

How to have lower taxes and faster growth

I have been critical of the government for putting up with unacceptable losses by the Bank of England, the railways, the Post Office, HS 2 and other nationalised concerns. I have criticised the handling and reporting of high borrowings and interest charges. I have highlighted the unaffordable collapse in public sector productivity. I have successfully urged government to find ways to get more people off benefits into work.

The fashionable establishment gloom tells us we need to put up taxes further to alleviate spending pressures, and to cut debt relative to GDP. They refuse to see the imperative need to stop the waste and losses of the public sector or to accept that cutting the right taxes can boost growth and overall tax revenues. The huge cost burden of net zero compounds the problem, seeking to rip out fossil fuel use in the UK only to import energy and products at dearer cost from abroad, losing us huge tax revenues.

Labour would make all this worse. They want to end fuel duty sooner by accelerating the end of petrol and diesel cars. They do not propose a replacement tax on the use of electric vehicles. So what would they do about the revenue black hole? They want to find off balance sheet ways to borrow more. They have delayed hugely expensive net zero plans whilst not changing the aims or targets. They have no plans to boost public sector productivity. They oppose some of the measures to get more people into work.

Their proposal to charge VAT on school fees might produce very little net revenue after allowing for all the extra costs of lower income parents switching children to state schools. Toughening non dom tax just drives more rich people out or keeps them away, to the point where we get less revenue from them. In the 1970s penal tax on foreigners and high earners led to the brain drain, an exodus of successful people.

Accepting the control of the five year out OBR figure for the deficit is absurd. No-one knows what the deficit will be in 5 years and government can borrow too much in the four years before the control. The government's use of this control did not stop a big debt build up. Labour want to double up on OBR influence, though they want to allow more borrowing to "invest". The way the public sector does that is often a licence to lose money, as with some Council energy and property investments and the Bank's lamentable bond dealings.

We need a commitment to cut this years deficit by taking the actions on the loss making Bank and nationalised industries I have set out, and by moving fast to return to 2019 levels of public service productivity. We need growth promoting tax cuts. The build up of interest charges can also be curtailed. Why do the main parties ignore many of these billions spent on mismanagement?