International pressure on oil producing countries to reduce prices.

□ Extra help for all pensioners next year to be announced within the next few weeks. Minimum income guarantee for poorest pensioners to rise to £90 a week.

□ Tax cuts to promote enterprise and new business in inner city blackspots.

□ Further rise in the minimum wage next year after report from the Low Pay Commission.

□ New measures for maternity pay and leave alongside a commitment to affordable child care.

□ The right to time off when a family member is ill.

□ Moves to end age discrimination and help older workers back to jobs.

□ Action to wipe out debts of the 20 poorest countries by December this year.

□ Launch national debate on spending and taxation.

'We will not be forgiven if we lurch from one tax decision to another'

cannot be that the wealthiest get exactly the same as the neediest," he said.

He did however hold out the prospect of a concession to campaigners, demanding an across-the-board increase for all pensioners, promising that his pre-Budget report would include "transitional arrangements to the benefit of all pensioners".

In a rallying call, the Chancellor said that with the party's "vision and attitude" it could win a new mandate from the people.

At the end of his speech, Mr Brown was joined by his new wife Sarah on the platform. The couple kissed, to the delight of delegates.

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# The speech that Blair will deliver today

The Daily Telegraph  
26/9/2000  
p. 25

What can Tony Blair possibly say in his speech to the Labour conference today? Will it be an attack on the Forces of Conservatism (Part II), or "I feel your pain"? After much pleasurable deliberation, I have concluded that those are the two most likely themes from which he can choose (or, more likely, choose to vacillate between).

The first option would be, ideally, uncompromising without being belligerent or — speak not the fatal word — arrogant. Mr Blair would state, in his resolute Kosovo voice, that all this strife had been brought on by his own (sorry, the Government's) refusal to compromise on its principles of economic prudence and social responsibility. With a bit of ducking and weaving, this could be made to encompass the need to say "No" to an expensive and inflationary earnings link for pensions, while saying "Yes" to an expensive and inflationary rise in petrol prices.

It would be just possible to argue that those who are fighting for a return to increasing pensions in line with average earnings represent a Force of Conservatism. After all, such a proposal represents the *old* way of doing things, doesn't it? And it is supported by the *trade unions*, isn't it? So really, this is just one more battle between New and Old Labour.

Mr Blair couldn't put it quite

like that, of course, or he would have to be smuggled out of Brighton with a sack over his head. But what about amalgamating the pensions and the petrol protests, so that the speech goes something like this: "We will not retreat from our firm resolve to ensure long-term economic stability, and that means hard choices. It means saying to pensioners: we will not put the economy's future at risk by making huge spending commitments. It means saying to motorists: every time you fill your tank, you are helping to build more schools and hospitals. And isn't that what we all want?"

But trying to sound resolute without looking pig-headed may be a challenge too far, especially as this Prime Minister specialises in vacuous sloganeering, and seems quite incapable of dealing in hard arguments.

So what he will *not* say to pensioners, is: "The national insurance scheme is based on a myth. You have not been paying contributions toward your own retirement: you are living on what the present generation of taxpayers thinks it can afford. State pensions will never be able to keep pace with the country's prosperity until they are funded, like private pensions, by investing your personal contributions in the market." No: he cannot say that, if only because it is what the Tories said in 1997.

Nor will he say to the petrol



Janet Daley

## The Tuesday column

protesters: "We have made a political decision to rely on indirect taxation, because the electorate will not tolerate any increases in direct tax and, of the two, indirect taxes do less harm to economic growth. But because we still believe in the state as a monopoly provider of health and education, we require huge amounts of money to increase expenditure. So if you want schools and hospitals financed our way (which is what you voted for), then you will have to pay the price. And wouldn't you rather pay it at the pump than in your pay packet?"

But he will not say that — partly because he does not have any real grasp of these

arguments himself. Mr Blair's speeches consist of platitudinous aspirations, coded manipulation of his colleagues and inspirational mantras — because these are an accurate representation of his level of political understanding. Those on his team who grasp the force of these more challenging ideas know that, were such arguments to be aired by Mr Blair, Labour's economic philosophy might unravel.

All of these hard choices are necessitated by what is still Labour's most sacred principle: the state must provide, through general taxation, the important public services. And that is a law laid down not just by backbench Old Labour stalwarts, but by Mr Blair's Chancellor (if, indeed, he can be called Mr Blair's Chancellor, rather than the head of an alternative government).

The country has only just begun to appreciate that Gordon Brown, for all his early adherence to Tory spending policies, is an unreconstructed socialist whose only concession to modernisation is to turn tax-and-spend into tax (which should be held on to for as long as possible) and *then* spend. Only the force of his personality has prevented us from asking Mr Brown the obvious question: if the Tories were making such a mess of the economy, why is it that following their spending plans brought about your own economic success?

If only to make a contrast with Mr Brown, feeling your pain will have to come in to Mr Blair's opus: we understand that this is hard, he may well say, but we must all make sacrifices to have the sort of society we want. In his quivering Diana voice, Mr Blair could implore: bear with us a while longer (preferably for at least five more years) while we build this heaven on earth. Then you will see that all these trivial difficulties have been worthwhile.

This brings me to what Mr Blair almost certainly *will* say. After the usual litany of pieties about concentrating on the "big issues" rather than the "froth", and creating a modern country for the 21st century, he will present us with the Real Choice for the next election: do we want more money to go to schools and hospitals as he has promised, or do we want to see spending "slashed" by the Tories?

Well, yes, there certainly will be a choice at the general election, but I think it will be a different one. Mr Blair could say: will you all accept that there are less doctrinaire (and old-fashioned) ways of financing essential services than through tax? Will you contemplate the possibility — without tears or hysterics — that all options to state provision do not arise directly from Hades, trailing clouds of sulphur? Or would you prefer to go on believing in the Easter Bunny?