

## Financial misery forces Brown to abandon plans for early election

The combination of a slowing UK economy and his chancellor's first budget may finally force Gordon Brown to shelve any plans he had for calling a general election in early 2009, as voters will be forced to tighten their belts over the next year.

Rumours from Labour insiders suggested that the beleaguered PM had hoped that he could secure the keys to number 10 for another five years by calling an early election. But, the effects of the global credit crunch are hitting the UK economy harder than expected, thus prompting Brown's advisors to believe it would be unwise to risk being ousted at the first attempt.

Chancellor Alistair Darling indicated during his first budget statement that public finances, now well in the red, are not expected to return to credit until 2010 at the earliest. Brown must call an election by May 2010 at the latest, so he may well wait until the absolute limit, hoping that the current economic woes will be reversed by then. Even revised growth figures for 2008 - 2010 issued by the chancellor are viewed as optimistic by many financial analysts, who believe there is definitely more gloom ahead, before signs of any recovery.

Recently, leading lender Nationwide announced that house prices had fallen for the fifth consecutive month, and with mortgages costing most far more than in previous years many homeowners are feeling the pinch. Those borrowers who own cars and like to drink or smoke have also been affected by the chancellor's tax increases during his first budget; the cost of a bottle of spirits rose by 55p and a pint of beer will now cost 4p more, while cigarettes cost another 11p for a pack of 20.

Increases in vehicle excise duty have also added to motorists' woes. The cost of motoring has risen drastically, even before the budget increases. Buying a vehicle is now more expensive as [car credit](#) rates have increased in line with base rate rises and other lending options. In addition, petrol now costs 20 per cent more than it did at this time last year, and insurance costs have also risen faster than inflation.

Add increased motoring costs to council tax rises, throw in the impact of inflation-busting increases in domestic fuel and utility costs, and then top it off with increased duties then it's easy to see why the 'feel good' factor has rapidly eroded. With so much financial misery on the horizon, if you were Gordon Brown, would you opt for a general election right now?

No, and neither will Gordon!

### About the Author

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