

GB- I'm grateful, by the way, David, for you putting up these posters about me and about crime and about everything else. You know, there's no newspaper editor done as much for me in the last two years, because my face is smiling on these posters, and I'm very grateful to you and Lord Ashcroft for funding that.

AS- David Cameron-

DC- Thank you! Let me take on directly this question of money and public spending. It will be a common feature through these debates about how do we fund the public services we need? I think it's really important that we start focusing on what we get out of the money that we put in, because if we think that the future is just spending more and more money, we're profoundly wrong. Hold on...

GB- The future is not spending more...

AS- I'll get it going between the two of you, don't worry.

GB- The issue here is, will you continue to fund the police?

DC- Yes, of course. Let me give you an example...

GB- Will you match our funding on the police? The answer is no from your manifesto. This is not Question Time.

AS- Let Mr Cameron answer your point. It's answer time, David.

GB- What matters is what comes out. I went to a Hull police station the other day. They had five different police cars, and they were just about to buy a £73,000 Lexus. There's money that could be saved to get the police on the frontline. The Metropolitan Police have 400 uniformed officers in their human resources department. Our police officers should be crime fighters, not form-fillers, and that's what needs to change.

I'm just slightly surprised that there's any discussion going on between you about what money you can put into public services, because I read your manifestos this week. In neither of them are you coming clean with people about what anything costs, because you haven't got any figures in your manifestos. We've set out clearly not only what we will do, but how we will pay for it.

AS- Mr Cameron, on that point?

DC- On that point, let me take Nick back to his manifesto and one pledge that's in there that worried me a lot. My mother was a magistrate in Newbury for 30 years. She sat on the bench, and she did use those short prison sentences that you're talking about. I've got to tell you, when someone smashes up the bus stop, when someone repeatedly breaks the law, when someone's found fighting on a Friday or Saturday night, as a magistrate, you've got to have that power for a short prison sentence when you've tried the other

remedies.

AS- Mr Brown, on that point?

GB- That's why there are 20,000 more people in prison as a result of the tougher sentences we've been passing. But you've got to answer this question: we will continue to match the funding of the police as of now. You are saying you're going to cut it. Now, be honest with the public, because you can't airbrush your policies, even though you can airbrush your posters.

AS- In one sentence, Mr Cameron?

DC- Gordon Brown is trying to make you believe he can protect health spending, he can protect education spending, he can protect police spending. He can't do any of these things, because he's given this country the biggest budget deficit of any developed country in the world.

GB- David, answer the question.

AS- No, I'm going to stop it there, because I want to get more questions in. Who knows, that may be an area that we get a question on.

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NC- I think creativity is important in the classroom, and think freedom for teachers and head teachers. One thing which I think would really help in all of those things - discipline, creativity, freedom for teachers - is quite simply good old-fashioned smaller class sizes. We have 8,000 infants in this country now between the ages of five and seven who are in classes which are so big, they're illegal, technically illegal. It's just logical. If you're a teacher, friends of mine who are teachers say they can't really keep an eye on the troublemakers, but they also can't support the brightest children if the classes are huge. That's why we've got a plan, fully costed, to provide schools with additional resources so that they can bring down the average class size in a primary school, for instance down to 20, and the average class size in a secondary school down to 16.

DC- Again, we mustn't confuse what goes in in terms of money with what comes out. I spoke about the fact that we spend £300 million on educational quangos. The Department of Children, Schools and Families - a lot of teachers actually call it the Department of Curtains and Soft Furnishings because it's so beautifully done up - they recently spent £3 million improving their own building, and putting in a - I'm not making this up - a contemplation suite and a massage room. As a parent of children at state schools, I want every available penny to go with the child into the school so the teacher can actually provide great education for our children. There is a lot of waste, and it needs to be cut.

GB- Creativity, discipline, standards in schools, but we can't evade this question: if we're going to have the best education for our children, we do need the teachers and the

teaching assistants. If you cut money out of the education budget now, you'll be cutting the numbers of teachers and teaching assistants. We say it's so important for our country that while we cut the deficit, we will maintain our investment in education per pupil. Now, the Conservatives cannot say this, and I think we need an answer this evening. Again, it's the risk, the risk to our health service, the risk in crime if you have less police. Now it's the risk to education.

AS- Mr Cameron.

DC- What Gordon Brown isn't telling you is that he's putting up National Insurance contributions on every single job in 2011. The biggest cost schools have is teachers. So he's going to be taking money out of every single school in the country, primary school, secondary school, FE college. We say stop the waste in government now so we can stop the lion's share of that National Insurance increase and jobs tax next year. That's the best way to make sure we keep the money going into the school.

GB- But be honest about the risk. You're going to take one billion at least out of the schools this year.

DC- It's simply not true.

GB- If you were elected, in a budget in July, you've got to take six billion out of the system, other than health and defence. Where does that money come from? You've promised you'll take six billion out. It can only end up with the loss of thousands of jobs, including teachers. You will not back us and support us on keeping education. Why won't you support educational spending, as we do?

DC- I think people can hear that this is a complete invention of a figure plucked out of the air. We're saying the government could save one pound out of every hundred it spends. Now, what small business, what large business, what family, frankly, hasn't had to do that during this difficult recession?

AS- Mr Clegg now.

GB- You're going to take money out of the school system.

NC- I'm not sure if you're like me, but the more they attack each other, the more they sound exactly the same.

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NC- All I would appeal for is just a bit of honesty in this debate. People know that money is tight. People know that you can't promise something for nothing. You can't say you're going to fill the deficit tomorrow and you're going to give lots and lots of tax breaks to people, inheritance tax breaks for double millionaires, tax breaks for one in three hand-picked married couples, and also extra, extra money to the NHS without explaining how

you're going to do it.

AS- Mr Cameron?

NC- I say again there's something wrong... Mr Cameron? Thank you, Mr Clegg.

DC- Nick Clegg is promising a £17 billion tax cut. We're saying, stop the waste of £6 billion to stop the National Insurance rise. I would love to take everyone out of their first £10,000 of income tax, Nick. It's a beautiful idea, a lovely idea. We cannot afford it.

NC- Shall I tell you how we pay for it?

AS- Please do! Mr Clegg?

NC- I'll tell you how we pay for it. We would, for instance, stop the huge unfair loopholes that only benefit the very wealthy at the top of the tax system. At the moment, the top 10% of earners in this country get twice as much tax subsidy from all the rest of you when they make contributions to their pension pot than everybody else. We say give everybody tax relief on their pension contributions but make sure they're the same. And use that money...

AS- Gordon Brown.

NC- ...so no-one pays any income tax on the first £10,000 they earn.

AS- Thank you. Mr Brown.

GB- Where Nick and I are agreed is that to give an inheritance tax cut to the 3,000 richest estates in the country, of £200,000 each, the biggest manifesto promise that the Conservatives made, is totally unfair to the rest of the population of this country. I say to him, we will use the National Insurance to pay for health care, to pay for policing, and to pay for schools. He will not be able to do that, and he's got to tell us the truth about how he will pay for his policies.

AS- I'm going to stop you. I'm going to stop you there, partly because of time, also because, thank you, Mr Brown, people have heard that particular exchange as well.