# Labour's Economic Assurance and IFS Fiscal Warnings amid UK Election Campaign



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In the opening stages of the UK's general election campaign, Labour's Shadow Chancellor, Rachel Reeves, has committed to strict economic prudence, echoing a Thatcher-like dedication to "sound money." Addressing Daily Mail readers, Reeves vowed to oversee controlled public spending and avoid the tax-and-spend policies often associated with Labour’s past. She emphasized a pro-business approach and outlined plans for economic growth through a new National Wealth Fund aimed at injecting £20 billion into business investments and creating over 500,000 new jobs.

Sir Keir Starmer, leader of the Labour Party, criticized the Conservative Party's economic management, attributing the rise in inflation and increased mortgage repayments to decisions made during Rishi Sunak's tenure as Chancellor of the Exchequer. He indicated that Labour's focus would be on economic stability and growth, positioning the party as the better custodian of public finances.

Concurrently, the Institute for Fiscal Studies (IFS) issued a stern warning regarding the UK's public finances, suggesting they cast a "dark cloud" over the election campaign. The IFS highlighted that, without substantial measures, the next government might face stark choices: continue spending cuts, raise taxes, or increase borrowing—each with significant implications. High interest payments on existing debt and slow economic growth further complicate this fiscal landscape.

Responding to the IFS’s projections, Darren Jones of Labour expressed recognition of the challenges, emphasizing Labour's commitment to inject funds into public services immediately if elected. Conversely, the Conservatives, focusing on tax reduction commitments, warned of a £38 billion deficit in Labour's spending plans, arguing this would burden working households with higher taxes.

The economic policies and fiscal strategies of both major parties remain under intense scrutiny as the election approaches, with voters expected to weigh these plans against the backdrop of a tightening fiscal environment.