

The Treasury keeps the UK under the control of EU austerity policies.

The UK solemnly goes on complying with all requirements on a member state of the EU. This year they dutifully filed their "2018 National Reform Programme and their 2018 Convergence programme". The Treasury has long accepted the EU's demands that we keep throttling back the deficit and move to getting down the debt as a percentage of GDP. There are times when the EU are right about this, but at issue is who makes such a judgement and who actually runs our economic policy? The EU has overdone the austerity in some cases causing more unemployment and lost output than needed. Mr Osborne turned this into the keystone of his economic policy and claimed it as his own, but it was just the UK version of EU economic policy which we were obliged to follow by being members.

The EU duly marked our homework this year and concluded formally "The Council is of the opinion that the UK needs to stand ready to take further measures as of 2018-19 to comply with the provisions of the Stability and Growth Pact". Presumably seeing that this would go beyond our membership, they mentioned in the supporting text the possibility that we will stay in for another 21 months transition when they would expect this policy to continue to be binding. The Council has instructed the Treasury to keep the nominal growth rate of public spending down to a maximum of 1.6%. That is a real terms cut at current inflation rates.

I want the UK Treasury to step aside from the long shadows cast by the European Semester and to announce a new budget strategy for the years ahead following our departure on 29 March 2019. We need a policy which is kinder to growth and to public service provision than the EU strategy has proved. The PM has said she is ending austerity. This is incompatible with following EU rules beyond next March, and depends on getting our money from the EU to spend at home.