

End austerity

People are rightly tired of austerity politics on the continent, where it is an integral part of the Euro scheme which has led to deep cuts in pay and jobs in many of the participating countries. It is important the UK uses its freedom outside the Euro to follow a policy that promotes more jobs and higher pay. The good news is that the last eight years have been good years for jobs growth here, but we could do better on the pay front. We have not had to suffer the cash cuts in pay in the public sector seen in some Euro countries.

The UK economy has been deliberately slowed by policy since March 2017 when I first started highlighting the actions being taken. Tax hikes on homes and cars allied with a marked tightening of credit and money did slow the growth rate, led to a sharp decline in car sales, a big fall in buy to let activity and to a big drop in turnover in parts of the housing market. The policies were designed to do just this and they succeeded. We were told this was necessary for a combination of reasons, including the need to be more prudent and the wish to accelerate electric car sales at the expense of diesel and petrol before there were sufficient good value and attractive electric cars to buy.

The government should now relax policy a bit. Take home pay should be lifted by tax cuts, as the current tax take from employee earnings is too big. Stamp duties should be lowered to make homes a bit more affordable. Sensible rate reductions will also boost tax revenue which has been reduced by penal rates. Vehicle Excise duties should be put back to pre 2017 levels, and car loans to buy new vehicles freed up a bit. Business rates, particularly on shop premises, should be reduced.

The public services including schools, defence, the police and social care are in need of more money. They should be asked to submit bids for what extra service they could supply for increased funding, with payments made for good plans for improvement.

The tax cuts and spending increases should be financed from the EU savings, as I have explained before.