

A budget with tax cuts

I see discussion from Treasury sources of a Spring budget with tax cuts, based on updating benefit payments by a smaller amount than the current system would provide next April. This is a bad idea.

It is a bad idea because we need the tax cuts now, not delayed to next Spring. The economy is slowing badly thanks to clumsy Bank of England actions driving rates so high and selling bonds at low prices. We need tax cuts now to stop a drift into recession and provide the growth the Prime Minister has promised.

It is a bad idea because there are many easier and more sensible ways of cutting public spending. Why doesn't the Treasury tell the Bank to stop selling bonds at big losses – £24 bn so far this financial year – all losses which the Treasury and taxpayer has to pay for? Why doesn't the Chief Secretary complete his review of public sector productivity which has nosedived in the last three years and put in measures to boost it? Why doesn't the government impose a ban on all new external recruitment into the public services save for trained medics, teachers and uniformed personnel?

The government needs to review the huge costs of the net zero programme, stated to be a total public and private £1.3 tn up to 2050 by the Climate change Committee. It needs to be brought down for the government by re phasing and by relying more on private sector investment and technical advances and less on government subsidy.

The tax cuts we need include ending the IR 35 changes to the self employed, increasing the VAT threshold for small businesses to £250,000, reducing taxes on energy to get inflation down quicker, cutting corporation tax and reducing the carbon taxes which are pricing the UK out of industrial activity. Getting on with producing gas and oil from fields already discovered in the North Sea would help the balance of payments and boost tax revenues.

The way to tackle the welfare bills is to speed up the programmes the government is designing to help more UK people into work. We could then also issue fewer work permits to migrants, cutting the costs of housing and other facilities for low paid new arrivals.