



## Political Notebook by George Pascoe-Watson

George Osborne will spend this weekend putting the finishing touches to the most radical and bloody surgery carried out by a government in living memory.

The Chancellor will lock himself in 11 Downing Street as he takes an axe to £61 billion of departmental State spending.

Many have persuaded themselves Mr Osborne and David Cameron have been bluffing about the depth of the cuts to be unveiled next Wednesday.

It has become fashionable to say there's been vast expectation-management.

I am told it will be every bit as brutal as the Chancellor, the PM and even the LibDems in Cabinet have led us to believe.

Expect to see the first indicators of just how gory this bloodbath is going to be in Sunday's newspapers.

Mr Osborne will be the main guest on BBC's Sunday AM with Andrew Marr as he builds the case for savage cuts to spending.

Stories will be briefed tomorrow to Sunday newspaper political editors and the Chancellor will get the ball rolling on TV on Sunday.

The political drama will be spectacular, as will the fallout.

Expect defence secretary Liam Fox to be locked in last ditch battles with Mr Osborne and his LibDem deputy at the Treasury, Danny Alexander, right up to the wire, lunchtime on Wednesday.

Defence of the realm is the mainstay standard-bearer of the Conservative Right - and Dr Fox believes he has achieved an "untouchable" status within the Cabinet.

He is convinced David Cameron needs him to balance the Cabinet because of the number of LibDems and other centrists at the top of government.

So he is using the next five days to die in a ditch for the Forces.

Claims were made earlier this week that he'd won a concession and would only see 10% cuts in the MoD.

As I write, that claim is being widely scotched by Treasury officials close to the talks. Dr Fox's settlement may not be anything like as successful as he would wish it to be.

Only the NHS and overseas aid budgets will remain untouched.

But not everyone who works within the Health Department or DFID will be.



Cuts to civil servants' gold-plated pensions will be immediate and relentless.

They are braced for significant shakeups in the way their pension rights are handled.

And it will be staff and pension cuts which will bring the unions out onto the streets.

People in Cabinet are aware that the police may be called out to deal with ugly scenes on Britain's streets in the winter.

Yet expect to hear Mr Osborne tell you it's not all bad.

An enormous £700billion-a-year will be spent on public service and that figure will continue to grow each year.

Labour's new leader Ed Miliband will be challenged to say where he would cut £44billion from spending, as he has promised to do.

It is also important to know that the Chancellor has not been working in Tory isolation.

He has been assisted every step of the way by Danny Alexander, his LibDem Treasury chief secretary and Nick Clegg, the LibDem deputy Prime Minister.

Mr Cameron is determined to ensure he wraps the LibDems into this mammoth operation so they carry the political pain which is unavoidable.

The PM's great gamble is that acting fast to tackle Britain's deficit will pay dividends four years down the track at the next general election.

Tony Blair's greatest failing, many would say, was his refusal to take radical action on welfare and public service reform within months of taking power.

Mr Cameron knows he must act now and hope he can bind his coalition partners into the operation.

But the political fallout will be huge.

LibDem activists and MPs will be furious when they see the consequences of the cuts at first hand - when libraries close, other services are shut and real peoples' benefits disappear.

And Mr Miliband is hoping he'll be in a position to snap them up as his new band of supporters - catapulting him back into the race for no 10 at the next election.

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