



Final prime ministerial debate

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Transcript

DAVID DIMBLEBY:  
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Tonight: who do you want to be your next Prime Minister?  
Good evening, and welcome to the Great Hall of the University of Birmingham for the third and final prime ministerial debate of this election. Three men, each of whom wants to be our next Prime Minister. The leader of the Conservative Party, David Cameron; the leader of the Liberal Democrats, Nick Clegg; and the leader of the Labour Party, Gordon Brown. Tonight, a large part of the debate will be on the state of the country's economy - the recession, the national debt, unemployment, the issues that many people believe will decide this election. Our audience here is representative of this area. We've also selected some questioners from thousands of e-mails we received at the BBC News website. The leaders, of course, haven't been told the questions. In any case, we start with brief opening remarks from each of them. First, David Cameron.

DAVID CAMERON:

Good evening. Our economy is stuck in a rut, and we need change to get it moving. Let me tell you what I would do. First, we've got to reward work and tackle welfare dependency. Second, we've got to fix our banks: tax them to get our money back, regulate them properly and get them lending again. Third, we've got to start making things again in this country. It's no policy to just borrow from the Chinese and buy goods made in China. Fourth, we've actually got to get value for money in our public services. I want good public services for everyone, and we can only do that if we save and stop the waste. Let me tell you one thing I wouldn't do: with Greece so much in the news, I can guarantee you that I would never join the euro, and I'd keep the pound as our currency. That's the change we need. If you vote Conservative next Thursday, we can start to get to work on Friday.

DAVID DIMBLEBY:  
NICK CLEGG:

Thank you, Mr Cameron. Nick Clegg.  
Tonight's debate is about you: about your job, the taxes you pay, your family, about the prosperity of our economy. We need to do things differently to build a new, stronger and fairer economy. The way they got us into this mess is not the way out. We need to be frank about the cuts that will be needed, so we can protect things like schools and hospitals. We'll need to break up our banking system so that irresponsible bankers can never again put your savings and your businesses at risk. We have to rediscover our passion for innovation, for building things, not just placing bets on the money markets, and we need fair taxes, so that you don't pay any income tax on your first £10,000. Of course, they'll tell you tonight that these things can't be done. I think we've got to do things differently, to deliver the fairness, the prosperity, and the jobs that you and your families deserve.

DAVID DIMBLEBY:  
GORDON BROWN:

Thank you, Mr Clegg. Gordon Brown.  
There's a lot to this job, and as you saw yesterday, I don't get all of it right, but I do know how to run the economy in good times and in bad. When the banks collapsed, I took immediate action to stop crisis becoming calamity and to stop a recession becoming a depression. As a result of that, Britain is now on the road to recovery. But as we meet tonight, economies in Europe are in peril, and there is a risk of dragging us into recession. So I'm determined that nothing will happen in Britain that will put us back in that position, and I want to set out my plan, and why this year is so important. Support the economy now, and you will ensure that there are jobs and a recovery, and ensure that we can have the resources for deficit reduction. Shrink the economy now, as the Conservatives would do, and they risk your jobs, living standards and tax credits. So it's not my future that matters, it's your future that's on the ballot paper next Thursday. And I'm the one to fight for your future.

DAVID DIMBLEBY:  
AUDIENCE MEMBER:  
DAVID DIMBLEBY:

Mr Brown, thank you. Now we take our first question of the night. It comes from Nadim Afsal, please.  
We all know there's going to be spending cuts after the general election, no matter who wins. Why can't you be honest and tell us?  
Nick Clegg.

NICK CLEGG:

We have set out in our manifesto, you can look at it in the back pages, we've set out numbers right there, specifying the savings that we do think should be made. Set out in much greater detail than any other party. £15 billion worth of savings which are a kind of upfront down payment to deal with this huge black hole we have in our public finances. What are we talking about? Things like scrapping the new generation of biometric passports, public sector pay restraint, saying the top 20% of recipients of tax credits shouldn't receive those tax credits so they can be targeted elsewhere. I'm saying no to things like the multi-billion pound Eurofighter Typhoon project - a defence project. Those are the kind of big decisions you need to take. What you can't do - and this is where I really disagree with David Cameron and Gordon Brown - is try and fool you into thinking that just efficiency savings are enough. You can't fill the black hole by just a few savings on pot plants and paper clips in Whitehall.

DAVID DIMBLEBY:  
GORDON BROWN:

Gordon Brown.

We've set out a four-year deficit reduction plan and that starts from 2011. It's designed to have tax rises that are fair, spending cuts that are equitable, and at the same time growth in the economy that is essential for recovery. Our four-year deficit reduction plans include a rise in the top rate of tax above £100,000, taking away pension tax reliefs for those above £100,000 at a higher rate and a National Insurance rise. It also includes spending cuts in key areas. But we have one principle that we're adopting and it's clear: we're not going to allow the front line National Health Service, or schools, or policing to be cut. We will find the cuts in other areas as we've set out, including in public sector pay and pensions, and including the restructuring of government. But I do say one thing that is absolutely crucial: don't believe that we can fail to support the economy this year. If we fail to support the economy this year, then we risk a double-dip recession, and that's really the problem with the Conservative policy.

DAVID DIMBLEBY:  
DAVID CAMERON:

David Cameron.

Nadim, you're quite right, there are going to have to be cuts, and we need to be frank about this, and we were the first to say that cuts would have to be made. I really want to explain to people that, if I'm your Prime Minister, I will do everything I can to protect the front line services. I want to see the police officers on the beat, the money go into our children's state schools, the money on the ward in the hospital - that's absolutely essential. Now, we do have to say some of the difficult things we're going to do, and we have done that. We're not just relying on waste. We've said, for instance, there will have to be a public sector pay freeze for one year from 2011. That's not popular, but it is the right thing to do. We've said that people are going to have to retire a year later, starting in 2016. These are difficult decisions, but I believe, also, we've got to get our economy growing. We've got to get it moving. That's why we say start now with efficiency savings to stop the jobs tax next year. Let's get employing people again in Britain; let's get the economy moving to help us with the deficit.

DAVID DIMBLEBY:

Thank you very much. Those are the opening statements. Let me just repeat the question: we all know there are going to be spending cuts after the general election, no matter who wins. Why can't you be honest and tell us? I assume it means tell us about all the cuts you might make. Nick Clegg, you have a chance to respond to what the others said.

NICK CLEGG:

Well, I think one thing I would like to add is this. Nadim, you're right in implying none of the political parties has spelt out all the details. Some of them are simply not possible to spell out now but clearly more work will need to be done. We've gone further than others but clearly more will need to be done. Something which I think would make a huge difference to us all, as we deal with these very difficult decisions about how to balance the books, is for once to get the politicians actually working together on this. I've suggested - I don't know whether David Cameron and Gordon Brown want to take up my invitation - is that, regardless of the outcome of the general election next week, wouldn't it be a good thing to get the Chancellor, and the vice-chancellors of all the parties together, with the governor of the Bank of England, with the head of the Financial Services Authority, simply to, sort of, be open and be straight with you about how big this black hole is and roughly how long it's going to take to deal with it, so that we're all at least speaking from the same script about how big this problem is. I think politicians for once putting the country before themselves would be a very good thing on this issue.

DAVID DIMBLEBY:

Gordon Brown?

GORDON BROWN:

Let's be clear. From 2011, there will be cuts in spending in departments other than NHS, other than schools, and other than policing. But we will make the commitment to maintain these front line services and build on the improvements that we've made. Once you've built a school and a hospital as we've done in the last few years, you don't need to build it again, so we can have cuts in capital investment. Public sector pay will not rise as it did in previous years and public sector pensions are being reformed. But I have to say one thing that is absolutely crucial to the time we're in at the moment in this uncertain and dangerous world: David is proposing that there be cuts in public spending now - £6 billion - and that will shrink the economy at a time when we need to support the economy. We cannot afford to lose jobs and businesses and lose growth now. We must maintain the recovery and support it, and please let us not make the mistake of the 1930s and the 1980s and the 1990s, and let us support the economy until the recovery is assured.

DAVID DIMBLEBY:  
DAVID CAMERON:

Your response, David Cameron?

Let me respond to this point about the £6 billion as directly as I possibly can. £6 billion saving this year, so we stop the jobs tax next year. That means saving one out of every £100 that the government spends. That is the glossy leaflet that comes through your door from the local council. That's the one in £100. It's the fact that managers in the NHS got a 7% pay rise this year - that's the one in £100. We have the leaders of Britain's biggest and most successful businesses, Marks and Spencer's, Sainsbury's, Mothercare, Corus, the steelmakers, all saying that the risk to the recovery is not cutting waste. The risk to the recovery is putting up National Insurance on every job in the country, which is what Labour propose. So we say roll up your sleeves now, let's save the waste where we can to stop the taxes. It's the right thing to do, and it will help get our economy moving.

DAVID DIMBLEBY:  
GORDON BROWN:

Can we explore some of these ideas? Gordon Brown.

David's got it wrong. We're making £15 billion of efficiency savings now. He wants these savings on top of that without putting the money back into the economy. You go to America, look at France, look at Germany, look at the other countries. They're saying, as all the international institutions are saying, don't withdraw the support from the recovery until the recovery is assured. What David would do in an emergency budget in a few weeks' time is, for ideological reasons, take £6 billion out of the economy and put our recovery at risk. The time to do the deficit reduction is when the recovery is assured, and David, you've just got it wrong economically. It's the same mistake the Conservatives made, the same old Conservative Party of the 1930s, the 1980s, and the 1990s.

DAVID DIMBLEBY:  
DAVID CAMERON:

David Cameron?

It is every business leader. Every leading business leader is saying that we've got it right, and the government going on wasting money is wrong. Let me tell you where I think we should start: we should start with welfare. Under this government, there are now five million people on out-of-work related benefits. There are people who could work who we'd train and offer work. We should say in our country "If you don't accept work, you can't go on claiming benefits". That's something Labour have left us with, this terrible mess. And the Liberal Democrats have almost nothing to say about welfare, so as we try to get public spending under control, let's start with people who can work, who are offered work, but who don't take it.

DAVID DIMBLEBY:  
NICK CLEGG:

Nick Clegg.

Can I try and move beyond the political point-scoring? We're not, as a nation, going to be able to balance the books, we're not going to be able to fill the black hole in our public finances unless we also do it with fairness right at the heart of everything we do. People aren't going to accept these difficult decisions unless we do it fairly. That's what I think. Accompanying the difficult job of actually filling the structural deficit, we also need to introduce a big tax switch so that people on ordinary incomes, low incomes, get a tax break - £700 back in their pockets - so they don't pay any income tax on the first £10,000 they've earned, by closing the loopholes at the top and using the money so that people feel that whilst difficult decisions are being made, at least the tax system is on their side. If you don't have fairness at the heart of everything we do, it's going to be very, very difficult to see us through these difficult decisions in the years to come.

DAVID DIMBLEBY: Mr Brown.  
GORDON BROWN: David and Nick are not addressing the question we face now: if you shrink the economy now, if you contract it, if you make the mistake of the 1930s, you lose jobs, you lose growth, you lose businesses. We've got to support the recovery until it's fully established. Then my deficit reduction plan, which is a four-year plan, comes into place. But take money out of the economy now, David, for ideological reasons, and you put the recovery at risk. I do fear an emergency Tory budget in a few weeks' time, putting the very work we've done to secure the recovery in jeopardy, and no other country in the world is prepared to do that now.

DAVID DIMBLEBY: David Cameron, what do you say to that?  
DAVID CAMERON: Labour seem to confuse the economy with the government. What we're saying is, save government waste to put money back in people's pockets. That's what - if you think about this, saving one out of every £100, that is something every small business, every large business, many families have had to do in this country, and government should do the same. Gordon's argument, in a way, is "Let me go on wasting your money, so I can put up your taxes next year", and it's taxes on people earning £20,000, £21,000. These are not rich people. They shouldn't be paying for the mistakes of the bankers and for the dreadful record of Gordon's government.

NICK CLEGG: Surely one of the problems here...Gordon Brown talks about a plan in the future, but has no details on it. David Cameron talks doing something now, but also has no details. Surely what we could do for once is get the Chancellors and Vice-Chancellors of all the parties together. I've suggested we call it the Council for Financial Stability, so that - you're right - the point of the question is that politicians are finally upfront with you and straight with you about how bad this problem is, and how long it'll take for us as a country, together, to deal with it.

DAVID DIMBLEBY: We have a number of questions to come on the economy, so let's move on to a second question. It's from Adina Wright, please.  
AUDIENCE MEMBER: The tax is taking more and more from the average worker's payslip. If you were elected, what would you do about taxes?  
DAVID DIMBLEBY: Over the past few years, the taxman has taken more and more from the average worker's payslip. If you were elected, what would you do about taxes? Gordon Brown.  
GORDON BROWN: I accept it's been tough in these last two years with the recession, but what we've tried to do, when people are in difficulty, is provide tax credits. A half million people have got tax credits when they've been on short time and are trying to get through this recession. We've brought down the basic rate of tax from 23 pence when we came in to 20 pence. At the same time, we've raised the top rate of tax above £150,000 to 50 pence so that that's fair to ordinary, hard-working families. I believe in fairness, but one thing I don't believe in is the Conservative policy which would cut child tax credits, but at the same time give an inheritance tax cut to the 3,000 richest people in the country of £200,000. That's not fairness, that's the same old Conservative Party, tax cuts for the very rich, and cutting child tax credits of the very poor. It's simply not fair.

DAVID DIMBLEBY: David Cameron.  
DAVID CAMERON: You're absolutely right, the taxpayer has had to pay more and more and more as the Government has spent more and has been so careless at trying to stop wasting money. We see waste all around us, and the Government's done so little about it. Obviously, with the terrible situation we have in our public finances, with the mess left by Gordon and Labour, where out of every £4 the Government spends, £1 is borrowed, it's not possible to make great big tax giveaway promises. Even if it'd be a lovely thing to do, you can't do it. But what we've said is, let's try and stop the one tax that will hit the lowest-paid people, and that's the national insurance tax I was referring to earlier. We can't stop all of the other taxes, the top rate of tax, the extra tax on the pension. Labour have put up tax something like 178 times. But we are going to stop that one tax that will hit the lowest paid the hardest. Let me say this about tax credits. They will stay under a Conservative Government, and Gordon Brown has to stop misleading families in this country, like he's been misleading older people, and cancer patients as well.

DAVID DIMBLEBY: You'll have a chance to answer that in a moment. Nick Clegg?

NICK CLEGG:

Was it Adina? Sorry, in this echoey hall, I couldn't hear. Yes, Adina, I think you're absolutely right. Our tax system is grotesquely unfair. After 13 years of Labour, who would have believed it that you would have now a tax system where a multimillionaire from the City of London, pays a lower rate of tax on their capital gains, that's income to you or me, than their cleaner does on their wages. After 13 years of Labour, we have the bottom 20% of people in this country who pay more in tax as a proportion of their income than the top 20%. I think we need to change that. David Cameron says you can't afford tax giveaways. No, you can't. What you can do is switch the tax system, make it fair. Make sure that those huge loopholes that only people right at the top, very wealthy people who can afford a football team of lawyers and accountants to get out of paying tax, close those loopholes, give the money back to people so that they pay no income tax on the first £10,000 that you earn. That's £700 back in the pocket of the vast majority of you in this country.

DAVID DIMBLEBY:

Just before we go on, let me repeat the question. Over the past few years, the taxman's taken more and more from the average worker's payslip. If you were elected, what would you do about taxes? Gordon Brown, what would you say in reply to David Cameron's attack on you?

GORDON BROWN:

Nobody earning below £20,000 will pay the national insurance rise. The reason for the national insurance rise is to ensure our health services, our police and our education, and David can't guarantee funding for police and education that will match what we are doing. That's the reason for the national insurance rise. But nobody below £20,000 will pay it. Six million people in this country receive tax credits, and the Conservatives and Liberals have a plan to reduce tax credits for middle-class families. I come back to this central question about fairness in the tax system. If David wants fairness in the tax system, why does he support this inheritance tax cut for only 3,000 families, worth £200,000 each? The biggest beneficiary of the Conservative manifesto is, as always, the richest estates in the country, and not the ordinary, hard-working people of this country. If the Liberals want to cut child tax credits with the Conservatives, then I can say one thing - I will never form an alliance with a Conservative government that cuts child tax credits.

DAVID DIMBLEBY:

David Cameron.

DAVID CAMERON:

Well, what you're hearing is very desperate stuff from someone who's in a desperate state. But you have heard from Labour Gordon Brown that if you earn £20,000 or over, you're considered rich, you're considered a target for the Labour government to go on wasting money this year and to hit you with taxes next year. Let me answer this question directly about inheritance tax. I believe in this country that if you work hard and you save money and you put aside money and you try to pay down your mortgage on a family home, you shouldn't have to sell that or give it to the tax man when you die. You should be able to pass it on to your children. It's the most natural human instinct of all. I'm afraid these other two parties simply don't understand that. Inheritance tax should only be paid by the richest, by the millionaire, it shouldn't be paid by people who've worked hard and done the right thing in their lives. It's not our top priority, our top priority is helping those on the £20,000 that are going to be hit by Gordon's other tax. But should we try to encourage people to work hard and save? I say, yes we should.

DAVID DIMBLEBY:

Nick Clegg.

NICK CLEGG:

I have to say, David Cameron's the most creative justification I've ever heard for giving tax breaks to double millionaires. But, anyway, there you go. Look, I think Adina's point is that taxes are unfair on millions of people on ordinary incomes, not the double millionaires that David Cameron wants to help. Millions of ordinary people are simply struggling to pay the fuel bills, to pay the petrol prices, to pay the weekly shopping bills. What I'm... I'm totally with you on this, Adina. I think it's just wrong, let's say you are a teaching assistant on £10,000 a year. At the moment, you will pay, maybe you work three days a week. You will pay about £1,000 of that in tax and national insurance. Under our plan, by lifting the income tax threshold to £10,000, you won't pay any income tax on that first £10,000. I believe that if people work hard, particularly if they want to get off benefits and start working, even if it's just part-time, we should help them keep more of their money. It is as simple as that. That is the fair thing to do.

GORDON BROWN:

Inheritance tax means we have tax credits and six million people benefit from that. As far as the teaching assistant who's earning a very low income is concerned, there's the working tax credit that is available to them. But I come back to the central question about fairness that has been raised by our questioner. How can David possibly justify an inheritance tax cut for millionaires at a time when he wants to cut Child Tax Credits? Let's be honest. The inheritance tax threshold for couples is £650,000, if your house is worth less than that you pay no inheritance tax. What David is doing is giving 3,000 people, the richest people in the country, he's going to give them £200,000 each a year. That is simply unfair, when he also wants, like Nick, to cut the Child Tax Credits from ordinary families in this country. I've got to speak out about this because it's simply unfair and immoral for the Conservatives to put this as their election manifesto.

DAVID DIMBLEBY:

David Cameron.

DAVID CAMERON:

You're quite entitled to speak out, but the Prime Minister ought to get his facts right, and as so often, he gets his facts wrong. We all remember when he told us the defence budget went up every year, when in fact it didn't. It didn't go up every year when he was sending troops to war. On this issue of tax credits, we are saying, we like tax credits, we'll keep tax credits. But for families earning over £50,000, we think we can't afford the Child Tax Credit. That's one of the savings that we're being upfront and frank about. But for Gordon Brown to say that actually the changes we're making would hit low income families is simply not true. As I say, last week in these debates he tried to frighten people, saying the Conservatives would take away benefits, when we will keep the winter fuel allowance, we will keep the cold winter payments. He's trying again to frighten people, and actually he should be ashamed of what he's doing.

DAVID DIMBLEBY:

Nick Clegg.

NICK CLEGG:

Here they go again. Look, tax credits, which Gordon Brown has rightly raised, because tax credits are really important. I think it's just... I just don't think it makes sense, really, at a time when money is tight, that someone even on my salary, which is a really good MP salary, could be entitled to the family component of tax credits. I don't think it's right to have tax credits going so far up the income scale. Why don't we say not for the top 20% of recipients? You can then target tax credits for people who need it. And the other thing I would say about tax credits is this, I've now had enough people in tears in my constituency office where I'm an MP in Sheffield, because they've been given money one moment, they've spent that money on the children, on the heating bills, and then suddenly they get a letter, out of the blue, from the Government, saying you've got to pay the money back. That is so unfair on particularly single parents and single mothers, for whom the tax credits are an absolute lifeline. That's why I think tax credits should be given in six-month blocks.

DAVID DIMBLEBY:

Mr Brown. Can I just ask you to clarify something? You said a little bit back, that both the Liberal Democrats and Conservatives wanted to abolish certain tax credits and you couldn't support a Conservative Party that wanted to do that, what about the Liberal Democrats?

GORDON BROWN:

The Liberal party want to cut child tax credits as well. We're talking about tax credits paid to children, we have fought hard for a long time to make sure that we can give children and families decent incomes. The Liberals will cut child tax credits and so will the Conservatives. The Conservatives want to save £400 million, the Liberals £1.2 billion. The Institute of Fiscal Studies said that David's proposals, and what he said was "were misleading, incomplete and regressive". And I come back to this question, why cut children's tax credits for middle-class families, when you want to give a big inheritance tax cut to the richest estates in the country who do not need that money at the moment?

DAVID DIMBLEBY:

David Cameron.

DAVID CAMERON: People can remember the record of 13 years, they remember who it was who abolished the 10p tax that hit some of the poorest people in the country the hardest. They remember the measly 75p increase on pensioners that Gordon Brown was responsible for. And let me say this, the whole reason we're having this debate about how difficult it is to get taxes down, how difficult it's going to be to cut spending, is because this Prime Minister and this Government have left our economy in such a complete mess with a budget deficit that, this year, is forecast to be bigger than that of Greece. That's why we're having to have this debate. Let's not forget whose responsibility it is.

DAVID DIMBLEBY: Nick Clegg, very briefly, if you would, and we must move on.

NICK CLEGG: I just feel sorry for Adina who must be completely lost by all this political points scoring. The fact is, Adina, you are right, taxes are unfair, we have a plan, we think it's a great plan, to switch taxes so that you get more money back in your pocket. That's what I think we need to do to make taxes fair.

DAVID DIMBLEBY: All right, let's go on to another question. Thank you, Mr Clegg. This one is from Ian Grey, please. Ian Grey.

AUDIENCE MEMBER: It is clearly grossly unfair for tax-payers to have funded the banks, yet for bankers to award themselves huge bonuses, whilst ordinary people are worse off and many have lost their jobs. How will each party bring its version of fairness to this very unfair situation?

DAVID DIMBLEBY: David Cameron.

DAVID CAMERON: Ian is absolutely right. It is completely unacceptable what has happened, and we need to grip it very, very hard to sort this out for the future. The first thing we need to do is actually regulate these banks properly. We would put back to the Bank of England the power to regulate the banks, including having a big say over the appalling bonuses that have been paid. The next thing we need is a bank levy. We say don't wait for the rest of the world, put that levy on now to start getting back the money from the banks that so many people have had to put in. We also want to see the banks lending again, particularly to small businesses, and so we need to make that happen. Something else we need to do is this, retail banks, banks that you and I put our deposits into, they should not be behaving like casinos, taking wild bets. So we agree with President Obama's plan, which is actually to say those banks shouldn't be able to take part in the most risky activities. That, I think, would start to get this under control, and make sure the banks serve the economy and serve the people, rather than the people and the economy serving the banks.

DAVID DIMBLEBY: Mr Clegg.

NICK CLEGG: Well, Ian, specifically on bonuses, I would say we need to do the following. Firstly, it sounds draconian, but I think it's now necessary, we should say no bonuses whatsoever for the directors of banks at board level. Why do I say that? Because I don't want people who are actually running those businesses, which they should be running for the long-term interests of the business and, indeed, for their clients, to be kind of susceptible to the temptations of the bonus incentive. By all means, pay them lots of money, give them a fancy membership of a golf club, but don't give them these bonuses. Then I would say absolutely no cash bonuses at all above £2,500. And finally, I don't think banks which are making losses should be handing out multibillion pound bonuses at all, full stop. No bonuses in banks who make a loss. No bonuses for people at director level, and no cash bonuses above £2,500. That's specific, it's tough, but it'll finally root out this outrageous abuse of bankers' bonuses.

DAVID DIMBLEBY: Mr Brown.

GORDON BROWN:

David, I had to nationalise Northern Rock, and we had also to take over the Royal Bank of Scotland, and Halifax, Lloyd's TSB, and the reason we did so was to save the savings and deposits of families throughout the country, if we hadn't done that then the banks would have collapsed. But now we've got to restructure the banks in a way that is in the public interest. I have never been so angry as when I talk to the chairman of a bank, who told me the night before his bank collapsed that all he had was a cashflow problem when I knew it was a structural failing that was absolutely fundamental, and the banks needed to be recapitalised immediately. Now what we've got to do is recapitalise the banks so that they are safe for people. What we've then got to do is make sure, as we're doing, that remuneration is fair. We do need a worldwide agreement to get a global financial levy that is charged in every country so we're not undercut by other countries and there's a race to the bottom. I would say to those banks, we will never allow them to act in an irresponsible and unfair way again.

DAVID DIMBLEBY:

David Cameron.

DAVID CAMERON:

What I would say to what the Prime Minister's just said is that if you look at the Labour record over the last 13 years, they did very much hitch the whole fortunes of the economy to the City of London. And we got into a situation where we ended up with the whole economy having to serve the banks rather than the other way around. I assume the banker we've just been told about was probably Fred Goddwin, so-called "Fred the Shred". It was actually this Government that gave this man a Knighthood for services to banking. He not only broke his own bank, he very nearly brought down the whole economy. So there are big, big lessons to learn, and I think the most important is that we put the Bank of England back in charge of regulating the banks, and give them the specific duty of calling time on debt in the economy. Things got completely out of control, the banks were regulated but badly and by the wrong organisation. And the one party that wants to scrap the current system and put the Bank of England back in charge and change things is the Conservatives.

DAVID DIMBLEBY:

Mr Clegg.

NICK CLEGG:

David Cameron has been talking about parties being too close to the city. The blunt truth is that both Conservative and Labour Governments now for ages have been far too close to the City, basically preferring the interests of the one Square Mile of the City of London, rather than the 100,000 square miles of the whole of the United Kingdom. What I think we now need to do is look fundamentally at what went wrong in the way in which banks were working. And my view is this, that as long as you have banks which mix up high-risk, free-wheeling casino investment banking on the one hand, and the sort of conservative, sober retail high street banking which we all depend on, then you're asking for trouble. That's why, as the Governor of the Bank of England says as well, many people are increasingly saying, we should split up the banks between investment banking on the one hand and high street banking on another. In order to ensure we that never, ever, ever again have the banks hold a gun to the head of the rest of the British economy. And still, still we haven't done enough to protect ourselves of that risk in the future.

DAVID DIMBLEBY:

Mr Brown, do you want to respond?

GORDON BROWN:

We have taxed the banks on bonuses with a £2 billion tax that came through in the Pre-Budget Report. We are ensuring that every penny that has been given to the banks comes back. And that is why we're taking the action that is necessary to recoup the money from the banks. I want a global financial levy, that I've been talking to President Obama about, and France and Germany are at least part of, because I don't want a race to the bottom and banks moving out of this country. Northern Rock failed but it was a small bank. HSBC is successful and it's a big bank. It's not the size of the banks. It's the way that some of them were being run. And, look, I tell you, the answer, David, is not to do what you say in your manifesto. You're planning to cut corporation tax for banks in your manifesto. You're going to take money from investment allowances from manufacturing industries in this region and give a corporation tax cut to the banks. That, again, I'm afraid is the same old Tory party.

DAVID DIMBLEBY:

Let's explore these arguments a bit. David Cameron.

DAVID CAMERON: Let me make one important point which is having learned the lesson of having to bail out the banks, I think the next lesson we must learn is we must not put ourselves in the position of having to bail out other European economies. People need to know that the Liberal Democrats in their manifesto are still in favour of joining the Euro. As late as last year, Nick Clegg was saying the Euro would be an anchor for our economy. If we were in the Euro now, your taxes, your National Insurance would not be going on hospitals and schools and police officers, it would be going to Greece and possibly other countries as well. That's why I say one of the lessons to learn is let's stay out of the Euro, let's keep our own currency and let's recognise what a massive strategic error the Liberal Democrats would have made.

DAVID DIMBLEBY: Nick Clegg

NICK CLEGG: This is really getting desperate. No, I'm not advocating entry into the Euro, I'd only advocate it, by the way, if ever, if the economic conditions were right, if it was good for your jobs, good for pensions, good for savings, and, of course, it always has to be only decided, if we were to do that as a country, on a referendum where you can vote on it. Can I just go back to the issue which was at hand which was the banks. Gordon Brown talks about waiting for the rest of the world to catch up and impose a levy. I think we need to impose a 10%, a 10% levy on the profits of the banks now. And I'll tell you why. Because under our tax system in this country, the banks can offset the tax they're supposed to pay against the losses they've already made. That means that, for some banks, they're basically not paying any tax at all, even though we bailed them out, and the only tax they would pay would be this 10% levy we say should be on their profits. That's the way forward. If we wait for the rest world to catch up, we will never, ever get round to doing this at all.

DAVID DIMBLEBY: Mr Brown.

GORDON BROWN: We are taking the money back from the banks and we'll insist on doing so. We own the shares of most of the two big banks and the shares, as they rise in value, we will recoup that value for the country. So we've done a business for the country which is to nationalise, but then to get the profit when we sell on the shares at a future date. We will continue to fight for a global levy and it will happen this year, but it will happen in a way that banks don't leave our country but banks stay in our country. I come back to the question that I ask David again: he didn't answer the question on inheritance tax. Corporation tax he's going to cut by 3p for the banks. Why is he cutting corporation tax for the banks when he says that he wants to make sure that banks pay their share? To cut it by 3p is money taken from manufacturing industry. Again it's the same old Conservative Party.

DAVID DIMBLEBY: Briefly, if you would, Mr Cameron.

DAVID CAMERON: We want a bank levy to get the money off the banks that all of us have had to put into the banks. Do I want to cut taxes on all businesses, particularly small businesses to get the economy moving? You're damned right I do. We've got to get this economy moving otherwise we're not going to get the jobs, we're not going to get the investment and the wealth that we need. The Prime Minister's got to face up to the fact that, right now, it's not working. Small businesses come to my surgery and say, "I've never gone over my overdraft limit, I've never broken my covenants, but I cannot get a loan." We've stuffed these banks full of money. They're not lending. We need some action from a government that's going to roll up its sleeves, stop trying to defend its hopeless record and recognise we need change to get our economy moving.

DAVID DIMBLEBY: Thank you, Mr Cameron. Let's move on because we've got a lot more on the economy. We've got a question from Jean Simpson, please. Jean Simpson.

AUDIENCE MEMBER: Thank you. This area used to be full of businesses that made things. So many of them have been shut down, sold off and gone abroad. I want to know how you propose to rebuild the country's manufacturing industries. We can't just have offices in shops.

DAVID DIMBLEBY: "We can't just have offices and shops. Nick Clegg?"

NICK CLEGG:

I strongly agree with you, Jean. I'm an MP from a city, Sheffield, also very proud of its industrial heritage. I think the first thing we need to do, I would say three things. The first thing is to get the banks lending. If you don't get them lending to manufacturing companies, it's like a body without blood circulating. Everything just sort of stops. I was at a small company in Warrington a few weeks ago, very, very good example, they manufacture new environmentally sustainable lighting fixtures. They've got lots of clients, lots of demand. They can't expand because the banks won't lend to them on reasonable rate. That is an outrage. The banks that we own lent less money last year than the year before. They should be lending more because, after all, it's your money that's gone to bail them out. The second thing we need to do is we need to invest in the kinds of things we need in the future anyway: affordable housing, green energy, renewable energy, public transport, the kind of things which create jobs for our young people, help manufacturing and create the green infrastructure that I think we need as a country, in any event.

DAVID DIMBLEBY:  
GORDON BROWN:

Gordon Brown.

I visited a manufacturer today who is involved in selling to the rest of the world, including to China and Asia, with the most advanced precision manufacturing. And I believe over the next few years, we can create 400,000 jobs in low-carbon industries. I believe we can create half a million jobs in the digital industries of the future. I believe biotechnology, and this region is very good at biotechnology as well as well as advanced manufacturing, can see 100,000 jobs, but we as a government are investing with these companies in the equipment that they need for the future. So I'm optimistic about the future of the British economy and optimistic about this region. What I would insist on, however, is that the banks do lend, and that's why we've appointed an arbitrator. Where people are dissatisfied with what the banks decide, they can go to them and we will back them up. Secondly, we will continue to give investment allowances which would be abolished by the Conservatives. And thirdly, we will maintain the regional development agencies which again the Conservatives want to remove. It's very important we back regional manufacturing in this great centre of manufacturing industry for our country.

DAVID DIMBLEBY:

Just a reminder of the question: this area, the Birmingham area, used to be full of businesses that made things. So many of them have been shut down or sold off and gone abroad. I want to know how you propose to rebuild the country's manufacturing industries. We can't just have offices in shops." David Cameron.

DAVID CAMERON:

I think Jean is just absolutely right. Here we are in Birmingham. This was known as the city of a thousand trades. And yet, in the last 13 years, we've lost 60,000 jobs in manufacturing. We've been losing manufacturing industry faster than the 1980s. It's been a complete tragedy. We've got to rebuild. How do we do that? Let's start with investing in our science base and making sure great universities like this are producing the scientists and entrepreneurs of the future. Let's make sure we invest in apprenticeships. So much of the government's training budget is wasted. We say, let's have an extra 200,000 apprenticeships. That would make a difference. But you can't ignore the basics of actually making it easier for businesses to employ people. That's why I come back to this point, that if we keep putting up the cost of one person saying to another person saying, "Come and work for me," we're never going to get more employment. It's science, it's technology, apprenticeships, raising the status of science teachers, making sure we reward entrepreneurship and, yes, having low taxes for businesses. That's part of getting them here and keeping them here.

DAVID DIMBLEBY:  
NICK CLEGG:

How do you respond to the arguments of the other two, Nick Clegg?

As it happens, I agree - I think we all must agree on the points about investing in new technologies, investing in our young people. I was at a college here in Birmingham today, young people developing vocational qualifications which we need for the skills of the future. I think that - it's a good thing that basically, all the parties agree on that. But I come back to this point I made to Jean earlier: unless you've got banks helping businesses, it is extremely difficult for them to expand their products, invest in their factories, and actually invest in creating new jobs. Who would have thought, here in Birmingham of all places, that a bank that you own - RBS - should have been involved in lending money - money that you've given to them in the bail-out, the taxpayer bail-out - should have used that money to help fund Kraft, the American multinational's, takeover of Cadbury's, leading to job losses in Britain. When you lent that money to the banks, did you think that money would be used to put people out of work in Britain? No, and it was wrong.

DAVID DIMBLEBY:

Gordon Brown.

GORDON BROWN:

To boost manufacturing, we have trebled the number of apprenticeships from 70,000 in 1997 to over 200,000 now. We want to raise that number considerably over the next few years. At the same time, there are more students going to university than ever before in our history, and I'm pleased to say that the majority of students are now women. To help manufacturing, the regional development agencies have the power to support individual businesses, and there's more than 20,000 firms in this region receiving help with cashflow under our programme Time To Pay. But the problem is now, you can't take money out of the economy now, as David proposes, and hope that businesses can survive with orders. You've got to keep the money in the economy. You can't take investment allowances away from businesses, as David proposes to do to pay for his corporation tax cut for banks, without manufacturing suffering. And you cannot help the region if you take away the Regional Development Agency that's doing so much good. So we've got to face up to the fact that we've got to act now. We cannot take money out of the economy, and we've got to support manufacturing and not withdraw the support that David would do with his policies.

DAVID DIMBLEBY:

David Cameron.

DAVID CAMERON:

Once again, I think there's this complete confusion between the government and the economy, and Gordon Brown doesn't seem to understand that actually, to get the economy going, you've got to help help businesses employ people. You've got to cut their red tape, cut their regulation. Let me tell you one thing government could really do to help: government is an enormous purchaser of goods and services, and yet it hardly buys anything from small and medium-sized enterprises. We say government should give a quarter of its contracts to the small firms, the ones that are actually going to be the success stories of tomorrow. Let's make it easier for firms to register with the government, so they can buy services and sell services to the government. That would actually help to get them going, the great businesses of tomorrow. That's what we need to build.

DAVID DIMBLEBY:

Shall we just briefly discuss these points that have been made? Nick Clegg first and then you, Mr Brown.

NICK CLEGG:

I want to come back to this point about how one takes the right decisions to support the new technologies, the new manufacturing industries of the future. I think, for instance, it's fairly obvious, if you look at the huge number of offshore wind turbines which are now being installed off the coast of Britain in all sorts of places, that we should be a world leader in manufacturing this new green technology. And yet, the only manufacturer of onshore wind turbines has recently closed, and the London Array project, one of the biggest offshore wind projects, off the coast of Kent, 90% of the stuff installed there was built in Denmark and Germany. Why aren't we using small amounts of money to invest in old dockyards and shipyards so that we manufacture the new green technology of the future as well?

GORDON BROWN:

But Nick, wind turbines and the development of the offshore wind industry is one of our priorities. We're now the world's leading offshore wind power, and there are four companies, including Siemens, which announced that they'll invest in wind power in this country as a result of government incentives. We're doing the same for digital, because we want 100% superfast broadband in this country that will serve every community, including rural areas. But you have to have some government finance to persuade people it's necessary to go to 100% and not 70%. Biotechnology - we're investing substantial sums in the leading cancer and research centre for the whole of Europe that will be in Britain as a result of the investment we're making, but I come back to this point: if you cut investment allowances, David, if you cut the regional development agencies which are a symbol of what the regions can do themselves, if you do that to cut corporation tax for banks, you're putting manufacturing industry at risk and doing the opposite of what is needed now.

DAVID DIMBLEBY:

David Cameron.

DAVID CAMERON:

You keep saying cutting corporation tax for banks. I want to cut corporation tax for small firms, for every firm, whatever they do, to try and help them keep more of their profits, to reinvest, to expand, to take people on. That's what a growing economy needs. Right now, we're stuck. The Prime Minister talks about renewable energy - after 13 years of a Labour government, we've got one of the lowest shares of renewable energy of any country in Europe. They talk and talk. We've had nine energy ministers - I think two of them were the same person - had nine energy ministers, several energy strategists, but nothing ever happens. What we need is change from a government that understands business, that feels the beating heart of entrepreneurs within it and gets things moving.

GORDON BROWN:

David, will you not answer the question? Why are you cutting investment allowances for manufacturing industry? Why are you also going to take away the regional development agencies and scrap their functions? What good does that do to the West Midlands, that wants investment in manufacturing and wants the regional development development agency to work for them?

DAVID CAMERON:

We are cutting taxes for businesses in our forthcoming budget if we win the election, and something else we'll do is say to every new business that starts up, the first ten people you take on, you shouldn't have to pay national insurance contributions. That's the sort of thing to get the economy moving. Instead, what we have with the current government is these vast regional bureaucracies paying themselves huge sums of money and not actually helping the businesses really want to get our economy moving.

DAVID DIMBLEBY

Thank you very much. We're almost halfway through this debate, and we've got a number of other topics to come to apart from the economy. Just before we do, these three parties represented here tonight are of course not the only ones in the United Kingdom asking for your vote next week. If you live in Scotland, you'll be able to hear from the SNP on tonight's 10 O'Clock News, as well as Newsnight Scotland, which will be a bit earlier than usual at 10.45 on BBC Two. And on Sunday at 9pm on BBC One, Scotland's four political leaders go head-to-head. If you live in Wales, you can hear the leader of Plaid Cymru on the Ten O'Clock News in Wales, and the leaders of all the Welsh parties will be on a special edition of Newsnight on BBC Two Wales. The leaders will also debate on Sunday at nine o'clock on BBC One Wales. And there'll be debate between the leaders of the Northern Ireland four main parties there next Tuesday on BBC One Northern Ireland, that's at 9pm. Finally, you can hear from UKIP and the Greens on the news after this debate. Let's go on to another question. Take this one, please, from Radley Russell.

AUDIENCE MEMBER:

Are the politicians aware that they have become removed from the concerns of the real people, especially on immigration, and why don't you remember that you are there to serve us, not ignore us?

DAVID DIMBLEBY

Gordon Brown.

GORDON BROWN:

The only reason I came into politics was because I saw what was happening in my local community. I've got the good fortune of being the member of parliament for the people I grew up with and the people I went to school with. The reason I want to be in politics is to create jobs. When it comes to immigration, I want to see a situation where we increase the number of jobs that people trained in Britain can take, as we lower the numbers of people coming into this country. That's why we have banned unskilled workers from outside Europe from coming into Britain. That's also why we're cutting the numbers of semi-skilled and skilled workers who can come in. That's why we have a list of occupations we now want to reserve for people in Britain and not for people coming from abroad. But what we are doing at the moment is training up people so that in the next few years, as we move forward out of this recession, the jobs will go to people trained in Britain, who have the skills in Britain, and that goes right across from chefs and care assistants to nurses and of course teachers. That's where we want to be by training people up for the future.

DAVID DIMBLEBY:

David Cameron.

DAVID CAMERON: I agree with the questioner. Immigration in this country has been too high for too long. That's why we have a very clear approach to cut it, and cut it substantially. In these last 13 years, over a million extra people have been given citizenship. That's like another city of Birmingham all over again. We say you need to control it properly. That's why we say that new countries that join the European Union, they should have transitional controls so not everyone can come here at once, and when it comes to immigration from outside the European Union for economic reasons, we believe there needs to be a cap. I want us to get back to a situation where the net number of people coming into our country is in the tens of thousands, not, as it's been in recent years, in the hundreds of thousands. One of the benefits of that, and it is an important benefit, is that we can better integrate people into our country, build a stronger society, and we wouldn't hear on the doorstep or on the streets as we go about this election campaign people worried about immigration, because they'd know their government had listened to them, gripped it, and got it under control. That's exactly what I'll do.

DAVID DIMBLEBY: Let me just remind viewers and listeners of Radley Russell's question. Are politicians aware they've become removed from the concerns of real people, especially on immigration, and why don't you remember you're there to serve us, not ignore us? Nick Clegg?

NICK CLEGG: Where is Radley? I could hear his voice...ah, there you are. Sorry, I had this problem last time. Of course you're right. We are there to serve you. And of course, we are there to respond to people's concerns. I hear people's concerns about immigration all the time. The reason I think people have become so anxious is because the immigration system itself, the way it works has become utterly chaotic under a succession of Labour and Conservative Governments who talked tough about immigration, but for instance, it was Conservative and Labour Government that removed the exit controls which I want to see introduced, so we don't know only who's coming in, but who should be leaving as well. I think there are additional things we need to do. I do think we need to have a dedicated border police force. I think we have to have a regional approach so that if people come and work here, they're not allowed to work in regions where there isn't work for them to do or there is an unreasonable strain on public services. And we need to deal with the criminal gangs who've been exploiting the illegal immigrants who came in because of the chaos in the system. That is a fair, effective, workable approach, dealing with something which is of immense public concern.

DAVID DIMBLEBY: Once again, the question. Are politicians aware that they've become removed from the concerns of real people, especially on immigration? Gordon Brown.

GORDON BROWN: I come back to the question, which asks, are we there to serve people, and how best do we serve them including action on immigration? I want to create jobs for people in this country. I know in my constituency and Birmingham and the West Midlands, people are worried about their jobs and job security, and they're worried about whether their children and their teenage sons and daughters can get a job. That's why I want to give a guarantee to every young person under 25 that if they're unemployed for a few months, they will get a job. I want to say to adults that there are 50,000 jobs available under the future jobs fund, so they should not be redundant for long either. And I want to protect people in jobs by the tax credit system, so if you're on short time, you can get extra money from tax credits. I want to make sure there are jobs for people in Britain, and train people up to do these jobs. As far as immigration is concerned, to tackle illegal immigration, we have biometric visas, we have foreign nationals' ID cards. And we are going to be counting people in and out of the country. We're taking the action, and I want to see that action working by the measures we're bringing in.

DAVID DIMBLEBY: David Cameron, what's your response?

DAVID CAMERON: Of course, we have to improve the system, but we also have to get a grip on the numbers. This is an important issue. People need to know what's in our manifestos. I've set out my policies. But people need to know that the Liberal Democrats propose an amnesty for illegal immigrants. That could mean that some 600,000 people who are here illegally would actually be allowed to stay here and be given full citizenship, access to welfare and council housing, and could also bring a relative each into our country. I think that just doesn't make sense. That, I think, is a complete mistake that would make a bad situation we've had after 13 years of Labour even worse. I say, let's grip this problem. Let's talk about it sensitively and sensibly. Let's bring immigration down to more manageable levels. And I think the public will respond by making this not an issue at future elections.

DAVID DIMBLEBY: Do you want to respond?

NICK CLEGG: Of course. I don't want you to be misled by David Cameron. I'm not advocating an amnesty. In fact, the only politician in Britain who is advocating a blanket amnesty is Boris Johnson, the Conservative Mayor of London. I think we do need to do something about the fact that there are lots of people living in the shadows of our economy. Gordon Brown and David Cameron just want to deny it as a problem and pretend that somehow, it'll go away. It won't. I'll tell you who benefits from this layer of people who've been living for years and years in the shadows of our society. It's the nasty criminal gangs who exploit them, exploit us, and create crime in our communities. Can I say one other thing? When we deal with something as sensitive as immigration, let's at least be open and honest and straight with you. David Cameron says you can put a cap on immigration. It is complete nonsense, since he knows that 80% of people who come into this country come from the European Union. You can't cap those numbers, so you shouldn't pretend to people, give them false hope that you can bring numbers down when you can't control them in that way. It's wrong to raise false hopes on such a sensitive topic.

DAVID CAMERON: It's perfectly clear that the Liberal Democrats do propose an amnesty. They can't get away from that. And Refugee Action, one of the very respected voluntary bodies, has criticised them for that, and I think for a good reason. We should in this country be trying to encourage people and reward people for doing the right thing. If you have an amnesty for illegal immigration, you're basically saying to people who came here illegally, who didn't have the right to come here, "That's OK". And to people who are queueing up who want to do the right thing and obey the rules, they're being punished. That's one of the things that's wrong in our country at the moment. We need a different set of values, and this is not them. It doesn't make sense.

DAVID DIMBLEBY: Mr Brown?

GORDON BROWN: I agree with David on this, because I can't see how you send out anything other than the worst possible message if you give an amnesty to people who've come here illegally. I don't think Nick has presented his policy in the way it's in his manifesto. There is a suggestion that there is an amnesty after ten years for people who come to this country illegally.

NICK CLEGG: Maybe I should explain.

DAVID DIMBLEBY: I'll give you a chance to explain in a moment.

GORDON BROWN: I think to send out this message is wrong, because it just encourages other people to want to come illegally. But David also has a question to answer. He says there should be a cap, but he won't give the figure. It's, once again, the Conservative Party concealing something that either they should either tell us, or they should just say they're not going to do it properly.

DAVID DIMBLEBY: Nick Clegg.

NICK CLEGG: Maybe I should explain, rather than having David Cameron and Gordon Brown, very much in the style of old politics, making misleading claims. I think there is a problem. It's a problem I didn't create, you didn't create, they created. It was Conservative and Labour Governments that created chaos in your immigration system so that lots of people came here illegally. Now, they're here, OK, it's a problem. They're here, whether we like it or not. So I think we have to deal with it. I'm saying that for those who've been here for a decade, who speak English, who want to play by the rules, who want to pay taxes, who want to come out of the shadows, do community service to make up for what they've wrong, it's better to get them out of the hands of the criminals, so we can go after the criminals, and in the hands of the taxman. You can pretend as much as you like, David Cameron and Gordon Brown, that somehow you can deport people when you don't even know where they are. I'm coming up with a proposal. It might be controversial, but it's dealing with the way the world is. Get real. This is a problem you created. We now need to sort it on a one-off basis. It's a one-off problem which needs a solution.

DAVID CAMERON: I think it is profoundly misguided. Nick has talked, not tonight, but has talked about 600,000 people having this amnesty, being able to stay. And they would be able to bring over a relative each, so that's 1.2 million potentially. And all of those people would have access to welfare and housing. I think this could make...

NICK CLEGG: Why don't we save time?

DAVID CAMERON: You explain the number, then.

NICK CLEGG: Why don't we save time? Instead of making endlessly misleading comments, let's assume every time you talk about our policy, it's just wrong. What I'm saying is, there is a layer of illegal immigrants. We have to deal with it. We have to get them out of the hands of criminals. You say numbers. Can you now tell me - am I right or wrong that 80% of people who come here come from the European Union, and your cap would make no difference to that? Is that right? Yes or no.

DAVID CAMERON: We have said new EU countries should have transitional controls. We all remember what happened when Poland joined the European Union. We were told 13,000 people would come, and in fact it was closer to a million. Nick Clegg and the Liberal Democrats cannot wriggle on this. They have spoken about 600,000 people. If that's the number, they should come clean about that.

NICK CLEGG: We're not wriggling, I just want a response. Yes or no, do 80% of immigrants come from the European Union, which wouldn't be affected by your cap? Yes or no?

DAVID CAMERON: It's affected by having transitional controls. I've answered your question. You should answer mine.

DAVID DIMBLEBY: I think we should perhaps bring Mr Brown in.

GORDON BROWN: I hate to enter into private grief here, because both of them have got this wrong, I'm afraid. Nick is wrong to send a message to people that you can come here illegally, and then you'll get an amnesty. David is wrong to mislead people about his cap, because it doesn't include people from the European Union, doesn't include large numbers of people who are dependants and university students. What he would do is make it impossible for some businesses to recruit people from abroad during the course of the year, and he's never given us a number for his cap. He has to tell us what the cap is, or stop telling us there will be a cap when probably, there's not going to be.

DAVID CAMERON: What you can see is two parties that won't grip immigration, and one that will. We want to see net immigration in tens of thousands, not hundreds of thousands. Since Gordon has been in Government, it's never been lower than 140,000 a year.

GORDON BROWN: You're not answering the question, David, as usual.

DAVID CAMERON: Under the last Conservative Government, it was never higher than 70,000. It can change.

DAVID DIMBLEBY: Gordon Brown, on what he said?

GORDON BROWN: He just won't answer the question about what the cap is, and Nick won't answer the question about how he can justify an amnesty for illegal immigrants. He's sending out a message to people, "Come to Britain, and you'll be legalised in a few years' time". It just does not make sense. I'm sorry that Boris Johnson, the Mayor of London, also supports this.

NICK CLEGG: Let me repeat again. There is a problem that you have created of people who came here illegally because of the chaos that your Conservative and Labour governments created in the immigration system. We have to deal with it. It would be much easier for me to pretend it's not a problem, as David Cameron and Gordon Brown are doing. It is a problem. It's helping criminals. I don't want to help criminals. I want to get those people into the hands of the taxman. And if they shouldn't be here, of course they should be deported. But neither David Cameron or Gordon Brown even know how to do that. So let's get real with the way the world is, rather than the way we would like to think it should be.

DAVID DIMBLEBY: We must move on to another question. I'd like to have one from Anna Haywood, please.

AUDIENCE MEMBER: I am married, my husband is an accountant and we have two children. We work really hard, and between us have a good joint wage, yet still we cannot afford our own family home, nor the larger deposit necessary these days. What will your party do to help families and others in terms of housing, because if a chartered accountant is priced out of the market, then what hope is there for anybody else?

DAVID DIMBLEBY: David Cameron.

DAVID CAMERON:

Anna, I have every sympathy with you because, frankly, today in our country, people who try and work hard and save, and obey the rules, and do the right thing. All too often, they just find hurdle after hurdle put in their way, whereas people who actually don't play by the rules, who don't think about saving and don't think about their behaviour often get rewarded and that's not right. What can we do to help you? First of all, we've got to get spending under control so we stop putting your taxes up. We also say we should have no stamp duty on the first £250,000 that people... if you can buy a property for less than that. I think that would help. But above all, we've also got to build more houses. I think there's no doubt in my mind that we've got to change the planning system right now. It so militates against actually people building houses. We think you've got to scrap these top-down targets that make local communities so angry but reward councils that go ahead and build homes for families like yours.

DAVID DIMBLEBY:

Nick Clegg.

NICK CLEGG:

Well, Anna, this is one of the things that I, along with immigration, actually, the I probably hear about more than anything else as I travel around the country, a lack of affordable housing as I travel round the country. The lack of affordable housing. The people in your situation, but then there are, I think, 1.8 million families, that's five million people, who are still on the waiting list for an affordable home. What do you do about it? I would do three things: firstly, there are hundreds of thousands of empty properties in our communities boarded up, no doubt there are many in Birmingham, too, which I think for a relatively modest amount of money you could convert into homes which people could live in. It is just not right, and people either can't afford like you, Anna, or simply can't find places to live in, that we have all these empty properties. We have a plan, set out, costed in our manifesto to convert 250,000 empty homes into homes that people can live in. Secondly, I would give local councils more freedom to borrow against their own assets so they can invest in building new homes. And the third thing I would do, all these empty flats we see in our city centres, built for one-person... person, I think they should be converted into the homes that people need for young families, like yours.

DAVID DIMBLEBY:

Gordon Brown.

GORDON BROWN:

Anna's absolutely right, the house building industry has really not served us well in this country. When the crisis happened, the building firms didn't have enough capital, weren't able to survive and so many went under. Yet, there is a pent-up demand for housing in our country. There are one million more home owners than there were just over ten years ago, so more people are buying their homes. What I would like to do, we have extended stamp duty relief for first time buyers, so that is available now. Shared equity is something that might be considered because that's a chance to buy up a part of your house, and it's become a more popular way of doing things and we are able to help finance that and work with the building societies and banks. The third thing is, of course, getting the building societies and the banks to lend again. We've signed these agreements that require them to lend £92 billion this year, a lot of that for mortgages. The fourth thing is, of course, as has been said, using up empty property, giving local authorities the power to build and making sure housing associations have also the power to build. I want to create an owner-occupied majority in this country and I want to increase home ownership and I want to do it quickly with the measures that we are taking.

DAVID DIMBLEBY:

Mr Cameron, what do you make of the argument?

DAVID CAMERON:

Two things we should do and one thing we shouldn't do. First of all, we should build more homes that are part rent, part mortgage, because it gives people - I've seen this in my own constituency - the chance to get one foot on the housing ladder. As circumstances change, they can increase the mortgage and reduce the rent. I think that helps. Also, rewarding responsibility. People who live in housing association homes, or council homes, with a record of good behaviour, give them a stake in that house, so when they move, they have the start of some capital to move up the housing ladder. One thing we shouldn't do, and this is in the Liberal Democrat manifesto, is putting VAT on building new homes. That would just lift the price of new homes even higher out of people, like Anna's reach. I think it would be a big, big mistake. Once again, it just doesn't make any sense.

DAVID DIMBLEBY:

Nick Clegg.

NICK CLEGG:

First... I'll come to that in a second, but I've talked about how I think we need to convert empty properties, I've talked about how I think we need to give councils the freedom to build new homes, they know the best where homes are needed. I've certainly seen lots of our great city centres, these flats, as I say, which are designed for one person, the private property developers have put up these towers, lots of them are standing empty, they should be made available to families. But I also think there is a role for good old fashioned council houses. I know it's not fashionable these days, but I was very proud when I was up in Newcastle the other day to see the Liberal Democrat council there has started building some council houses again for the first time in 30 years. Because they help as well. They might not help you, Anna, and your family, but the more housing you get in supply, the easier it is for everybody. On the issue of that, I just think there's a funny glitch in the VAT system at the moment that you pay no VAT on new-build on green-field sites, and so on, but if you invest in your own home, you're charged for the full VAT rate. I think it's better just to have an equalised VAT rate on both to encourage you to invest on your home, but perhaps set it at a much lower rate than the top headline rate of VAT.

DAVID DIMBLEBY:

All right. Mr Brown.

GORDON BROWN:

What Nick is saying, and we're scratching beneath the surface, now, is there would be VAT on new homes under a Liberal policy. What I think is however right is that we do, as we've done, encourage local authorities to build, and that's why lots of local authorities are again building. But, you know, I think the other thing that matters is what I call shared equity. That is part-rent, part-buy, but it's a housing association, a bank or a building society, working with the owner, and gradually you buy up your house. That's going to be far more popular, particularly for young people in the years to come. The key to all this is low interest rates. We've got to keep interest rates low. We have kept interest rates low even during this recession and have done so for the last few years. I want interest rates low for existing home owners and for people buying their own home. I'm afraid the Liberal and Conservative policies are too big a risk to inflation and to interest rates for the future.

DAVID DIMBLEBY:

I want to move on to another question. This one from Graham Parkin, please. Mr Parkin.

AUDIENCE MEMBER:

I'm retired having worked all my life, and find it galling that some who haven't paid into the system abuse it by living off state benefits. What are you going to do to prevent that abuse?

DAVID DIMBLEBY:

Nick Clegg?

NICK CLEGG:

I think one of the biggest issues which is I think what you're touching on, Graham, is how do we encourage people who are on benefits to move into work? I was really delighted at the Institute of Fiscal Studies when they compared the three parties' manifestos this week said very, very clearly, and very directly, that our proposal to lift the income tax threshold to £10,000 is the best incentive to work. Because if you keep more of your money when you start working, particularly on low-paid and part-time work, then of course you have an incentive to get off benefits. There are too many people I meet who say, well, to be honest, it's not worth my while to go off benefits because Housing Benefit, in particular, gets withdrawn so quickly as soon as you start earning that actually when the sums are done, and quite rightly, people look at this very closely, they think, "Well, it isn't worth me working." We need to give incentives to work. Our plan would do that. I believe in work. I think work is one of the most important things in society, it gives people self-respect, and I want to encourage it. That's what our tax proposals would do.

DAVID DIMBLEBY:

Mr Parkin's question was that he finds it galling that some who haven't paid into the system abuse it by living off state benefits. Gordon Brown.

GORDON BROWN:

No life on the dole. That's my policy. We've got to get people off unemployment benefit and they're going to be forced to work if they've been on unemployment benefit for a period of time. Now, we're giving an offer to young people at the moment. Under 25, if you've been unemployed for six months, we'll give you worker training because we don't want the unemployment of the 1980s for young people. We don't want to lose a labour market for the future, and we don't want a lost generation. But we're saying you're compelled to work, you cannot take this as an option. You're going to have to take up the job and the training. That's true for the long-term unemployed, it's true for young people who have been unemployed for six months. We're also doing a great deal to try to get people on incapacity benefit back to work. The record of doing that is large numbers of people are now moving back into work, not enough, but we're trying to do it. Now, I believe in work, too, because I've been brought up that work is the way that you reward people but it's also the way you find self-esteem. My Britain is one where I want more people working, more people working without being on benefits.

DAVID DIMBLEBY:

David Cameron.

DAVID CAMERON:

What I would say to Graham very simply is we should have a very straightforward approach: we should say to people, if you can work, and if you want to work, we'll do everything we can to help you. We'll get you the training, we'll get you what you need. But if you're offered a job that you can do and you don't take it, you cannot go on carrying on taking your benefits. You've got to say no to that. Now, the Prime Minister has just said, I wrote it down, "No life on the dole." But we've had 13 years of a Labour government and there are five million people on out-of-work benefits. There are still three million people almost still on incapacity benefit. They have had so long to do something about this. Here we are tonight, talking about the need to cut waste and the need to cut budgets. Shouldn't we start with people who can work but refuse to work, so people who have done the right thing don't have to feel as Graham does? I've had so many people in this campaign who said to me, I go to work and I walk past houses where I know people could work but choose not to. That's just not acceptable and we need change to make that happen.

DAVID DIMBLEBY:

This is your chance, Nick Clegg, not to repeat what you've already said, but to respond to what the other two say.

NICK CLEGG:

The only thing I want to add is that Graham used that word, it's a powerful word - that you find it "galling"; one of the reasons, Graham, you might find it galling is that when you've retired - did you say you had retired? - is when you're retired that of course you then find that the benefits that you get, particularly the state pension, are not as generous as I think they should be. One of the things we need to do immediately after this general election is restore the earnings link in pensions. There's been a huge amount of talk about it from both the old parties about doing that, let's get on with it and do it. It was broken some years ago by the Conservative government, hasn't been restored under 13 years of the Labour government. Let's get on and do that, the least that you Graham and everybody else deserves when you retire, having worked hard, having paid into the common pot, is that you get a decent state pension when you retire, and I hope that will do something to make that experience you're talking about, feel a little less galling.

DAVID DIMBLEBY:

The question was about preventing the abuse of state benefits. Gordon Brown.

GORDON BROWN:

Well he's absolutely right, that pensions should be linked to earnings and we'll do that in 2012 when we've got the resources to do so. We've also introduced the winter allowance for all pensioner households where someone is over sixty, and that's two hundred and four hundred pounds for people over 80. We're trying to do our best to create a new regime for pensioners where women particularly have a full state pension, which they haven't had in the past. To come to benefits, we're making it a condition for young people, they've got to take a job, we're making it a condition now for people who've been long term unemployed, that they've got to take a job. Yes we've got 2 and a half million more people now in work than there was in 1997, and yes single parents are working now when they used not to work, and yes we've got more young people in training and in education than we've had before. But yes also, we've got to go further, these are the measures of compulsion, a requirement to work and a responsibility to work.

DAVID DIMBLEBY:

Mr Cameron

DAVID CAMERON:

The truth is when it comes to ending welfare dependency, Labour have had 13 years to deal with it and haven't, and the Liberal Democrats have got virtually nothing in their manifesto. I think one of the big senses of unfairness people have on this issue is people who've worked hard, saved, put money aside, when they go into residential care they have to pay every penny including selling their home, whereas people who haven't saved get the whole thing paid for free. Now I'd love to make it all free - but you can't - there's no money - so we say if you can put aside eight thousand pounds when you turn 65, you should get your care for free. I think that would remove one of the major unfairnesses - it doesn't solve the whole problem - but it does remove one of the big unfairnesses of our system right now.

DAVID DIMBLEBY:

NICK CLEGG:

To clarify, what do you see is the key differences between your positions? Nick Clegg.

Let me perhaps draw out one of them. David Cameron keeps repeating we've got nothing to say. We're the only party, actually, in this general election campaign who've got a plan fully costed to get people off benefits and into work. That's been independently recognised. I think it's a general... It's almost a philosophical issue here. Do you think the best way to help people who are vulnerable or poor is to constantly giving them more benefits through greater dependency on the state? Or do you provide incentives to let them help themselves where they can? That is what our very, very radical tax switch, so you keep more money when you start working, would precisely do - it would get people off that benefits dependency into work. I think that's what most people agree is the absolute priority these days.

DAVID DIMBLEBY:

GORDON BROWN:

Mr Brown.

You know what the difference is, because we do not want a generation of young people growing up and not working. That's what happened in the 1980s under David's party. They left a generation, a wasted generation, and we've been dealing with the consequences. So we are saying, every young person should either be in training with an apprenticeship or at college or university, or preparing for that training. And everyone should be compelled to do one of these things. You can't have a something-for-nothing society any more, and under-25s will have to take up the opportunity of work or training if they're not employed. That's the best way to do it. But we've got to get young people into work. We cannot have a situation where they're on the street corners and we can't have a Conservative Party that keeps opposing all our jobs proposals, including our future jobs fund, that is designed to stop youth unemployment in the country. I just think the Conservative Party are still living in the age of the 1980s and 1990s. The same old Tories.

DAVID CAMERON:

I'm a little bit unsure about which country Gordon Brown thinks he's Prime Minister of. Because in Britain today, there are actually 900,000 young people not in employment, not in education, not in training. He's caused record youth unemployment. We've seen unemployment today 40% higher than when he came to power in 1997 after the longest and deepest recession in our history. So, to talk about as if somehow he's got a magnificent economic record is nonsense. To answer Nick's point, of course you need better incentives. It's outrageous today that a single mum trying to go back to work gets 95p of every extra pound she earns taken away by the state, but you do need a penalty, so we say to people, if you go on refusing the offer of a job you can do, you should lose your entitlement to benefits for up to three years. I think that is important. You need to have that as well as the incentive to encourage people out to work.

DAVID DIMBLEBY:

NICK CLEGG:

Nick Clegg?

We actually all agree with that. We agree that benefits should be conditioned, we all agree that benefits shouldn't be just dished out for free if people refuse to take up work. We agree on that. Where we disagree is that I have a plan to make sure that taxes reward work when you start work. Particularly to get you off benefits. David Cameron's priority is to give tax breaks to double millionaires, and Gordon Brown has a plan to lower taxes for people on ordinary incomes and ordinary incomes. That's a big difference. That's a big choice.

GORDON BROWN: But, Nick, The Institute of Fiscal Studies that you were quoting a few minutes ago says that your proposals for financing your tax cuts are highly speculative, they don't know how you're going to get the money. That's what they say about your proposals. They're not thought out, you're too big a risk on the economy, just like David is. We are trying to get people back to work in difficult situations, low inflation, low interest rates, get the economy moving, don't take money and shrink the economy now. That's the way to get people back to work.

DAVID DIMBLEBY:  
AUDIENCE MEMBER: All right. We'll go on to a question from Michael Crowhurst, please. Michael Crowhurst. I teach in a very deprived area of Birmingham. What will each leader do to ensure the children I teach have as many opportunities in life as those from any other school?

DAVID DIMBLEBY: Of course, education is a subject, a topic, policy, devolved from England, to Scotland and Wales, Northern Ireland. But I think the question goes wider. What will each leader do to ensure the children Mr Crowhurst teaches has the same opportunities in life from a very deprived area in Birmingham as those from any other school? Gordon Brown.

GORDON BROWN: My mother used to say, when I was growing up, that what was available for a mother and for a parent was maternity services when the child was born, then you were called for vaccination for these different vaccinations, and then you were told to come to primary school at the age of five. Now we've got nursery education, three to four year-olds, now we've got SureStart children's centres, and there's 3500 now round the country, and now we've got maternity pay and paternity pay, and Child Tax Credits, and we are moving forward by making the Child Tax Credit even higher for the parents of under three-year-olds. That's the sort of way that we can help give chances. I'm interested in social mobility. You have to help children under five develop their potential, you've got to have personal tuition at schools if people fall behind. You've got to encourage young people to stay on at school and get qualifications. This is the way that we can have a new generation of middle-class jobs in this country, where young people from poor backgrounds can get the opportunities they've never had before. That's what the social mobility that I want to promote is all about.

DAVID DIMBLEBY:  
DAVID CAMERON: David Cameron.  
First of all, I'd like to say a big thank you for what you do, because I think teachers just perform the most incredibly important work in our society. We should do more to value them, to respect them and to raise their status. One of the most important things we can do is give the teacher and headteacher, in particular, control back over their school. Discipline is the absolute foundation of a good education. Right now it just doesn't work. We have something like 17,000 attacks each year on teachers. You get kids who can be excluded from school, including one in Manchester who is excluded for having a knife, who then gets put back into the school by the appeals panel. That's just not right. We say make the head teachers captain of their ships, let them have proper discipline, change all the crazy rules that stop teachers searching for banned items. And make sure you have proper discipline. Then we need to raise aspiration, as I'm sure you do in your school. And open up education, have the big society where we say new bodies that want to come in and set up great schools, including in inner city areas, come on in, we want choice, diversity and excellence in our state sector. That's where I send my children. That's where I know we've really got to do better than we do today.

DAVID DIMBLEBY: So the question is about a teacher teaching in a deprived area of Birmingham, how do you ensure, as a leader, they will have the same opportunities in life as those from any other school? Nick Clegg.

NICK CLEGG: Michael, in specific answer to your question, what want to do, and we've set it out as one of the biggest pledges in our manifesto, is to take £2.5 billion from the £15 billion of savings that we've already identified elsewhere in Government spending, so that we can raise the money given to pupils, the million poorest children, some of the children that Michael's talking about, to the same level which children get if they go to fee-paying schools. Because I think the issue that Michael's risen is one of the biggest that faces us as a country. At the moment, you know, a poor but bright child, the latest evidence shows, gets overtaken in the classroom by a less bright but wealthier child by about the age of seven, and after that, the gap tends to widen. It even affects life expectancy. A child born in the poorest neighbourhood of Sheffield, for instance, today in 2010 is likely to die a decade-and-a-half before a child born in wealthiest neighbourhood up the road. That needs to change. We've got a plan to deliver more one-to-one tuition, smaller class sizes, to help those children the most in the crucial early years when they start school.

DAVID DIMBLEBY:  
GORDON BROWN:

Mr Brown, what is your reaction Gordon Brown to what the other two have said?  
I'm very pleased this question is about teaching and from a teacher because you never forget your teacher. You remember your teacher, you remember what they did for you, and teachers are so so important. I want any underperforming school to be taken over by a good school, that is what we're trying do at the moment. But, you know, you can't escape this fact about poverty. If you cut Child Tax Credits, if you charge for nursery education, if you cut the schools' budget, then you put the future of these young children at risk. I'm afraid the Liberals and Conservatives want to cut Child Tax Credits. David also wants to charge for nursery education, at the same time he wants to cut the schools budget which we would continue to finance, and therefore, he's making the people who are the poorest pay the cost of his policies, while he's still got this ridiculous policy on inheritance tax.

DAVID DIMBLEBY:  
DAVID CAMERON:

David Cameron.  
Well I think you've heard it all from a Prime Minister who's just got absolutely nothing left positive to say. 13 years of economic failure, 13 years, sadly, of quite a lot of educational failure, 13 years in which inequality's got worse, in which deep poverty's got worse, in which they haven't got to grips with the problems. That's what you hear. Let me give you some positive things that we would that would make a difference. We've got to get the basics right. I'm very clear that teaching children to read and write using the old fashioned synthetic phonics method, that works best. Setting by ability so you accept that not every child's the same, let's actually stretch the brightest pupils and help those falling behind. That can make a big difference. I had a big argument this week with someone on the pavement about special needs education. I want every child to have a choice between special needs education and mainstream education, but, please, let's stop closing the special schools that do so much for families in our country. Education is about the basics, yes. It's also about then aspiration, saying to every child, no matter where they come from, you can go all the way according to your talent. That's what education should be like, and that's what it would be under our Government.

DAVID DIMBLEBY  
NICK CLEGG:

Nick Clegg?  
Of course Gordon Brown's right to say there's a link. Michael, you know this better than we do. You know there's a link between poverty at home and underperformance in the classroom. It's that link which is holding back so many children. That's what's unfair. That link is the link that I want to help solve. We would do it partly through the tax proposals I've talked about earlier, giving people £700 back in their pocket by raising the income tax threshold to £10,000 so that people on ordinary incomes who aren't being helped at the moment are helped. And through our proposal, we call it - it's a slightly technocratic phrase - we call it a pupil premium. It basically means extra money, £2.5 billion. That would, for instance, allow our schools to reduce the average class size in an average primary school down to 20. I have three young children. Two of them go to a local school, at eight and five. I see myself as a father that what happens to a young child in a reception class, years one, two and three, is so important in developing their self-confidence, their social skills, their willingness to learn. Get it right at that early age, and we can really help people later in life. That's what I believe in.

GORDON BROWN:

I feel passionate about opportunity for infants and young children. That's why we introduced the Child Tax Credit. That's why we've created the children's centres that are now focuses for the community. That's why nursery education is at three now and not, as before, at four. That's why we are financing personal tuition for people in the schools so that if they fall behind, they can catch up. But I do say all this is at risk, because David is not answering the question. He will cut child tax credits. He's going to cut the Schools Budget. He's going to cut nursery education by charging for it, and he has a coalition for cuts with Nick on child tax credits. They're both going to cut child tax credits for the future. That is not the way to deal with the problem that our questioner, who is so concerned about opportunities for children, has raised. You can't solve the problem by taking away all the advances we've made.

DAVID CAMERON:

I think people will see straight through that as an attempt to try and frighten people. I have two children. My eldest is at a state school in London. I want every penny of the education budget to follow children like mine across the playground and into the school. I say after 13 years of a Labour government, there's a lot of waste we can cut out. There are quangos in education that spend £300 million a year. There's the fact that headteachers get 4,000 pages of information a year. The Department of Children, Schools and Families spent £3 million on itself, including, and I'm not making this up, a massage suite and contemplation room. I know that working in this government can be tough, but we don't need those sorts of things. Cut the waste, get the money into the classroom, and please stop trying to frighten people.

GORDON BROWN:

David...

DAVID DIMBLEBY:

I'll come back to you, Mr Brown. Mr Clegg?

NICK CLEGG:

Let's try and disentangle some of these claims and counter-claims. Of course, Gordon Brown is right to say that the Conservatives, I don't know why they want to cut the schools building project programme. That's a silly thing to do. We need to continue to invest in our schools building. But equally, for Gordon Brown to constantly make these claims about tax credits, I come back to a simple thing. When money is tight, surely it's not right that someone on my salary, an MP's salary, could be entitled to tax credits. Why not focus the money on where it's really needed, and also use the money that we can save elsewhere, as I explained to Michael, to invest in those individual children who need that individual care. It could be Saturday morning classes, evening classes, one-to-one tuition, the smaller class sizes, all the things that I know as a parent and Michael no doubt knows as a teacher makes the most dramatic difference to a child's education.

GORDON BROWN:

But you're not telling us a million people would lose child tax credits under both of your proposals.

DAVID DIMBLEBY:

Right, we have to bring this part of the debate to an end there, with that question. Thank you very much, all three of you. We end with final statements from each of the three party leaders, David Cameron to start.

DAVID CAMERON:

Thank you. I'm standing here for a very simple reason, that I love this country, and I think we can do even better in the years ahead. We can go on, solve our problems and do great things. But we need a government with the right values. We need a government that backs families and understands that the family is the most important thing in our society. We need a government that backs work, and people who try to do the right thing. We need a government that always understands that keeping us safe and secure is the most important thing of all. But there's something else you need to know about me. I believe the test of a good and strong society is how we look after the most vulnerable, the most frail and the poorest. That's true in good times, but it's even more true in difficult times. And there will be difficult decisions, but I want to lead us through those to better times ahead. I think I've got a great team behind me. I think we can do great things in this country. If you vote Labour, you'll get more of the same. If you vote Liberal, as we've seen tonight, it's just uncertainty. If you vote Conservative on Thursday, you can have a new, fresh government, making a clean break, and taking our country in a new direction, and bringing the change we need.

DAVID DIMBLEBY:

Thank you. For the Liberal Democrats, Nick Clegg.

NICK CLEGG:

Everything I've said during these three television debates is driven by my simple belief that if we do things differently, we can build a better, fairer Britain. As you decide how to cast your vote, of course you'll be told by these two that real change is dangerous, that it can't be done. But don't let anyone scare you from following your instincts. Together, next week, we can change Britain for good. Just think how many times you've been given lots of promises from these old parties, and when they get back into government, you find that nothing really changes at all. We can do so much better than that this time. Of course, I can't guarantee that all the problems you face will be solved overnight, but I can guarantee you that I will work tirelessly to deliver fairness for you. Fair taxes so that you pay less, but people at the top pay their fair share. A fair start, smaller class sizes for your children, a different approach to the economy and decent open politics that you can trust once again. I believe all this can happen. This is your election. This is your country. When you go to vote next week, choose the future you really want. If you believe, like I do, that we can do things differently this time, then together we really will change Britain. Don't let anyone tell you that it can't happen. It can. This time, you can make the difference.

DAVID DIMBLEBY:  
GORDON BROWN:

Thank you, Mr Clegg. Now for Labour, Gordon Brown.

These debates are the answer to people who say that politics doesn't matter. I want to thank everybody who's been involved in these debates over the last few weeks. They show that there are big causes we can fight for. They also show that big differences exist between the parties. I know that if things stay where they are, perhaps in eight days' time, David Cameron, perhaps supported by Nick Clegg, would be in office. But I've had the duty of telling you this evening that while we have policies for the future, the Conservatives would put the recovery immediately at risk with an emergency budget. I've asked David and Nick questions all evening. David has not been able to confirm, but it is the case that inheritance tax cuts will go to the richest people in the country. I believe he's planning to cut the Schools Budget, and he hasn't denied it. I believe also that child tax credits would be cut by both parties if they came into a coalition. I believe too that policing would be at risk from a Conservative government, because they have not said they would match us on policing either. And the health service guarantees that we have that gives every cancer patient the right to see a specialist within two weeks would be scrapped by the Conservative Government if they came into power. I don't like having to do this, but I have to tell you that things are too important to be left to risky policies under these two people. They are not ready for government, because they have not thought through their policies. We are desperate to get this country through the recession and into the recovery, and that is what I intend to continue to do. But it's up to the people to decide, and it's your decision.

DAVID DIMBLEBY:

Mr Brown, thank you. And thank you to all three party leaders who've taken part in this debate, and to our audience here. I hope that the debate here, along with the other two, may have helped you to decide where to put your cross next Thursday. I'll be back with Question Time after the news on BBC One, among other things, to discuss this very debate. But from the Great Hall of Birmingham University, goodbye.