# UK Prime Minister and Labour Leader Clash over Green Tax Hikes



On June 26, 2024, UK Prime Minister Rishi Sunak and Labour Party leader Keir Starmer clashed over Labour’s proposed tax hikes linked to their net zero plans. The contention arose following a media report revealing comments by Darren Jones, the shadow chief secretary to the treasury, suggesting that Labour’s plans to decarbonize the economy would require "hundreds of billions" of pounds.

Sunak accused Labour of not being transparent about the financial implications of their green initiatives and warned of inevitable tax increases if Labour were to attain power. He highlighted a recording obtained by the Telegraph, where Jones stated that Labour’s scaled-back £4.7 billion annual investment plan, down from the initially proposed £28 billion, would significantly underestimate the total money needed for decarbonization efforts.

In response, Starmer assured that any government spending would be matched by private investment and criticized Sunak for promising "unfunded tax cuts." The debate centers on Labour’s commitment to decarbonizing the UK’s power grid by 2030, a goal which Jones reiterated as a priority despite the financial challenges discussed in public and internal Labour meetings.

The Conservative Party utilized Jones' statements to question Labour’s fiscal transparency and demand clarity on potential tax increases. Labour defended their green energy plans, referencing a plan to fund a significant portion of the required investment through a windfall tax on oil and gas companies, along with additional borrowing aligned with their fiscal rules.