

# Gordon Brown's Record

Gordon Brown is asking people to vote him in for another five years but, as this document makes clear, he and his tired government will just make things worse.

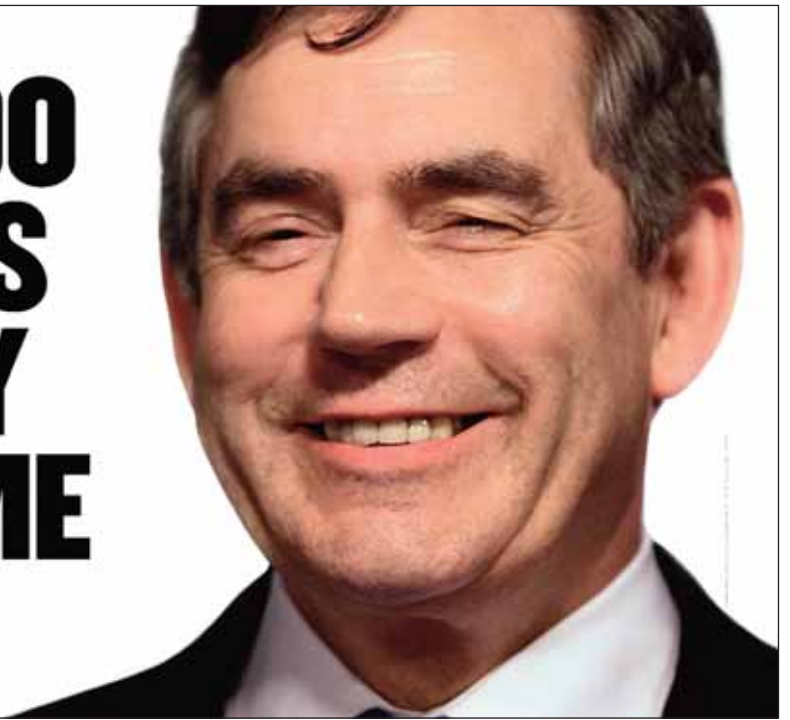
He has doubled our national debt and squandered billions of pounds selling off Britain's gold at rock bottom prices. He has taken billions out of our pensions system and doubled the tax rate for the poorest workers. He has let down our young people by causing record youth unemployment, and overseen an increase in the gap between the rich and poor. And he has let 80,000 criminals out of prison early, leading to 1,500 crimes being committed by people who should have been behind bars.

But that is not all – he cut the defence budget at a time of war and got caught out denying it. He is planning a tax on jobs just as we are emerging from recession. He has brought boom and bust to the NHS, leading directly to cuts. He has let truancy rise to record levels so now 67,000 pupils skip school every day. And his tax credit system penalises parents who want to live together by making them better off if they are apart.

We can't go on like this. The choice at this election is five more years of Gordon Brown's tired government making things worse or David Cameron and the Conservatives with the energy, leadership and values to get the country moving.

# I LET 80,000 CRIMINALS OUT EARLY VOTE FOR ME

Or vote for change. Vote Conservative



## ■ Gordon Brown's 'get out of jail' scheme

Within days of Gordon Brown becoming Prime Minister, the Government began to release prisoners early to ease prison overcrowding. Under the 'End of Custody Licence' scheme, prisoners serving between one month and four years were to be released eighteen days before the mid-point of their sentence.

80,000 prisoners have now been released early. This includes 15,715 violent offenders and 7,213 burglars (Ministry of Justice, End of Custody Licence Releases and Recalls, 26 February 2010, table 1). In 2008, it emerged that two terrorists had been released early under the scheme (Hansard, 24 April 2008, Col. 2251w).

Prisoners released early have been paid £7 million to compensate them for the loss of free board and lodging in prison (Hansard, 24 February 2010, Col. 585w).

## ■ Reoffending by prisoners on early release

Labour's early release scheme has led to 1,500 crimes being committed by people who should have been behind bars at the time (Ministry of Justice, End of Custody Licence Releases and Recalls, 26 February 2010, table 3).

Ministry of Justice figures show that these include 81 burglaries, 25 robberies, and seven alleged sex offences (Hansard, 29 April 2009, Col. 1333w)

Three murders have been committed by violent offenders released early, including that of teenager Jed Sheridan, who was kicked to death in a drunken attack in Portsmouth. One of his attackers had been released early the previous week (The Times, 28 October 2008).

## ■ Early release ended in pre-election stunt

With ten weeks to go before the General Election, Jack Straw announced he was scrapping the early release scheme (Hansard, 22 February 2010, Col. 27). But he has refused deny claims that officials have advised that a shortage of prison cells means it could be reintroduced within months (Hansard, 22 February 2010, Col. 30).

# I TOOK BILLIONS FROM PENSIONS VOTE FOR ME

Or vote for change. Vote Conservative



## ■ Gordon Brown's pensions tax raids

Gordon Brown has consistently undermined our pensions system. In his first budget he abolished tax credits from share dividends – a move which badly affected pension funds. Over the long term, some actuaries have predicted that this action will reduce the value of pension funds by £100 billion (The Sunday Telegraph, 15 October 2006).

Last year's Pre-Budget Report also confirmed that the new pension scheme for low and middle earners would be delayed and not fully operational until 2017. This delay means that the Government is saving £2.4 billion worth of tax relief that would otherwise go into the pension pots of people on low incomes (HM Treasury, Pre-Budget Report, December 2009, p.11).

## ■ A devastated pensions system

The Government estimates that around 7 million people are not saving enough for retirement (DWP, Security in Retirement: towards a new pension system, May 2006).

Almost 12.8 million jobs have no pension provision. The number of jobs without any pension provision has grown by 2.4 million since 1997, a rise of 23 per cent (Hansard, 24 March 2010, col. 325W).

Over 100,000 occupational pension schemes have been wound up or have begun the process of winding up since Labour took office in 1997 (Hansard, 11 November 2009, Col. 570W).

According to Labour's first Welfare Reform Minister, Frank Field: 'when Labour came to power we had one of the strongest pension provisions in Europe and now probably we have some of the weakest' (BBC Radio 4, Today Programme, September 2004).

# I DOUBLED THE NATIONAL DEBT VOTE FOR ME

Or vote for change. Vote Conservative



■ Public sector debt more than doubled  
In March 1997, Public Sector Net Debt was £347.2 billion. At the end of March 2010, it will be £777 billion (HM Treasury, Public Finances Databank, 24 March 2010).

In 2009-10, the Government is borrowing £166.5 billion (Budget 2010, Table C3). This works out at:

- £456 million per day
- £19 million per hour
- £317,000 per minute
- £5,280 per second

■ Government spending more on debt interest than schools, transport or crime  
As debt has risen, servicing the debt has taken a larger share of public spending. Government spending on debt interest in 2010-11 is £41.6 billion (Budget 2010, Table C9) - this is more than almost any other single item of central government spending, including:

Schools. The schools budget in 2010-11 will be £40.635 billion (Schools Resource DEL, DCSF Annual Report 2009, p. 216)

Transport. The transport budget in 2010-11 will be £14.7 billion (Budget 2010, Table C11)

Crime. The combined budget of the Home Office and the Ministry of Justice in 2010-11 will be £20.7 billion (Budget 2010, Table C11)

■ National debt set to nearly double again  
On current plans, Public Sector Net Debt is predicted to nearly double again to £1,406 billion in 2014-15 (Budget 2010, Table C3).

■ Every person will owe £23,000 in national debt  
By 2014-15, every person in the UK will owe £23,000 in national debt (Budget 2010, Table C3; based on a population of 61.4 million, ONS).

# I DOUBLED THE TAX RATE FOR THE POOR VOTE FOR ME

Or vote for change. Vote Conservative



## ■ Whose side is he on?

In his final budget before becoming Prime Minister, Gordon Brown scrapped the 10p 'starter' rate of income tax for people earning less than £7,455. Instead, people on low incomes would pay tax at the basic rate of 20p.

Days before the Crewe and Nantwich by-election, and facing a rebellion from his own MPs, Gordon Brown did a partial U-turn, raising the personal tax allowance by £600 to mitigate some of the effects of scrapping the 10p tax band. This was despite repeated statements that the Government would not reopen the budget. Gordon Brown funded the u-turn by borrowing £2.7 billion on behalf of taxpayers.

However, raising the tax threshold did not completely mitigate the effects of the tax rise for low-earners: lower-paid workers earning less than £13,335 were still left worse off.

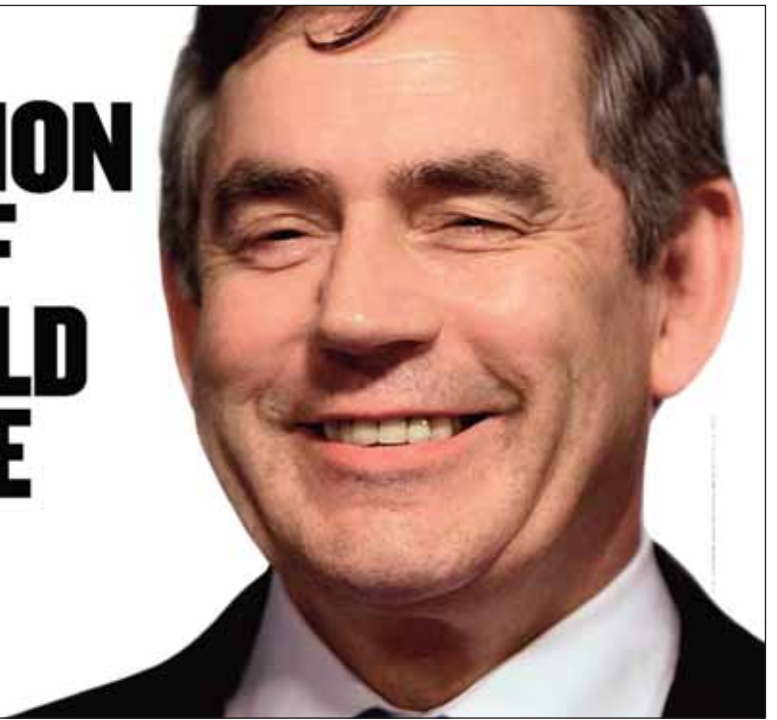
## ■ The poor face the highest tax rates

The poorest 20 per cent of society pay almost 39 per cent of their income in tax compared to the richest 20 per cent, who pay just under 35 per cent of their income in tax. (ONS, The effects of taxes and benefits on household income, 2007/08).

When withdrawal of benefits is taken into account, low earners can face marginal tax rates of up to 96 per cent. For a lone parent with one child, earning between £125 and £160 per week, the combined effect of taxes and the withdrawal of benefits mean that for every extra pound they earn, they keep just 4 pence.

# I LOST £6 BILLION SELLING OFF BRITAIN'S GOLD VOTE FOR ME

Or vote for change. Vote Conservative



## ■ £6 billion gold sell-off at rock-bottom prices.

On 7 May 1999, Gordon Brown announced that he was planning to sell off 400 tonnes of gold at a 20-year low in the market – now nicknamed the 'Brown Bottom' by gold traders (HM Treasury, Review of the sale of part of the UK gold reserves, October 2006).

Gordon Brown sold off Britain's gold for between \$256 and \$296 an ounce, raising \$3.496 billion (£2.343 billion at the then exchange rate). Since then the gold price has more than quadrupled to \$1,134 an ounce (Bloomberg, 2 March 2010).

The Treasury's pre-announcement of a gold sale caused prices to fall between the announcement and the sale. It has been claimed that Bank of England officials were warned that the proposed auctions would realise the worst price for taxpayers. The Bank of England has said that it 'acted solely as an agent and the decisions were taken by the Treasury' (The Times, 15 April 2007).

The revenue from the sale was invested 40:40:20 in dollars, Euro and yen (Hansard, 17 May 1999, col. 283), but further details have not been released by the

Government since. The assets bought from the revenue generated from the sale of gold have performed much more modestly than the increase in gold's value, raising only £671 million on reasonable assumptions. Once this is taken into account, the total loss to the British economy from Gordon Brown's gold sale is £6 billion.

■ Brown tried to bury his gold sale secrets  
The Treasury has consistently refused to reveal detailed information about the gold sale, amid allegations that Gordon Brown ignored warnings from officials about the plan. The Information Commissioner has now ordered the Treasury to answer a series of Freedom of Information requests by 26 April 2010 (Information Commission, Decision Notice FS50143102, 22 March 2010).

# I CAUSED RECORD YOUTH UNEMPLOYMENT VOTE FOR ME

Or vote for change. Vote Conservative



■ One in five young people can't find a job  
Britain is in the grip of a jobs crisis. 2009 saw some of the highest increases in unemployment on record. Labour are now the party of unemployment.

Youth unemployment now stands at 915,000 and one in five young people is unable to find a job (ONS, Labour Market Statistics, March 2010). 200,000 16-24 year olds have been unemployed for twelve months or longer (ibid.).

■ Youth unemployment up by a quarter  
Under Gordon Brown, youth unemployment has hit a record high. It is now 251,000 higher than when Labour came to power in 1997 (ONS, Labour Market Statistics, March 2010).

■ Over 800,000 young people claiming benefits  
839,620 young people under 25 are claiming out of work benefits (ONS, Labour Market Statistics, March 2010).

■ Highest youth unemployment in Europe  
The UK has the highest number of young people unemployed in Europe, higher than in France, Italy or Germany (Eurostat, Youth Unemployment, 1 March 2010).

# I INCREASED THE GAP BETWEEN RICH AND POOR VOTE FOR ME

Or vote for change. Vote Conservative



## ■ Record levels of inequality

New Labour came to power promising to deliver both social justice and economic efficiency: 'Fairness and enterprise. Social justice and economic efficiency together. That is New Labour'. In 1999 Tony Blair pledged to be the 'first generation to end child poverty' (Tony Blair, Annual Beveridge Lecture on Social Justice, 18 March 1999). But over the past thirteen years, they have failed to achieve either of those goals. (Daily Telegraph, 25 March 2010)

Inequality is now at a record high. The Gini Coefficient – a commonly used internationally recognized measure of income inequality – is above the level that Labour inherited and at the highest level ever since the start of a consistent time series in 1961.

(<http://www.poverty.org.uk/09/index.shtml#g7>)

New research by the National Equality Panel estimates that income inequality is at the highest level since soon after the Second World War (National Equality Panel, An Anatomy of Economic Inequality in the UK, January 2010). (Guardian, 27 January 2010)

## ■ The poor are getting poorer while the rich get richer

The income of the poorest 20 per cent of households has been falling for the past three years and is £7 a week lower in real terms than in 2004-05. Over the same period the richest 20 per cent of households have seen their incomes grow in real terms by £30 a week. (DWP, Households Below Average Income 2007/08 Full Report, 7 May 2009, p.19, table 2.1ts).

The Joseph Rowntree Foundation has concluded that 'the strategy against poverty and social exclusion pursued since the late 1990s is now largely exhausted' (Joseph Rowntree Foundation, Monitoring poverty and social exclusion 2007, 3 December 2007).

## ■ Child poverty rising

Child poverty has risen for the third year in a row (DWP, Households Below Average Income First Release, 7 May 2009, p.1). There are four million children (as well as two million pensioners) living in poverty.

The Government has already missed its target to reduce child poverty by a quarter by 2005 and has now admitted that it will miss its target to halve child poverty by 2010/11. On current trends, Labour would also miss its target to end child poverty by 2020.

# ... and here are some other things Gordon Brown did

## ■ Cut the defence budget at a time of war – and got caught out denying it

Gordon Brown misled the Chilcot Inquiry, Parliament and the public when he claimed that ‘the defence budget has been rising every year since 1997’ (*Hansard*, 10 March 2010, Col. 291). He was later forced to admit that ‘I do accept that in one or two years defence expenditure did not rise in real terms’ (*Hansard*, 17 March 2010). Figures from the Ministry of Defence show that the defence budget actually fell year-on-year in real terms on four occasions since 1997 – in 1998, 1999, 2002 and 2007 (Channel 4 News Factcheck, 10 March 2010).

## ■ Taxed jobs as we were emerging from recession

Last December, Gordon Brown’s Government announced a tax on jobs – a 0.5 per cent rise in the rate of National Insurance Contributions for both employees and employers. This comes on top of the rise in NICs announced in the 2008 PBR, meaning a total planned rise of 1 per cent. This is a tax on all businesses and on every person earning over £20,000. The Federation of Small Businesses has estimated that this could mean up to 57,000 jobs are lost. (FSB, Press Release, 24 March 2010)

## ■ Increased spending on quangos by £10 billion

The cost of unelected and poorly accountable government bodies has soared by almost £10 billion under Gordon Brown. In his first year as Prime Minister, total expenditure on so-called “executive non-departmental public bodies” rose from £37.0 billion to £43.0 billion in 2007-08 - a 16 per cent rise (Cabinet Office, *Public Bodies 2007*, p.10; *Public Bodies 2008*, p.10). Figures for 2008-09 revealed quango expenditure rose by another £3.5 billion to £46.5 billion - a 7 per cent rise (Cabinet Office, *Public Bodies 2009*, p.6) making a mockery of his claims to deliver a new politics.

## ■ Brought boom and bust to the NHS – which led to NHS cuts

Despite massively increasing spending, Gordon Brown has been guilty of a ‘boom and bust’ approach to the NHS finances, forcing NHS Trusts into cuts and wasteful short-term spending. Between 2005 and 2007, 14,500 jobs were cut from the NHS as Trusts struggled to recover from deficits (NHS Information Centre, *NHS Staff 1998-2008*, 25 March 2009). And since 2004, the number of beds in the NHS has been cut by 21,500 – the equivalent of 12 per cent (Department of Health, *Bed availability and occupancy 2008-09*, 30 September 2009). Accident and Emergency departments and maternity units up and down the country have faced or are facing cuts and closures. And things are only set to get worse, as one of Gordon Brown’s own health advisers said that ‘the days of the District General Hospital are over’ (Professor Sir Ara Darzi, *NHS London, A Framework for Action*, 11 July 2007).

## ■ Let truancy rise to record levels

In 1998, Gordon Brown’s Treasury set a target to reduce truancy rates to 0.5 per cent (HM Treasury, *Comprehensive Spending Review, Public Service Agreements 1999-2000*, December 1998). But the figure now stands at 1.05 per cent - up 44 per cent since 1996/7, well in excess of the Government’s target, and at a record high. 67,000 pupils skip school without permission every day (DCSF, *Pupil Absence in Schools in England, Including Pupil Characteristics: 2008/09*, 25 March 2010).

## ■ Paid couples more to live apart than together

The tax credit system penalises parents who live together, giving families a financial incentive to split up. The IFS has highlighted the fact that a couple with children earning £20,000 between them could be more than £5,000 better off in terms of benefits and tax credits if they split up (*The Sunday Times*, 4 March 2007).

