

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.