



LABOUR PARTY ANNUAL CONFERENCE

Brighton 27 settembre – 1° ottobre 2009

Labour's Chancellor of the Exchequer, Alistair Darling's speech

Within months, the country faces a big choice.

A choice not just about who's in Government, but about the values that will shape our country and the opportunities for our people.

A choice that will affect every area of our lives, every aspect of our future.

If we didn't know a year ago the difference governments can make, we certainly know it now.

When I spoke at last year's conference, I talked about the scale of the global economic crisis and warned that we may not yet have seen the worst.

Within weeks, the international financial system was in meltdown, the world economy on the edge of the abyss.

There was a real prospect of a repeat of scenes not witnessed since 1929.

Banks unable to give savers their cash. Firms unable to pay their staff.

In the face of such unprecedented global turmoil, no one government could hold back this economic tidal wave.

But I also said last year that the choices made by governments could reduce the severity and the length of the crisis – and help people through it.

That was the challenge.

And when the history of this period is written, this country and this party will be proud.

Proud that the people who led the way in stopping recession turning into global depression were our Government and our Prime Minister Gordon Brown.

We intervened to stop the banks failing.

Not for the sake of the banks themselves.

But because the alternative would have been an economy in paralysis and employment in freefall.

Let me assure the country – and warn the banks – that there will no return to business as usual for them.

So in the next few weeks we will introduce legislation to end the reckless culture that puts short-term profits over long-term success.

It will mean an end to automatic bank bonuses year after year.

It will mean an end to immediate pay-outs for top management.

Any bonuses will have to be paid over years, so they can be clawed-back if not warranted by long-term performance.

We won't allow greed and recklessness to ever again endanger the whole global economy and the lives of millions of people.

Over the last 12 months, we've also acted to help businesses keep afloat and people stay in jobs and in their homes.

By cutting VAT, we put an additional £1billion each month into the pockets of shoppers and retailers.

Through the car scrappage scheme, we will continue to support jobs in the car and wider manufacturing industries.

Through targeted tax cuts for business and more time to pay, we have helped them weather the storm.

We knew that to have cut investment would have worsened the recession.

So instead of cutting, we brought forward planned capital projects, modernising schools, homes and hospitals.

Countries across the world have followed the same course and co-ordinated action through the G20 in a way which has never been seen before.

I can tell you, having been at every one of these meetings, that ministers around the world recognise this would not have happened without Gordon Brown's leadership.

The results of this global intervention, led by the UK, is now beginning to come through.

Germany, France and Japan are showing signs of growth.

Many independent forecasters now believe the UK too is coming out of recession.

I think it is too early to say so with total confidence.

But I stick with my Budget prediction that, as long as we continue to support the economy, recovery will be underway in the UK by the turn of the year.

I also expressed my confidence in the underlying strength of the British economy and the skills and energy of its people.

And I believe that confidence will prove to be correct.

For if we continue to make the right choices as a country and the right investment for the future, we are ideally placed to make the most of the opportunities the global recovery will bring.

Investing in the new industries of the future, helping Britain lead the way in the move to a low-carbon economy, supporting the research and innovation at which this country shines.

But had we made different choices – Tory choices – the UK and global economy would be in a very different place.

So too would our prospects for the future.

For as well as being a test of leadership for the Government, this crisis was a test of judgement for the Conservatives.

It was a test they failed at every turn.

Every step to limit the severity of this recession and the damage to families, they opposed.

When the crisis began in the global mortgage markets, they thought the answer was less regulation, not more.

When we stepped in to save Northern Rock – protecting the savings of millions – they wanted to leave it all to the markets.

When we acted to prevent the widespread collapse of the banks, they protested we were wasting money.

As the financial crisis turned into the deepest global recession since the 1930s, they alone said we should do nothing to support the economy.

At every stage, the Tories have misunderstood the causes of the crisis. Underestimated its severity. And opposed the measures to limit its impact.

And why did they get it wrong? Because the natural response of the Tories is always to step back, not step in.

In this party, we believe it is our responsibility to make a difference, to help people help themselves.

People sometimes talk about the invisible hand of the market, but the last year has underlined how it must go alongside the enabling hand of government.

The Tories in their hearts believe the answer is always for the government to do less, leaving people to fend for themselves.

So just as the support we have put in place is getting the economy back on its feet, they want to withdraw this helping hand.

Having just come back from the G20 summit in Pittsburgh, I can tell you that no other government is following their lead.

Whether right or left, in Beijing or Berlin, they know that withdrawing support before recovery is secured risks plunging us back into recession.

We can't sit back and relax.

Many businesses and families are still struggling to keep their heads above water.

If we followed the Tory route now recovery would be put at risk, prospects for growth damaged, borrowing would, in the long-run, be greater.

We cannot - must not - let that happen.

And we cannot - must not - repeat their mistakes of the 80s and 90s when short-term job-loss became long-term unemployment for a whole generation.

The result was the scandalous loss of potential and talent – and a huge welfare bill for the country.

And why? Again a deliberate choice by a Tory party to step aside and let people sink or swim.

It is why a key priority for us has been, and remains, to help people off welfare and into work.

And, of course, to make sure they were paid fairly, for the first time, through the minimum wage.

Introduced by this Government, and again opposed by the Tories.

The success of our approach was seen in record employment over the last decade.

And it continues to show its worth even as the global recession hits our economy.

Unemployment is rising here and across the world. Every job lost is a serious blow to that family.

But thanks to the support already in place, more than half of those who lose their jobs come off Job-Seekers Allowance within three months, and almost three-quarters within six months.

Since November, we have helped over two and half million people leave the claimant count.

It explains why unemployment here, although too high, is lower than in the euro area and in America.

But even when we begin to see growth in the economy again, unemployment is likely to keep rising for some time.

It is not within the power of any Government to protect every job.

But we believe it is our responsibility to support people in every way possible to find new employment.

To stop help now – as the Tories want – would be callous and counter-productive.

So rather than stepping back, we have stepped up our efforts.

Investing £5bn to provide high quality assistance and advice to those who have lost their jobs.

A guarantee for 18 to 24 year-olds of work or training – already 47,000 jobs have been agreed for take-up when needed.

A guarantee, too, for every school leaver of a college place or apprenticeship.

The difficult decisions we have taken – the choices we have made – have been driven by our belief in what Government can do, and our values of opportunity and social justice.

Yes, debt has risen.

Not just here, but across the world, as tax revenues have fallen as the global recession takes hold.

But had we not borrowed, we would have made a very difficult situation far worse.

The recession would have turned into depression, and debt would have been more, not less.

And this increased debt would be spent not in supporting jobs and families now but on long-term welfare bills.

It would have been irresponsible to walk away when the economic shock waves hit our country.

It will be equally irresponsible, once recovery is secured, not to take tough action so we can live within our means.

I welcome the chance of a mature debate on how we achieve this goal – even if it is hard to see the Shadow Chancellor playing much part.

There has, after all, been little that is grown-up about his performance so far.

And again, this country and this Government have set the lead – the first to set out firm plans to put our finances on a sustainable footing.

In the Budget, I laid out how we will halve the deficit over four years.

We are raising revenue by removing unfair pensions relief for higher earners.

And raising the top rate of tax for the very highest incomes.

Because it is right that those who earn the most should shoulder the biggest burden.

And to make sure people can't avoid paying their fair share, we and other countries are cracking down on offshore tax havens.

We've already demanded details of over 100,000 offshore accounts.

And this will mean billions of extra unpaid tax returning to our country, with an expected £1bn from our agreement with Lichtenstein alone.

In contrast, what are the Tories doing? What's their priority? Their priority is to cut inheritance tax for some of the richest families in the nation.

This cannot be the priority at a time like this.

But the steps we've taken to raise revenue are not enough.

In order to get borrowing down, spending will have to be tighter in the years ahead, against a background where public investment has tripled over the past decade.

I believe the public understand that difficult decisions will be needed.

The public know that adjusting to this new reality won't be quick, it won't be easy

They are right. But this makes it even more important that these difficult decisions are taken for the right reasons.

For just as there was a choice over tackling the recession and helping the recovery, so there is on public spending.

A choice between a Labour Government which believes passionately that front-line public services are vital to support everyone to meet their ambitions.

And a Tory party which has reverted to type and is relishing the chance to swing the axe at the public services millions rely on.

Cuts driven by ideology – not by what's right for families and for the country.

We have already seen the damage such an approach inflicts on the fabric of our nation.

After 18 years of Tory neglect of our public services, the question was not whether every classroom had a computer, but whether every school had a proper roof.

In healthcare, the question for far too many was not whether you could get your operation in weeks, but whether you could get it at all.

A legacy of disdain and underinvestment, of shaming poverty among the young and old, a lack of hope among millions of families.

The result of a Tory party which deep down sees public services as essential only for those who have failed to do well enough to go private for their health care or education.

It was a legacy we have worked hard to put right.

Half a million children lifted out of poverty thanks to increased child benefit and tax credits.

Practical support for families through Sure Start Children's Centres – like the one I visited today.

The best ever exam results for our children.

Average time on an NHS waiting list down from 13 to just four weeks.

Helping families through support for childcare and dramatically improved maternity leave and pay.

We won't put these improvements at risk. We intend to build on them.

Tighter spending doesn't mean a return to the Tory dark ages.

It does mean a determination to cut waste, cut costs - and cut lower-priority budgets.

This will require difficult decisions.

I haven't shirked them in the past, I won't shirk them now.

We must keep the public finances on a sustainable path.

The long-term health of our economy depends on it.

That is why we will introduce a new Fiscal Responsibility Act to require that the Government reduces the budget deficit year on year, ensuring that the national debt remains sustainable in the medium term.

But we need to do that rationally, in a way that is right for the economy, not driven by dogma.

The Tories' approach is wrong, is naïve, and down right dangerous.

It will damage our economy now and in the future.

In the next few weeks, I will set out in the Pre-Budget Report how we will protect front-line public services, bring the deficit down, and invest in the country's future.

We will invest to make our economy grow.

Growth is the best way of reducing debt, creating jobs, and raising living standards.

The low-carbon economy will create tens of thousands of new jobs.

But this won't happen on its own – government must work with business.

High-speed rail links will help us tackle climate change and boost our economy.

Again, they won't happen without government support.

We need thousands of new homes for families – we will work with the industry to ensure they are built.

We are world leaders in innovation and technology – we will continue to invest, to harness this ingenuity and create new industries and new jobs.

Extending opportunities to all, removing the barriers which stop people playing their full role in our economy and society.

Fairness, opportunity and responsibility will underpin everything we do.

The last 12 months, more than any time in recent history, has demonstrated the difference Government can make.

The Tories have been wrong on tackling the recession. They are wrong on how to ensure recovery. And they will make the wrong decisions on our public services.

They are wrong because on every question, the Tory answer is to step back, to walk away, to leave people on their own.

So that will be the choice in the next few months.

Maturity and experience against the politics of the playground.

Investment in the future against a return to the past.

I am proud of the difference we've made to this country over the past 12 years.

Proud of our judgement and determination over the last 12 months.

And we should be confident we can win the support of the country to keep taking Britain forward.

We have a good story to tell.

It's time for all of us to go out and tell it.