

UK Net debt down by £18.5bn

The ONS had to admit today that it had overstated Public Sector Net Debt excluding banks by £18.5bn in past figures. £11bn of this was an error, and £7.5bn comes from updated figures. It is all part of a pattern of too much official gloom about our economic and financial position.

Last year to end March 2018 total additional state borrowing came in at £40.5bn, compared to the March budget forecast in 2017 of £58.3 bn. So that forecast was overstated by almost £18 bn.

Given these much better figures the Treasury needs to ask itself some questions about its spending and taxing policies, and ask why the official forecasts and figures find it so difficult to track what is going on.

Data Protection and constituents queries

I have asked my office to be fully compliant with the General Data Protection Regulation.

We will pass information on to public bodies or other counterparties involved in a complaint or query when a constituent writes in. We will regard the submission of the complaint or query as consent to this. We will keep a record of that query and response usually for the life of the Parliament in case of follow up issues, and will update constituents as appropriate on that topic.

Where the data sent is particularly sensitive, as with details on medical conditions and treatment, we will usually request express permission to share this with the other bodies involved.

We have always sought to handle people's data well and to respect confidentiality. We have to trust government, local government and their Agencies to do the same when we pass on information to seek to resolve an issue.

We have also often have to point out that I cannot act on a case affecting someone's adult relative without the express permission of the person affected. I understand why people often want to intervene for their adult children or for their parents, but unless they have power of attorney I do need to ask for consent from the person at the centre of the complaint or query. If a power of attorney is involved then my office need to see the written record of it. Where the relative is living in another constituency it

will usually be necessary to refer them to the MP for that constituency, whilst I am happy to take up all such issues affecting people living in my constituency, even if they have been initiated by a relative living elsewhere. I will always need the consent of my constituent.

Trade wars

The USA has temporarily suspended the tariffs it threatened to deploy against China. Apparently the trade talks are making progress. China accepts that the balance of payments surplus it enjoys with the USA is excessive, and wishes to help the USA find more ways to sell to China. Some of this requires market opening by China of a general kind, and some requires more successful US exporting relative to say Germany of products China already imports.

China is a heavy importer of transport goods, engineered products and technology. The USA is wishing to be more cautious about how much technology she sells, given worries about the way China has handled Intellectual Property in the past. Boeing will be hoping a new trade deal strengthens their hand against Airbus, and the US car makers will be wishing to do better against Mercedes and BMW.

The UK should win from some of the changes envisaged. China accepts she needs to liberalise her banking and financial services markets more, which could assist the UK as well as the US. We too have a substantial trade deficit with China.

I assume Mr Trump would prefer to find some common ground and show he has a "win". So far China seems to understand and accept this, and is busy trying to find ways in which the US can do a bit better. China can argue that her policy is to liberalise progressively anyway, as she has been doing at a slow pace since joining the WTO. Accepting the idea that the trade gap must narrow a lot is one thing, but bringing about the day to day reality of more US exports or fewer US imports is still going to take time and will be difficult to deliver.

The future of the High Street

As forecast here, the tribulations of some traditional retailers gets worse. There are many older shopping areas and High Streets with empty shops, closing down sales and poor footfall of customers. There is still plenty of buying going on, but more of it is on the web, and more is concentrated in

the glamour centres from Bicester Village to the Metro Centre, from Oxford Street to Birmingham New Street and from Trafford to Westfield.

We see a pattern of bankruptcies, financial reconstructions and shop shrinkage by many traditional retailers. Administrations and restructuring seek to get rents down to keep shops open, or close stores to cut the cost base. Meanwhile well intentioned policies like the Living Wage and the Stakeholder pensions push up the costs of employment, and business rates help push up the cost of property. A rising cost base hits falling turnover as people examine the goods in store only to order them from an internet provider on line. Some people complain about the fall of the High Street only to support the rise of the Internet by how they buy.

Last week's announcement by the government to slash the maximum stake permitted in fixed odds betting terminals in High Street shops was motivated by the wish to cut down addictive gaming which can wreck family finances and damage family life. It is also likely to lead to more High Street closures of such shops and to drive more gambling on line. This comes close on the heels of Mothercare announcing 50 shop closures, and ToysRUs going into administration. House of Fraser is undergoing a financial restructuring and looking for cost reductions. Ocado with its strong on line offering an expansion into the US now has a larger stock market value than Marks and Spencers.

I am working on a series of options for the government to bring some relief to struggling High Streets, as they wish to do. Flexibility in switching uses and users of High Street property must be part of the answer. Plenty of free or cheap shoppers parking nearby is another part. The combined rate and rent package has to be affordable for a moderately successful trader.

[Why do the "liberal" establishment so hate democracy?](#)

On both sides of the Atlantic in relatively free societies with open and fair elections and referenda there is a nasty anger at the results from some who claim the moral high ground of being the "liberal" establishment. I too have no time for racism or undemocratic attitudes, but think many voters for so called populist parties and causes are decent people making good points about the change they wish to see.

Indeed, it is becoming so bad that in most advanced country democracies now the liberal elite fulminate against those the voters choose to elect. In the USA they pour bile on the elected President, Donald Trump. In Italy they complain that 5 Star and Lega who commanded a majority of the votes and seats at the recent election should not be in government as they do not conform to the Euro scheme. In Greece they used to reject the verdict of the people when

they voted for Syriza to sweep aside the old parties and to go on to challenge austerity, but are less concerned now Syriza has conformed with their views. In the Netherlands the Wilders party topped the poll but is widely disliked. The governments of Poland and Hungary are seen as enemies of Brussels and of the establishment. The liberal elite are full of disapproval for the Brexit vote in the UK. Only in France has a populist movement met with approval, because it is one under Macron that seeks more European integration.

So why is there this contempt for the will of the people? It seems the so called "liberal" elite are worried about the obvious challenges to two of their pet projects. In Europe they are very concerned about the unpopularity of the austerity policies they impose on Euro states. Despite this causing high unemployment and poor economic growth much of the time, the elite insists there is no alternative to the limits imposed on borrowing and state debt. In Italy, Spain, Greece, Portugal, Ireland and elsewhere the EU effectively puts up taxes and cuts spending in national budgets. In both Europe and the USA they seem upset that populists including the all important President Trump are not keen to become entangled in religious and civil wars in the Middle East. The elite prefers the Clinton approach of engagement, bombing and if necessary the commitment of advisers and troops to proxy armies on the ground.

The issue the elite most mention unfavourably is that of migration. They dislike the way people on both sides of the Atlantic vote for fewer migrants to come. They argue that this makes the populist parties racist. It is true there is a minority of voters and even politicians motivated by racial and religious considerations. This is not true of most of the voters, who simply argue for lower numbers. It is the populist voters who complain of the consequences of rapid migration that they think creates housing shortages, lower wages, and pressure on public services. It is the elite who welcome cheap labour for their businesses or as helps in their own homes.