

Even the Office of Budget Responsibility sees a case for tax cuts

After two years of demanding the biggest set of tax rises in recent U.K. history the Office of Budget Responsibility this week conceded their policies will slow the economy. Accepting this could go too far they reluctantly accepted there is a case for tax cuts to ease the squeeze!

Why has it taken them so long to see this? Why won't they acknowledge it is their large and wide ranging tax increases which are braking the economy along with the monetary tightening.

They go on to say tax cuts that boost investment are fine. A good start for that would be to cancel the Chancellor's ill judged rise in Corporation Tax which looks like a tax rise designed to push the U.K. well down the list of good places to invest. Better still would be to cancel the wicked tax on jobs, the National Insurance rise. This cuts living standards for employees and takes cash away from investing and employing more for companies.

Will Mr Sunak now change his mind as the official advice moderates.?When will he see we need to switch from tackling inflation to seeing off recession? Inflation will fall next year as a result of His big monetary and tax squeeze on top of the cost of living crisis.

The one good decision Mr Sunak took was to authorise the end of printing money. It is just a pity he had authorised yet more money creation in 2021 when the recovery was well set as it was bound to be inflationary.