

Labour is apparently planning tax cuts that can only me...

/Blog/2024/01/03/labour-is-apparently-planning-tax-cuts-that-can-only-mean-the-end-for-public-ser...

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The [Times is reporting](#) this morning that:

Rachel Reeves is weighing up plans to offer income tax or national insurance cuts in Labour's general election manifesto to show that the party is on the side of "opportunity and aspiration".

They add:

The shadow chancellor is facing pressure from frontbenchers to make a "retail" offer on tax to voters who are struggling with the cost of living crisis.

They then note:

Reeves believes that tax cuts offered by Labour must be "bombproof" and should not put the party's fiscal credibility — which she views as integral to an election win — at risk. Labour's offer will also be contingent on the Conservative Party's tax.

I was scheduled to discuss this on Times Radio this morning, but Hamas is apparently taking the headlines, so let me look at the issues this raises here instead.

The first is the glaringly obvious point that this is speculation, not fact.

The second is that, the speculative nature of this having been noted, the key issue is that this is clearly well-sourced, and very obviously from the Labour front bench, if not from Reeves herself. The article makes that clear.

Third, I should add that I suggested that something like this might happen in my predictions for the year only days ago.

Then, let me note the much more significant political and economic consequences of this.

Firstly, this suggestion does, of course, make clear that the election campaign is

underway.

Second, what the suggestion also makes clear is that this campaign will be base and dirty, with money-grubbing for votes at its core.

Third, then let me add that this makes clear just where Labour really is, and shatters almost all the claims it has made about itself and this campaign to date.

For example, its claim that it cannot comment on specific policy options because it has not seen the government's books is shattered by this suggestion, especially when put alongside its claim that it will raise no taxes and balance the government's books.

Together, what those messages make clear - when we already know from the November Office for Budget Responsibility report that this combination can only be possible with dramatic spending cuts - what the Labour policy promise really is: it is the end of public services as we know them.

And what that means is that Labour will abandon the NHS, schools, social care, the justice system, public investment and any chance of tackling climate change, all for the quick fix of offering tax cuts because the Labour leadership is so desperate to be in power that everything will be sacrificed to their personal goal of getting their hands on ministerial office.

The economics of even thinking about tax cuts whilst promising no tax rises on the wealthy and balanced budgets is not 'bomb-proof' economic thinking. It is straight from the economic madhouse, otherwise known as Tufton Street. Frankly, Liz Truss was no worse than this. That is how bad things are if this is what Labour is proposing.

A few days ago, [the Guardian reported](#) retiring Labour MP Jon Cruddas as saying:

[Starmer's] approach to economics does not appear to be grounded in any specific theoretical understanding of inequality, material justice and welfare distribution. Despite a successful career as a human rights lawyer, as Labour leader Starmer [also] appears disinterested in questions of liberty and freedom.

I think Jon Cruddas was overly generous. Starmer is interested in one thing, and one thing only, and that is power that blocks anyone on even the very moderate left from securing it. Nothing else matters to him.

My suggestion is that as yet he has never even asked himself about what he will do with power when he gets it, which I can suggest because as Cruddas notes, there is no suggestion that he has done so.

And so UK politics sinks ever further into the grubby mire created by the far right - willingly assisted by Keir Starmer and Rachel Reeves - who are now doing all they can to out-Tory the Tories. They really are that desperate.