

Darling to use revenues to cut debt

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Alistair Darling plans to use a revenue windfall to trim projected UK borrowing by £5bn to £10bn in next week's Budget, making debt reduction a priority as he tries to put public finances on a sounder footing.

[O]fficial data on Thursday showed that receipts had not fallen as much as the chancellor feared in December. Public spending is on course to end the year close to target, meaning that the government will be in the red by about £170bn.

That's a sop to the market that may be politically necessary for the moment, and highly timely.

But to think that deficit cutting is the priority is a massive mistake.

Employment is the priority. The deficit will look after itself when people are in work as Keynes said.

And as for the EU's demand the deficit be 3% of GDP - that's just bankers being *ankers. This is a wholly arbitrary rule of complete inconsequence made in different circumstances that they want to enforce to increase unemployment, suppress wages, increase the divides in society and to undermine democracy.

So they should be ignored - along with their friends in the rating agencies.

Keep spending, I say.