

Room for tax cuts

The new fiscal framework set out yesterday by the Chancellor should allow scope for some tax cuts in the next budget. It is important these are not crowded out by further increases in spending. Tax cuts are the quickest way to boost real incomes and stimulate the economy. People should be able to spend more of their own income.

As the world economic slowdown continues, led by a world manufacturing recession, it is important the UK has an economic stimulus. The US is growing faster thanks to past big tax cuts, spending increases and recent interest rate cuts. Yesterday the Bank of England once again continued their squeeze, refusing to join the ECB, Fed, and the Central banks of China, Australia, Brazil and all the others that are cutting rates to provide an economic boost.