

# 'Laughable' for Reeves to claim she didn't know true state of the public finances

It is "laughable" for Rachel Reeves to claim she didn't know the full state of the public finances until she took office, Ruth Davidson has said.

Speaking on Beth Rigby's [Electoral Dysfunction podcast](#), the former leader of the Scottish Conservatives accused the new chancellor of trying to "build a political narrative" in order to justify her economic plans.

Ms Reeves is expected to announce tax rises and spending cuts when she unveils her first budget in October.

She has accused the previous Conservative government of "covering up" the true state of the nation's finances, leaving a [£22bn spending hole in their wake](#).

But Ms Davidson said the idea Ms Reeves didn't know what the finances are is "completely, laughably wrong".

"You don't get into the very guts of the figures until you're really into the departmental small print, so you do have to be in government to properly see all of the engine," she said.

"However, the idea that she added [some things] into that total that made this £22bn pound black hole... is nonsense.

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“If you paid attention during the election campaign, almost all of the questions to anybody even vaguely related to the Treasury or to the leadership was about how are you going to afford to do this because ‘x x x’.

“So we did know about it. There’s also institutions in place to tell you about it.”

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Ms Reeves always said during the election that should Labour win, they would inherit the worst economic legacy since the Second World War and “iron discipline” would be required to balance the books.



Image:

Rachel Reeves Pic: Reuters

Since taking office she has said things are even more dismal than she had expected, and that the Tories made spending commitments but failed to allocate the money to fund them.

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Her predecessor Jeremy Hunt has denied that is the case and accused Ms Reeves of using the £22bn “black hole” as a smokescreen to justify tax hikes and spending cuts she was always planning.

Labour ruled out increasing major taxes in their manifesto – such as NI, VAT and Income Tax – but reports suggest Ms Reeves could hike Inheritance Tax or Capital Gains Tax in what is

expected [to be a “grim” October budget.](#)

The Institute for Fiscal Studies (IFS) has said that Ms Reeves is being disingenuous – but [“no one comes out smelling like roses”.](#)

The Conservatives did leave a lot for the new government to clear up, according to director Paul Johnson, and “were not always honest” about the challenges ahead.

But he concluded: “The chancellor cannot honestly announce a series of tax rises in her October budget, blame them on this hole that she has just discovered, and claim that she couldn’t have known pre-election that tax rises would be needed to maintain public services. That fact was obvious to all who cared to look.”