

Getting rid of the budget deficit

My critics on here include those who complain I have gone soft on public spending and am too casual about the extent of borrowing. How wrong they are.

I have constantly called for a Growth strategy which is the best way to get the deficit down more quickly. I have pointed out that this year so far the deficit has undershot gloomy Treasury forecasts by £60bn because the economy grew more quickly and so revenues shot up without any change of tax rates. I have also continuously pointed out that whenever a government has had the courage of cut rates of tax on incomes, gains and transactions it has always collected more revenue as more people work, invest more and switch assets more often.

I promote policies which will boost revenues substantially. Granting licences to produce more of our own oil and gas will mean a large increase in UK domestic tax revenues, and an end to UK consumers paying too much tax to foreign governments of the producing countries providing us with imports. Policies which promote growth also promote higher total income and employment levels at home which in turn delivers more tax revenue.

Nor have I been silent on reducing needless or wasteful spending. I am with many in urging the government to pursue more of the fraudulent payments made during the pandemic rapid response, where they should get more back than their critics imagine. I am pressing for the early end to widespread free covid tests, to make large reductions in the cost of the very expensive test and trace programme. I regularly pursue the issue of closing down illegal migration, to cut the large costs of housing people once they have landed here from their smuggler run small boat crossings. I voted against HS2 but accept a shorter version is now going ahead. I have turned my attention to the need for better timetables to maximise use and passenger fare revenue from a railway network which is receiving far too much subsidy for running too many largely empty trains. I supported the reductions in overseas aid spending, wishing to end all assistance to countries with nuclear weapons, space programmes and the rest. I look forward to huge savings on the cost of vaccinations, now that most people have had three doses against covid.

The numbers involved in these savings are large. Test and Trace cost £37bn over two years and could drop to very little from April with the changes suggested. Vaccinations must have cost another £20 bn or so where top ups will be much cheaper where needed going forward next year. Health procurement in total surged by £44bn in 2020-21, with very high costs for finding enough PPE during the height of the pandemic when world markets were short of PPE and prices very elevated. This budget should be much lower next year.

SAGE wants to keep a big role in government

SAGE thinks it should continue with forecasts of covid and with plenty of advice to carry on testing and tracing and enforcing various limitations on freedom to try to reduce the spread of this particular disease. They think people trust them more than the government.

I seem to remember in the run up to last Christmas SAGE offered strong advice to keep us in lockdown for longer, planning to damage economic recovery and undermine Christmas . When I and others argued that Omicron appeared much milder from the South African figures and experience SAGE responded that was not established and the UK might be different anyway. It turned out an important difference with South Africa was we had more people vaccinated which increased protection for many. SAGE have subsequently come round to the view that Omicron is a lot milder than previous variants, and established that the vaccines offer good protection against it.

It is time to return to normal and to repeal the emergency legislation which Parliament allowed when we were faced with a new dangerous disease without vaccines or medicines to combat it. It is great that skilled scientific researchers and doctors have pioneered vaccinations and treatments quickly which greatly reduce the incidence of fatal disease. It is time to reap the benefits of these advances.

It is of course true as SAGE advises that some people with other medical conditions, and the elderly and infirm are more at risk than others from the latest variant of this disease. It is also true they are more at risk from other diseases like flu and other lung infections where we did not remove the liberties of others in the past to try to contain transmission. It is also true many are more at risk of early death from the backlog of treatments for other conditions which need to be addressed. Of course our public health and care settings need to work away at infection control and protection of the vulnerable. Those who feel at risk should be helped by employers to work at home where possible, be helped by friends and family to limit risky social contact and provide alternatives, and to use on line shops and entertainment where possible to cut risks from social contacts.

Are smart meters too smart?

The polling tells government a large majority believe the planet is warming thanks to man made CO₂. Polling would also tell government that a majority do not think that means they should buy an electric car, install a heat pumps or stop eating meat.

More curiously around half do not even want to accept a free smart meter urged on them by greens. People have been suspicious about these products fearing they might be used to change tariffs or even cut power off at busy times. This has always been denied by the suppliers and the smart meters fitted have not been used in these ways.

Now we learn that the energy companies do want to use them to get people to use power overnight and not use it during the morning or evening peak. They plan to offer new tariff schedules with cheap overnight power and dear peak hour power. They say these will be discretionary, not mandatory.

I guess it would be possible to set washing machines, driers and dishwashers to run overnight. You could not cook the meal, turn the lights on or have the Tv running outside peak hours. The tariffs would have to be steeply tiered to change conduct but will put people off if the rates are too high for all the normal uses people will have at peak times.

All this is only needed because we keep putting more wind generation on the system leaving us short of power at peak times on low or very high wind days.

Russia and NATO

I do not think Russia will launch a full scale invasion of Ukraine. Russia will recognise that the main population of Ukraine outside the eastern cities is very hostile to Russia, would offer strong resistance to invasion and refuse to accept attempted rule. Crimea has accepted Russian rule as there was a much larger pro Russia population in that part of the country when Russia marched in without resistance.

Russia pretends to believe that NATO is a threat to it, yet there is no evidence that NATO has ever wanted to expand its territory by military means. All NATO troops and weapons deployed in the eastern member states are there for defence only. NATO makes no territorial claims. It is true after the split up of the USSR some states asked to join NATO. They were not made to by an alliance often reluctant to accept new members given the burden they bring to the collective defence.

Russia will doubtless wish to foment tensions in Donbas further where there are more pro Russian citizens unhappy with Kiev rule. France and Germany tried to negotiate a peace in eastern Ukraine with Russia and the Kiev government. The Minsk Agreements sought a solution of devolved government for Donbas but the elections did not take place and we still await a constitutional settlement. It is best for that group to try again to adjust the Minsk Agreements to current conditions and get on with the implementation.

I am not surprised the Foreign Secretary got nowhere with the Russian Foreign Minister. I hope she now returns to end the talks with the EU and get on with putting in a solution to the Irish Protocol issue.

North Sea oil and gas

Yesterday the government announced that it will be licencing more oil and gas fields for production in the North Sea soon. This follows an intervention by the Chancellor with the Business Secretary, whose department and regulators were delaying or refusing permissions for development of some discoveries. This announcement comes on the back of the recent licencing of the small Abigail field.

I have been making the case that it means less carbon dioxide is produced if we burn our own North Sea gas delivered by pipeline rather than import LNG from Qatar by ship. I have argued that we will collect much more tax revenue if we burn our own gas rather than importing as the UK imposes substantial taxes on the production of oil and gas. It also means we create and keep more well paid jobs by sustaining our domestic industry instead of relying on imports.

I look forward to further successes for commonsense and for import substitution.