

Brown Steps Up Attack on Economy as Poll Gap Narrows (Update2)

By Thomas Penny and Gonzalo Vina - March 15, 2010 08:10 EDT



Gordon Brown, U.K. prime minister



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March 15 (Bloomberg) -- Bloomberg's Elliott Gotkine reports on the role of the Liberal Democrats in the next British parliament. A YouGov Plc poll published in yesterday's Sunday Times showed the Liberal Democrats with a 17 percent share of the vote, a position which prevents Labour or the Conservatives from holding a majority after the election. Bloomberg's Maryam Nemazee also speaks.



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March 15 (Bloomberg) -- Ian Williams, chief executive officer of Charteris, talks about the outlook for the U.K. election. A YouGov Plc poll published in yesterday's Sunday Times newspaper showed Labour at 33 percent, the Conservatives at 37 percent and the Liberal Democrats with 17 percent. Williams speaks with Bloomberg's Rishaad Salamat and Maryam Nemazee in London.

March 15 (Bloomberg) -- U.K. Prime Minister [Gordon Brown](#) said the Conservatives would "wreck the recovery" with their planned budget cuts as a poll showed his Labour Party may get the largest number of seats in Parliament after the election.

A YouGov Plc poll published in yesterday's Sunday Times newspaper showed Labour at 33 percent, the Conservatives at 37 percent and the Liberal Democrats with 17 percent. Because of the uneven distribution of votes across districts, Labour would get 302 seats in the 650-member parliament and the Conservatives 277, with no party having a majority, the Times said. No margin of error was provided.

The Conservatives' poll ratings have slumped this year as the economy exited recession and leader [David Cameron](#)'s warnings that Britain faces years of "austerity" to repair the public finances deterred some voters. The pound snapped a two-day gain against the dollar amid concern that a minority government would find it hard to tackle the deficit.

"People think the Conservatives are more likely to actually cut down the deficit, but that this is not necessarily a political plus," [Anthony Wells](#), a director of [YouGov](#), said in a commentary posted on his blog.

"I will stand on my record," Brown said on BBC Television's Politics Show yesterday. "The Conservatives are a party that would actually wreck the recovery and bring higher unemployment. I would say take a second look at us, but take a very hard look at the Conservative Party."

Election Choice

Brown is seeking a fourth term for Labour by promising to delay spending cuts until 2011 to cement the recovery from the worst recession in six decades. At more than 12 percent of percent of gross domestic product, the U.K. deficit is on a par with that of Greece, and Conservatives say action is needed now or interest rates will rise and stymie the recovery.

The election due by June "will come down to honesty versus dishonesty," [George Osborne](#), the Conservative lawmaker who speaks on economic affairs, told BBC radio today. "The country has run out of money and whoever wins the election will have to make some very tough choices."

Concern over the state of the public finances intensified today when Moody's Investors Service said that Britain and the U.S. have moved "substantially" closer to losing their AAA credit ratings as the cost of servicing their debt rises.

Futures Bets

The pound fell to a 10-month low against the dollar this month, making it the worst-performing major currency this year. Sterling has weakened 7 percent against the U.S. currency this year and traded at \$1.5042 at 11.57 a.m. in London today, down 1 percent from late Friday.

Futures traders are more bearish than ever on sterling, with wagers on the pound weakening against the dollar outnumbering futures that profit on a rise by eight times more than when [George Soros](#) made \$1 billion betting against the currency in 1992.

Investors speculate that record borrowing will push debt costs higher and force policy makers to print more money to buy bonds, or lawmakers will cut spending too fast and trigger a new recession.

Brown today renewed his pledge to maintain fiscal support for now and said the issue is a key dividing line with the Conservatives. Speaking on BBC radio's Woman's Hour, he said further details of spending cuts will come in the March 24 budget and vowed to keep fighting for a parliamentary majority.

The Times poll showed 50 percent believe the Conservatives would make the biggest cuts in public services, compared with 14 percent for Labour. [YouGov](#) interviewed 1,507 adults online.

Chancellor of the Exchequer [Alistair Darling](#) said yesterday the Conservatives' policies on the deficit are "opaque" and accused them of changing their plans to suit different audiences.

The Conservatives had a seven-point lead in a poll in the [Sunday Telegraph](#) yesterday. The survey, by ICM Research, showed the Conservatives on 38 percent and Labour on 31 percent.

ICM interviewed a sample of 1,007 adults and no margin of error was given. The Conservatives will need a lead of at least 10 percent to command a majority in the House of Commons, according to Wells of YouGov.

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