

My contribution to the debate on Coronavirus: Supporting Businesses and Individuals, 23 February

Now is not the time for tax rises. Now is the time to promote a vigorous recovery as soon as it is safe to do so. Yes, the deficit is far too large, but it is affordable as long as it is a one-off.

The deficit is the product of sensible support for individuals and businesses when they were locked out or closed down, and it was sensible support for the economy as a whole at a time when tax revenues had fallen sharply because people were not allowed to go to work and businesses were not allowed to trade. The way out of all that is not tax rises that would sap confidence and undermine business cash flows even more. The way out is a vigorous recovery that will replace lost revenues, and reduce the need for the support that the Government have rightly produced for small businesses and individuals.

What businesses and individuals will need is turnover, orders and work. I ask all Government Departments—led, probably, by the Department for Business, Energy and Industrial Strategy—to look at how the UK Government can make more work available. The Government have mighty procurement programmes, so when we are building great new railway lines, let us ensure that it is UK steel for the tracks and that it is UK-produced trains with plenty of components and value added, as well as the assembly work taking place in the United Kingdom.

As the Department for Environment, Food and Rural Affairs designs new grants and loans schemes, it should be promoting British food and agriculture at the same time as taking care of environmental concerns. There is a great opportunity to reduce the amount of imported food and to substitute Great British food from our farms and fishing grounds.

BEIS itself leads on energy. Why are we importing so much energy through interconnectors? Can we not have another round of capacity procurement so that we have future electricity generation here in Britain? We have plenty of means of generating power; surely we can harness that.

The Government should want to greatly expand the electricity output of this country because they want to unleash on us a great electric revolution in transport, space heating and powering our factories, so let us make the provision early. Let us invest now for the future so that we have that electric power when it comes to be needed.

A number of businesses have been very badly damaged by lockdown and shut-out, and I am glad that the Government are making some money available to them. I urge them to be generous. It was not those businesses' fault and we need them to be there when we have recovery.

Small businesses and the self-employed are mightily flexible, but they cannot

survive on thin air, and they will need to repay their debts, so give them some turnover and some tax cuts.