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# **THE ANDREW MARR SHOW**

## **INTERVIEW:**

**GEORGE OSBORNE, MP**

**CHANCELLOR OF THE**

**EXCHEQUER**

**APRIL 12<sup>th</sup> 2015**

### **Headlines:**

- **Chancellor denies the Conservatives are making unfunded promises to increase NHS spending.**
- **He said money would come from the Conservatives 'balanced plan' for the economy, but declined to go into further detail.**

### **ANDREW MARR:**

And now back to the election campaign and I'm joined by the Chancellor and Tory election strategist George Osborne. Good morning to you.

### **GEORGE OSBORNE:**

Good morning.

### **ANDREW MARR:**

As Tory election strategist, you have just blown a huge hole in your own strategy by making an £8 billion unfunded pledge on the NHS, exactly what you said you were not going to do. Why?

**GEORGE OSBORNE:**

Well I don't accept that at all. We have a balanced plan to grow our economy, to make savings in government – including in welfare, to fund our NHS each and every year, to give a tax cut to working people, so that we make work pay, we support our public services and we have ...

**ANDREW MARR:**

*(over)* You've just found if I ...

**GEORGE OSBORNE:**

*(over)* ... we have an economic policy that supports our entire country.

**ANDREW MARR:**

You've just found an extra £8 billion. All I'm asking is where does it come from?

**GEORGE OSBORNE:**

Well if you ...

**ANDREW MARR:**

No higher taxes, extra public spending cuts? Where?

**GEORGE OSBORNE:**

Well it's part of our balanced plan. And if you look over the last 5 years ...

**ANDREW MARR:**

That's not really an answer, Chancellor.

**GEORGE OSBORNE:**

Well it is actually. If you look at the last 5 years, we found over £7 billion in real terms for the NHS. That's what happens when you have a sensible plan that makes savings in government, makes efficiencies in government, and then uses the dividends of that to fund our National Health Service each and every year and to support working people with tax cuts. You can't do ... you can't have strong public services without a strong economy.

**ANDREW MARR:**

*(over)* You're in a sit... you're in a situation where you've told us there are huge public spending cuts to come; there's going to be a very, very tough time to get rid of the deficit. You said that in the Autumn Statement and you repeated it again in the Budget. All I'm saying is you've now found halfway through an election campaign an extra £8 billion, which is not nothing.

**GEORGE OSBORNE:**

No, no, we have always said we supported the NHS's own plan for its sustainable future, so we offer the best healthcare in the world and the best medicines.

**ANDREW MARR:**

*(over)* But the money, the money.

**GEORGE OSBORNE:**

Simon Stevens, the Chief Executive, came up with that plan. We've worked with him. We've funded an initial part of it already. And because we have this balanced economic plan, because we are prepared to take difficult decisions in other parts of government, we can go on increasing the money to the NHS just like we did in the last parliament.

**ANDREW MARR:**

Okay.

**GEORGE OSBORNE:**

You said to me, Andrew, 5 years ago, you can't increase spending on the NHS every year in the interview we did before the last election. We have increased spending on the NHS each year. We've also delivered a tax cut for working people each and every year.

**ANDREW MARR:**

*(over)* All I'm asking you is where ... What I'm asking is where the money is coming from. The inheritance tax announcement that you've made this morning, you have

said we're going to fund that by raising taxes on some pensioners. So we know where the money is coming from. The £8 billion on the NHS, you have said nothing like that, it's totally opaque.

**GEORGE OSBORNE:**

*(over)* There's part ... Well I'll come onto the inheritance tax plan, but we have got a balanced proposal to make savings in government equivalent to £1 in every £100 that the government spends, so that yes we eliminate our deficit and fix the roof when the sun is shining, but also so we can fund a brilliant NHS and give a tax cut to working people.

**ANDREW MARR:**

*(over)* You're still not telling me where the money's coming from.

**GEORGE OSBORNE:**

In this parliament, we have found over £7 billion. And by the way, you know in this parliament we had to make even more difficult decisions on public expenditure. We had 5 years of public expenditure restraint ...

**ANDREW MARR:**

Okay.

**GEORGE OSBORNE:**

... and in the next parliament we need 2 years of public expenditure savings. We've set out the balanced plan to achieve it. And part of the balanced plan – and I'm not pretending it's easy – but we made a judgment call. We want to back the people who rely on our National Health Service, we want to back the people who work in our National ...

**ANDREW MARR:**

*(over)* Don't say hardworking families, please.

**GEORGE OSBORNE:**

I'm talking about all families in this country who rely on our National Health Service

and indeed the brilliant people who work in it.

**ANDREW MARR:**

So if you're not going to tell me where the money's coming from, I'm going to tell you where the money's coming from. It's going to come from even deeper cuts in the unprotected departmental spending budgets of around 14 per cent in total, so you're going to hit the police, you're going to hit the armed forces, you're going to hit local government to pay for this. That's the truth, isn't it?

**GEORGE OSBORNE:**

We have to make similar savings each year, as we've made in the 5 years of this parliament, but for 2 years. So let's finish the job. Let's not leave this country exposed to the economic storms out there in the world. Let's eliminate the deficit, keep our national debt falling as a share of national income (as it now is) as part of a plan for economic security in our country – security for families, security for our country, security for the businesses that create jobs.

**ANDREW MARR:**

Okay. So you're not going to give me an answer on the £8 billion and where it's coming from?

**GEORGE OSBORNE:**

Well I've said it ...

**ANDREW MARR:**

*(over)* You haven't given me an answer. With respect, you've said the economy's going to grow, everything is going to be fine ...

**GEORGE OSBORNE:**

No, I ...

**ANDREW MARR:**

... somehow we'll find the money. It's exactly what you've attacked Labour for again and again.

**GEORGE OSBORNE:**

No, no ...

**ANDREW MARR:**

You can never again say it's another unfunded Labour spending promise. Not after this.

**GEORGE OSBORNE:**

Andrew, I come on this programme and say yes we've got to make difficult decisions in public expenditure.

**ANDREW MARR:**

But I won't tell you what they are.

**GEORGE OSBORNE:**

Yes we've got to save £1 out of £100 the government spends, yes we've got to make savings in government departments, yes we've got to make savings in welfare – including a freeze on working age benefits ...

**ANDREW MARR:**

*(over)* So where is the big cut coming? Is it coming in the police?

**GEORGE OSBORNE:**

*(over)* ... but that is part of a balanced plan in order to eliminate our deficit, give our country economic security so we create jobs, fund our National Health Service and make work pay by giving working people more of what they earn.

**ANDREW MARR:**

So it's fair for me to say to you this £8 billion is coming from deeper cuts in unprotected departments?

**GEORGE OSBORNE:**

It's part of our public expenditure plans. And you only have to ... We have ...

**ANDREW MARR:**

*(over)* It's not coming from extra taxes, is it?

**GEORGE OSBORNE:**

Andrew, we have a track record in this parliament where we found almost £8 billion extra in real terms for the National Health Service in very, very difficult economic circumstances. So we proved our metal, we proved our ability to stand behind the National Health Service in this parliament.

**ANDREW MARR:**

*(over)* Okay let me try one last time ...

**GEORGE OSBORNE:**

*(over)* We can do it in the next parliament.

**ANDREW MARR:**

Let me try one last time. Eight billion is the limit. It could be much higher than that; that's the bottom limit. It could be much higher, the money ...

**GEORGE OSBORNE:**

Well ...

**ANDREW MARR:**

... if you don't get the efficiencies that you want and you don't know that you will ...

**GEORGE OSBORNE:**

*(over)* Yeah but the ... yeah but the assessment of the NHS itself – this is not my judgment...

**ANDREW MARR:**

*(over)* Okay well let's start with ...

**GEORGE OSBORNE:**

The assessment of the NHS itself is that it can find those efficiencies of course because ...

**ANDREW MARR:**

*(over)* So let's ... Okay let's stick with the £8 billion ...

**GEORGE OSBORNE:**

*(over)* ... we want to make sure that every pound goes further.

**ANDREW MARR:**

... let's stick with the £8 billion. You're not going to borrow that money, are you?

**GEORGE OSBORNE:**

It's part of our ...

**ANDREW MARR:**

Are you going to borrow an extra £8 billion?

**GEORGE OSBORNE:**

... it's part of our plan to reduce the deficit ...

**ANDREW MARR**

*(over)* Are you going to borrow an extra £8 billion?

**GEORGE OSBORNE:**

We're not ... we don't have to borrow it because it's part of a ...

**ANDREW MARR:**

*(over)* Are you going to raise it in taxes?

**GEORGE OSBORNE:**

I've just explained. We've got a balanced plan that involves saving £13 billion in the department, £12 billion in welfare ...

**ANDREW MARR:**

*(over)* I'm talking ... Yes but ...

**GEORGE OSBORNE:**

... raise £5 billion extra from dealing with aggressive tax planning and tax avoidance and evasion. As part of that plan, you can fund the National Health Service ...

**ANDREW MARR:**

*(over)* So no more ... so no extra borrowing? You're not going to fund the ...

**GEORGE OSBORNE:**

*(over)* The funding for the health service has always been integral to the plan.

**ANDREW MARR:**

So you're not going to fund the extra £8 billion for the health service by borrowing, you're not going to fund it by taxes. That only leaves you extra spending cuts, doesn't it?

**GEORGE OSBORNE:**

If you have a sensible plan to balance your public finances, you have a stronger economy and you have stronger public services.

**ANDREW MARR:**

I keep asking you very straight questions about where the money's coming from ...

**GEORGE OSBORNE:**

*(over)* Well I'm giving you very straight answers.

**ANDREW MARR:**

No you keep saying sensible and balanced, balanced and sensible. That's not, with respect, exactly what I'm asking.

**GEORGE OSBORNE:**

I've just given you ...

**ANDREW MARR:**

I'm just asking you where the money comes from.

**GEORGE OSBORNE:**

I've just given you very specific numbers. By the way, you don't get anything like that from the Labour Party. Indeed they don't even talk about the NHS (inaudible)...

**ANDREW MARR:**

*(over)* Actually ... actually it's very interesting. They're offering less money for the NHS in the first period - £2.5 billion – but they are saying exactly how they're going to raise the money, which you are not.

**GEORGE OSBORNE:**

Let's be clear, if you have an Ed Miliband/Scottish Nationalist government, they will trash this economy and they won't be able to pay for the public services, and they will undermine economic security and cost people jobs in this country and we'd be back to square one and that would be an outrage ...

**ANDREW MARR:**

Okay do you think ...

**GEORGE OSBORNE:**

... all the work we've done in this country to get where we are, so we can support people in work and can create jobs and can support our National Health Service.

**ANDREW MARR:**

Okay. Well let's talk about something that is funded. You've found £1 billion for the inheritance tax giveaway. There you are as chancellor. You find an extra billion pounds. You're not thinking first and foremost about all those people on welfare who are wondering what cuts they're going to face – the disabled people, people with families, people in real trouble. No, no, you're going to give it to relatively well-off people in the South East of England who've got houses they'd like to hand down. Doesn't that say a lot about your values?

**GEORGE OSBORNE:**

I think this is about values and Conservatives support the basic human instinct to provide for your children and we believe that your home, which you've worked for and you've saved for, should belong to you and your family, not the taxman. So we will take family homes out of inheritance tax. We will effectively increase the inheritance tax threshold to £1 million, so that only millionaires pay inheritance tax as originally designed for that tax.

**ANDREW MARR:**

*(over)* What about the children of families on welfare?

**GEORGE OSBORNE:**

We are on the side of hardworking people. We want to support the most vulnerable in our society, but you do that by backing the aspirations in our society as well. And the basic aspiration to provide for your children is a deep-rooted human instinct which we support. Now other parties may not. Other parties may think okay you've been taxed when you earned it and taxed when you bought the home, now we're going to tax you when you die. Actually Conservatives don't believe that. We believe you should protect the family home. Today we're taking the family home out of inheritance tax.

**ANDREW MARR:**

Do you think it was shrewd, adroit politics and a good use of language to describe the leader of the opposition as a "backstabber"?

**GEORGE OSBORNE:**

Well I think this goes to the judgement of the person who wants to be our prime minister, Ed Miliband, and he won the leadership of the Labour Party on the back of trade union votes. Now he wants to get into Downing Street ...

**ANDREW MARR:**

Well hold on a second.

**GEORGE OSBORNE:**

... on the back of the Scottish Nationalists.

**ANDREW MARR:**

No, no ...

**GEORGE OSBORNE:**

It would be an Ed Miliband/Scottish Nationalist government ...

**ANDREW MARR:**

*(over)* No, no, the attack was about standing against his ...

**GEORGE OSBORNE:**

*(over)* ... that undermine our economic security, undermine our national security.

**ANDREW MARR:**

*(over)* The attack was about standing against his brother. What is wrong with that? In democratic politics, if people want to stand for a job they have every right to do so.

**GEORGE OSBORNE:**

No he won the Labour leadership standing against his brother, but with the support of the trade unions. He didn't actually win the support of the rest of his party. Now he wants to get into this country, into Downing Street, not with the support of the country but with the support of the Scottish Nationalist Party.

**ANDREW MARR:**

I'm sure he's fighting for every vote.

**GEORGE OSBORNE:**

It is this alliance between people who want to bankrupt our country and people who want to break up our country, and that is on the ballot paper on May 7<sup>th</sup>. People want to know if you want to avoid an Ed Miliband/Scottish Nationalist government, you have got to support the Conservatives in this election.

**ANDREW MARR:**

Did he backstab his brother?

**GEORGE OSBORNE:**

Well he stood against his brother.

**ANDREW MARR:**

Well that's different, isn't it?

**GEORGE OSBORNE:**

And used deals with the trade unions to get himself into office. This is ...

**ANDREW MARR:**

Is that backstabbing? Really?

**GEORGE OSBORNE:**

Well of course it's backstabbing and it's perfectly reasonable ...

**ANDREW MARR:**

*(over)* Why?

**GEORGE OSBORNE:**

Andrew, it's perfectly reasonable.

**ANDREW MARR:**

*(over)* I mean more than somebody standing against Margaret Thatcher as leader or Margaret Thatcher standing against Edward Heath? Is that backstabbing?

**GEORGE OSBORNE:**

Look it goes to the question of the judgement of the person who wants to be our prime minister and he is prepared to ...

**ANDREW MARR:**

*(over)* I wonder, I wonder if it does.

**GEORGE OSBORNE:**

*(over)* ... he is prepared to entertain an arrangement with Scottish Nationalists who want to weaken our national security, borrow and tax even more, take our country back to square one and break it apart.

**ANDREW MARR:**

None of which has anything to do with his brother. But moving finally on, what about the Conservative campaign this week? A lot of people have looked at this and said this is the week when you have stalled and they don't see where you are going to find the extra seats you need to cross the finishing line and form a majority government.

**GEORGE OSBORNE:**

Well I just don't accept that at all. If you look over the last week, we've set out ambitious plans for a million more homeowners, 2 million more jobs, 3 million apprentices. We've got such a positive ...

**ANDREW MARR:**

*(over)* And the numbers aren't moving.

**GEORGE OSBORNE:**

We've got such a positive and ambitious vision for our country.

**ANDREW MARR:**

Alright.

**GEORGE OSBORNE:**

But let me just say this. It is a close election and if you think you can sit this election out or vote for a protest party, then you will let Ed Miliband and the Scottish Nationalists in. Stick with the positive vision ...

**ANDREW MARR:**

*(over)* And that's a real threat in your view?

**GEORGE OSBORNE:**

I think it's a threat and there's a positive vision from the Conservatives as the alternative.

**ANDREW MARR:**

For now George Osborne, thank you very much.

**INTERVIEW ENDS**