

TIMES ONLINE

Clegg 'fixer' Danny Alexander takes over as Treasury Chief Secretary

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After little more than a couple of weeks as Secretary of State for Scotland, Danny Alexander has been catapulted into one of the hottest of Cabinet seats.

As a close ally of Nick Clegg, the Deputy Prime Minister, Mr Alexander may have been the obvious choice to take the role so unexpectedly vacated by David Laws.

As a Liberal Democrat who led his party's negotiations with Labour and the Conservatives this month, he may have been the only candidate capable of winning the support of coalition partners who are keen to resolve their first crisis quickly and effectively.

Mr Alexander, who is 38 and MP for Inverness, Nairn, Badenoch & Strathspey, was well known to the Tories, because he was put in charge of building the first peacetime coalition since the 1930s.

As the man responsible for crafting the Liberal Democrat manifesto, he also enjoys credentials in his own party. He was there when the coalition deal was put together, and saw how to persuade difficult party members to abandon unrealistic shopping lists of policies and accept sharp cuts in public expenditure.

It is understood that the Prime Minister was insistent that a Liberal Democrat keep the role of Chief Secretary to the Treasury, role because the Tories want to make sure that their coalition partner is bound into the brutal deficit reduction programme and subsequent spending cuts. One senior Tory said that Mr Alexander had impressed the Conservatives with his negotiating abilities during the establishment of the coalition and how he had conducted himself as an all-round fixer.

Yesterday, Mr Alexander was anxious to emphasise that his appointment would not disrupt the programme of cutting £6.2 billion from public spending this year and significantly reduce the deficit across the course of the next Parliament. He said: "The circumstances of the past few days are not those in which I would have wished to become the Chief Secretary, but I am looking forward to following in David Laws' footsteps, working closely with George Osborne to get on with the vitally important job of cutting the deficit and restoring economic prosperity.

"As part of the team that negotiated the coalition agreement, I am absolutely committed to taking the necessary steps to address the deficit rapidly. I look forward to working with colleagues across government to achieve this end."

Senior Tories yesterday expressed dismay at the resignation of Mr Laws but some also voiced concern about his replacement. One claimed that the role of Chief Secretary to the Treasury is "utterly gruelling", especially in such demanding economic circumstances. He said: "You have to be on top of your game every day. You have to be in every meeting because it is you who has to sign things off, you can't really delegate down."

One leading economist in the City told *The Times*: “We were really impressed with Laws. He was a very sharp operator, very good indeed. But four weeks ago nobody was talking about Laws at all, he is a new phenomenon. This really isn’t about one person. There is the whole Treasury Civil Service and there’s the Office of Budgetary Responsibility.” He added: “But the issue is whether he can be aggressive enough on spending cuts.”

A former City banker said: “Of course there is an issue over whether Danny Alexander really has the experience for this job. But the economic policy of the whole country does not depend on one man. The cuts for this year have already been decided; Alexander has to force them through.”

A contender for the Labour leadership pointed yesterday to the avidly pro-European past of his successor. Ed Balls said: “Danny Alexander is a highly curious choice given he was a leading proponent of Britain joining the euro in the last decade as part of the Britain in Europe campaign. I hope he now accepts he was wrong and this would have been a disastrous course for Britain to take.”