

Improving economic policy

There are three main changes I am pressing for a better outcome on inflation and growth.

The first is change from the Bank of England, who have now accepted their models and forecasts have been wrong and are reviewing the way they should change.

The second is to tackle the productivity collapse in parts of the public sector, and to gain greater control over levels of spending.

The third is to get across that the UK has a supply problem. We make and grow too little, relying on imports too much. Lower tax rates and better regulation are central to rebuilding capacities in everything from water and electricity to food and industrial products.

One of the problems is in every area where taxes are too high, spending is unwise and regulation unhelpful the main Opposition parties usually support the current stance and or wish to intensify it, making things considerably worse.

In a series of blogs I will look again at how we could tackle the problems of too few producers, of wild swings in money and credit, and the collapse of public sector productivity.

Economies do not flourish if they suffer unduly from price controls, windfall taxes and subsidies. Governments are not good at backing winners and can deter investment and supply if they interfere too much.