

Labour knows how to borrow too much to bring on an economic collapse

Some younger voters may not have studied UK economic history. There has been a depressing pattern to it all.

The 1964-70 Labour government borrowed and spent too much. It was forced into a devaluation and had to impose austerity policies to try to rally the currency.

The 1974-9 Labour government overspent and overborrowed to such an extent that they ran out of money and had to go to the IMF for a loan. There was further devaluation. The IMF imposed tough austerity conditions on the loan which then governed Labour policy.

The 1997-2010 Labour government lasted longer because for the first few years it followed inherited Conservative spending and tax plans which worked. Then it cranked up the spending and borrowing – particularly through the private finance initiative lumbering public services with large debts- and presided over the crash of 2008-9.

The last two Labour governments both raised unemployment by around half a million people. Indeed every Labour government apart from the first short lived minority one has left office with unemployment up on where it started.

A sensible amount of credit, and borrowing for worthwhile investment, can help an economy. Excessive state credit and excessive state spending with high taxes is always a ruinous combination. It makes people worse off, leads to job losses and recession, and leave the Treasury short of tax revenues to pay the bills. The huge spending and taxing plans of the current Labour party would bring on an early crisis.