

More thoughts on controlling spending

There are many other areas where spending can be reduced or better targeted beyond the big ones mentioned yesterday.

As I have often urged the Bank should stop selling bonds at big losses for taxpayers to lay. Hold them to repayment to cut the losses.

There are still monies being sent as overseas aid to successful and or well armed countries with nuclear programmes. Why is still true? Why are we still paying money to the EU several years after leaving? There should be a push back on their calculations and interpretations of the Withdrawal Agreement.

Who does the UK spend so much on highly speculative technologies for decarbonisation? These can be developed by the private sector or led by other states with more need to decarbonise than us where they are clearly not yet commercial.

Why does the UK have a high tax and subsidy model when it comes to energy? The UK 's very high carbon and energy taxes loses us industry here and with it costs us tax revenue. Industries like steel that cannot afford our high energy costs and taxes then need substantial subsidy payments to keep some of the industry .Cut the taxes and end spending on the subsidies.

Happy new year

"Pour me another, lets toast the new year
Here's to a better, put fizz in our cheer"

Tonight's not for sorrows, nor mulling old wounds
Come banish our troubles, lets sing some new tunes

Caught in the present is a moment to choose
To look forwards or backwards, to win or to lose

If your comfort is clinging to all that has past
This precious moment of hope will never last

Grasping the future and its unknown way
Can bring success and many a wonderful day

The past is well trodden, we know the ending
The future is for moulding, shaping, bending

As last year expires, hopes and promises broken
Change things this time , leave pledges unspoken

So pour me another, drink to the new year

Here's to a better, put fizz in our cheer

If your life is a drama you can change the plot
If your friends are the actors you can recast the lot

If people around you are holding you back
Tell them you're changing, to a new track

Lets hold on to clichés that drive us to more
Lets venture out from behind that closed door

We can stretch for the stars and strive for the sun
We can soar with the wind making life more fun

You are only out of the game when you give up the play
So write some new words so you have a new say

Aim for something better, embrace the best
You may fall short of target but gain from the quest

So cast off the old. Live a new dream
Grab the future foretold. Mine a new seam

So pour me another, lets toast the new year
Here's to a better, put fizz in our cheer

Trust that tomorrow can be better than today
Let the future empower us with its new way

Lets cast off from austerity, from all those extra taxes

Lets go for growth as austerity relaxes

Lets make our own minds up and set our own pace

The future is only ours, my friend, if it we embrace

Tonight is the night is to put on a new face

So pour me another, lets toast the new year

Here's to a better, put fizz in our cheer.

The government should resolve to spend

less on wasteful plans in 2024

The main reason we are running a large deficit is the public sector is spending too much. Controlling spending better is important to get the deficit down, to allow more tax cuts and promote more growth. There are four main areas where less can and should be spent.

1. Public sector administration and civil service numbers. Between fourth quarter 2019 and third quarter 2023 civil service numbers have increased by 69,000 and other public administration by 41,000 making a total rise of 110,000. The total is now 1,175,000. Productivity has slumped during this period of rapid additional recruitment. There has also been substantial grade creep with many more senior and higher paid people in the mix. The civil service is too keen on additional regulation, more international obligations and more meddling with people's lives and business activities. Do less of it.
2. The high costs of making provision for large numbers of low paid economic migrants. Whilst this may be cheap labour for companies it is dear for taxpayers. Every additional 250,000 need a new city the size of Southampton to live in. That means many new homes, schools, surgeries, more utility capacity of all kinds. At an estimated £250,000 each of public sector capital and early years revenue spending 100,000 new additional migrants cost £25bn.
3. The high welfare costs of many more people registering as unable to work. Whilst it is important we have a generous system for those disabled who cannot manage a job, it is difficult to believe so many more people each year are being added to this category. With more support and better benefit administration more could get suitable work.
4. Local government wasteful spending. In so many places as in Wokingham local Councils are spending so much money on narrowing roads, making unhelpful changes to road junctions, and introducing cycle lanes where no-one uses them as part of their anti driver policies. Many Councils have been adding to property and other investment portfolios at foolish prices and finding in some cases they cannot rent them out at a rent that delivers any return for taxpayers. Some Councils have expanded their administrative staff numbers and pushed up pay for senior personnel.

The government says it wishes to tackle these problems. There are remedies it can put in place for 2024 to start to make a difference and bring the growth rate in public spending under better control.

1. Place an immediate ban on additional external recruitment of personnel for the civil service and other public administration. If an additional person from outside is needed a special case should be signed off by a Minister. As people leave to change jobs or to retire so the departmental organisation chart should remove some jobs and amalgamate others. There should be some better control over the ratio of senior staff to the rest.
2. Implement the plans to cut legal migration by 300,000 and step them up

to reduce it by more. The aim should be to get it below 2019 levels as promised in the Manifesto. As it comes down so the large budgets for extra public sector housing and services can be reduced.

3. The government is proposing extensive further welfare reforms to help more people back into work. This needs speeding up as the numbers who cannot work again continue to surge.
4. Put tougher controls on local authorities borrowing to buy assets and make investments. Central government should decline to fund anti driver schemes.

Ceasefires, negotiations and peace treaties

The deaths of Israeli citizens in their own homes at the hands of Hamas shocked the world. Now there are big concerns about the plight of civilians in Gaza as Israeli forces seek out Hamas fighters in crowded urban areas and close to hospitals. Meanwhile death and destruction rain down on the areas of Ukraine close to the battle lines. Neither side can gain an advantage sufficient to shift decisively the heavily defended positions along the frontier between two armies.

Most wars end with a negotiated ceasefire and a subsequent peace treaty. Some after huge damage and death end with unconditional surrender of the losers.

It looks as if NATO and the EU will stay out of these two ugly current wars. Nonetheless their financial and military support is essential to Ukraine and important to Israel. This means President Biden has some leverage over Israel and Ukraine and may well be considering using it to ponder options to negotiate. The President looks as if he would prefer war off the agenda. On Ukraine he is being harried to spend less by some Republicans and faces in Mr Trump an opponent who wants peace.

The EU is struggling to get agreement to all the money Ukraine needs. The EU was involved in the overthrow of the elected President of Ukraine in 2014 for being too pro Russian. The EU offer of future membership of the EU to Ukraine is a further provocation to Putin following the expansion of NATO.

Many call for a ceasefire in Gaza and think the US and NATO could require one. The truth is Hamas are not ready to return the hostages and stop rocket attacks on Israel, minimum requirements for a ceasefire. Nor is Israel willing to stop fighting Hamas in Gaza despite civilian casualty levels. Until both shift they will carry on fighting whatever others want.

Our European heritage

Many of us who voted for Brexit stressed that we wished to be friends with the continent, to trade with our neighbours using most favoured nation terms under the WTO, and to do many things with them by mutual agreement in sport, culture, defence, foreign affairs and the rest. What we voted to end was EU control over us, EU law making, a relationship driven by immutable Treaties and by a foreign court.

None of us doubt that our past has been very interwoven with our European neighbours, and none of us doubt our future will also contain many European engagements and links. What does annoy many Brexiteers is a false economic and historical narrative from Remain politicians that our links with Europe have always been positive and EU style laws and controls are essential for our peace, prosperity and freedom. Any normal reading of history will show how one sided that view is. Today the EU seeks to resolve tensions by legal argument, but not so long ago Europe fought over these matters.

The latest trade figures show that contrary to Remain forecasts our trade in goods and services combined has risen with the EU since we left. It has risen more with non EU, as it was doing in our later years as EU members. Non EU now accounts for 58% of our trade, though both EU and non EU are welcome.

The UK has a global destiny and has had a global role for several centuries. That came to me from my reading of much European and world history. That also taught me that too many times our intense involvement with the continental European countries forced us into wars that were often as damaging to them as well as to us. We got involved in the struggles for domination by the great continental powers, and were often helping smaller countries to resist them. I am going to write some pieces to explore more of this theme over the weeks ahead. Today let us start by remembering that the UK often suffered pre 1945 from invasion, from raids and occupations by European powers, from annexation of our lands and from systems of slavery and feudal exploitation that came from the continent.

The Roman invasion led to seizure of lands and wealth, to a slave based society with inferior jobs and opportunities for most of the British who were unable or unwilling to join the Roman governing elite. The Viking raiders plundered, burned, and assaulted in their many raids and wars. The Norman French comprehensively chronicled their robbery of the lands and wealth of the kingdom for their own settlers, and placed a feudal yoke upon many British inhabitants of these islands. The Spanish attempted conquest in 1588, the French tried under Napoleon and the Germans under Hitler amongst the more serious attempts at violent overthrow of our governments. Had any of those succeeded we would have lost our freedoms and right to self government.

The UK's involvement in European wars has been too frequent and damaging, leading to too much loss of life and diversion of effort from more productive peace time uses. Today it is welcome that the EU seeks to resolve the tensions between EU states by legal and political process. There are also

dangers from the rise of European nationalism that the EU itself will get into disputes with its neighbours. Currently the war in Ukraine reminds us how damaging European wars can be.

The UK should be careful not to seek to express strong views about how the continent is governed, and should be reluctant to be drawn into continental conflicts and arguments. The UK cannot and should not seek to impose a view about all the border disputes, religious struggles, policy rows and neighbourly disagreements that still beset the many nations that have land borders with each other on a continent packed with many states. They need to resolve those themselves through peaceful means .

The Germans who have a big influence on EU policy direction used to argue with me to relent my opposition to the UK joining the Euro. They used to think the clincher argument was that the UK would have no influence over it if we were not in it. They refused to grasp I had no more wish for a say in the future of the Euro than in the yen or the rupee. The UK should take a global view based on a good mixture of our national interest and the best way forward for freedom, democracy and free enterprise worldwide.