The Northern Ireland Protocol

At last the government has published a Bill to resolve some of the deliberate law breaking and misinterpretation of this document by the EU. They must press on and legislate promptly.

The only party breaking this international law is the EU. The Protocol itself rightly makes clear the priority of the Good Friday Agreement. The EU has badly damaged that by alienating the Unionist community who do not consent to their idea of the Protocol. The EU is the only party wishing to place a border in Ireland . The EU's interpretation of the Protocol is illegal under the 1801 Act of Union.

The Protocol itself envisages it as being temporary with express provision for its abolition or replacement under Article 13.8 . It was negotiated under Article 50 of the EU Treaty which means in EU law it was only temporary. Permanent items had to be put into the future partnership or trade agreement.

So stop telling us the U.K. 's modest proposals are illegal. Grasp that if you like me want the Good Friday Agreement to work these arrangements have to change as they do not have the consent if both communities.

Getting back to work

There are 1 million people out of work at a time when there is an abundance of jobs on offer with many businesses desperate to recruit more staff. There are also 6 million people of working age excluding students   not looking for work.

The government is now turning its attention to these issues. It is a much better idea to spend some time and money on helping UK citizens into the jobs on offer than constantly looking to increase the number of permits for economic migrants to come and fill the vacancies.

The Welfare Secretary is planning to re introduce the checks and interviews that were in place before covid for those on out of work benefits. Under Universal credit you should always be better off taking the job, so more help, support and encouragement from the Jobs service should help.

We also need to consider how many of those permanently on benefits might like the opportunity to get some work. There is clearly a lot of unused talent still in the UK which we need to train, support and help into employment. It can bring them more money and more interesting lives, and it can bring savings for the taxpayer.

[Controlling public spending]

Last week some of you complained I did not point out in the housing debate that high levels of inward migration add substantially to housing demand. I have regularly pointed this out and called for more control of economic migrant numbers , as well as regularly urging tougher action against people smuggling and illegal migrants. The debate last week was not involving the Home Office who are responsible for migration policy and speeches were limited to just four minutes.

It is the case that whilst economic migrants may be a cheap solution for some businesses seeking labour it is often a dear solution for taxpayers. Each new migrant needing a social rented home, school places for children, surgery and hospital facilities and transport capacity may need around £200,000 of capital to be found or invested new to make the necessary provision. I have argued that government should therefore limit numbers more than it does. I have also said that the set up capital for a new migrant should be paid for out of the overseas aid budget. If we took 100,000 migrants fewer this year that would save a possible £20 bn of capital. Clearly if migrants were willing to go to Council areas that have spare social homes and public service capacity there is a much lower cash outlay, but as we rightly do not order people where to go many go to areas of high demand with little or no spare capacity.

I will have another go as the government is now looking for spending reductions.

[Treasury grossly inflates debt interest]

The Treasury forecast for debt interest this year is £83bn, up from £23.5bn in 2021-21. Trying to scare us all, they do not spin out their forecast of debt interest for 2024-5 as they see it tumbling to £ 46.7bn, a fall of 44% from this year’s estimated number.

They chose to count oranges and apples in their figure. They add to the actual debt interest paid out to savers who hold government bonds the amount by which index linked bonds increase in capital value on eventual repayment. No cash passes to the bond holder alongside the regular interest payments. On repayment of the bond at the enhanced value the government usually rolls over the debt and borrows the new amount. What matters when drawing up the annual budget is the cash cost of paying the interest on the debt, not the eventual capital repayment value of indexed debt.If this matters the government should also credit itself with the fact that the bulk of the debt will be repaid in devalued pounds, a large real saving at current inflation rates.

Strange on their own figures the Treasury do not want to spread the great news debt interest is about to fall off a cliff next year. Why are they playing these games? They seem determined to sandbag the U.K. economy with big tax rises at the same time as the Bank of England sticks up interest rates and the inflation that have created slashes real incomes. They clearly want no growth or a recession.

Higher taxes do not bring down deficits or boost investment

The Chancellor should abandon Labour's idea of various windfall taxes. In the end consumers have to pay higher taxes levied on business. These extra taxes put inflation up, not down. The Chancellor should also abandon his proposal to hike corporation tax next year. All these extra taxes on business may poll well, but the slow growth or no growth, cancelled investment and lost jobs they will likely bring will not look so good to voters in the next election if he insists on damaging the economy Labour's way.

I read that he is pressing on with trying to construct a windfall levy on electricity companies. The ones that are closest to the consumer have already had their finances demolished by badly chosen price controls, with one of the biggest now a problem for the Treasury as it demands subsidies and sits there nationalised. He is finding that if we want to tax windfall profits by the power generators the ones that make the most are the renewable owners when the wind does blow and the sun does shine. Their generating costs have not shot up but their power prices have. The ones we rely on much of the time using gas to keep the lights on are not making much windfall profit as the cost of their gas is one of the main inflationary problems.

The Chancellor thinks if he offers businesses tax breaks when they make a new investment they will carry on happily under his high and unpredictable business tax regime. Why? An investor looks at the lifetime cashflows and tax burden, not just at the first couple of years when you are putting in the buildings and equipment. They all look a lot worse with the higher taxes the Chancellor has in mind.