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Spending by any other name [1]

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Investment is in the news, not least because of ex-Prime Minister Tony Blair's reference to it. While admitting that his relationship with Gordon Brown had been "difficult" (a masterpiece of understatement), he has heaped praise on his former Chancellor's "brilliance" in delivering massive "investment" in health, in education, in public services.

Investment is thought of as good. It is when you postpone the pleasures of present consumption in order to achieve greater gains later. Instead of spending it, you put money to work now in order to make more of it in the future. This bears no relationship to what Gordon Brown did, and it would be helpful if politicians in future were more fastidious in their use of language.

Gordon Brown engaged in the activity we call "spending," not "investment." His "investment" in the public services was like my investment in a Mars Bar. There was no current pleasure foregone; it WAS current pleasure. He did not postpone present consumption; it WAS present consumption.

I suppose, if cornered by a lexicographer, he might say that high quality public services, health and education will make for a more efficient workforce in the future. In similar vein I can claim that the Mars Bar I buy will make me more productive.

The point is that while public spending might in some areas be a worthwhile thing, it should be recognized for what it is: spending. To spend you need money, and the Labour government, when it had squandered the inheritance left by its predecessor, didn't have any. So it raised taxes and borrowed, and in doing so took for its own spending the money that other people might have used for theirs, or even for genuine investment.

Gordon Brown ruined the economy. He took money from present and future taxpayers to spend on the priorities that fitted his ideologically blinkered view of society, and were calculated to buy him political support. This was not "brilliance," it was reckless, self-centred folly. He deprived the country of much-needed investment by choosing to take it and spend it instead on his government's priorities.

It could take years to repair the damage he did, but it would make a good beginning if we started to call things by their proper names.

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