

## Why are we waiting?

I read that the Chancellor has been charged with chairing a Committee to take advantage of the freedoms we gain from leaving the EU. I wish him well, as there are many obvious easy wins which the government should have ready after four and half years delay in our exit. Why are we still waiting for them?

The Chancellor in particular should get on with a Brexit bonus budget. He should set out the large savings on our contributions to the EU and how they are being used. He should explain how the sums we will still be paying to farmers in lieu of the CAP payments will be better directed. I want to see more of that money promoting domestic food production. The EU often paid us grants to stop us producing things.

He should explain how he will police any residual bills from the EU under the Withdrawal Agreement and what action he will take to get our money back from the EIB and other joint assets we held with them.

I want him to overhaul VAT, an EU tax. He could begin by removing it from all green products, and from domestic fuel. That would promote higher standards of insulation, fuel efficiency and more modern controls, and reduce fuel poverty.

He should examine tax levels and grants for small business with a view to producing a better package. He needs to promote small business and self employment as we need them to power the recovery from the deep anti CV 19 recession we have been living through.

This is not the time to be increasing tax on the self employed through IR35, nor to be putting VAT onto foreign visitors who used to come here for duty free shopping amongst other reasons. We need a UK open for business and welcoming to visitors with money to spend.

---

## Improving this site

On Monday night the web expert who runs the technical side of this site will make improvements to the layout. The work will be done after 9pm. I have asked him to make it clearer that people can ask to receive a free email of each day's blog posting, to improve the layout of the text so people can read it more easily on small mobile devices and update the appearance. I have sketched some changes.

I intend to continue with a daily main story which I write. I will continue to turn down the various offers of guest writers, adverts and sponsorship, as I wish it to be independent, and will continue to pay for the service myself.

It will continue to be the John Redwood site. It will include items relevant to my job as MP for Wokingham, with a separate local pages section on Wokingham and West Berkshire issues. It is not an MP website site paid for by taxpayers. None of its content is cleared with Conservative Central Office.

Moderating the site is taking up too much of my time owing to the refusal of a limited number of people to accept my guidance. I will repeat

Please limit the number of proposed postings each day

Avoid long postings – unless you have something novel and well researched to say, in which case I might publish them

Avoid links to other sources, unless they are helpful links to easily identified government/Central Bank/global quango free public websites supplying useful data and backup

If you want to highlight something good you have read elsewhere then mention the source and give a small summary of what excites you about it in your submission.

Avoid allegations against individuals or companies as I do not have time to check them out for libel. I afford the same protection from allegations to Opposition MPs as to Conservative ones.

I will from now on be deleting many more incoming comments from a few individuals who are repetitious , who constantly ignore this guidance and whose opinions are now well known to regular readers. They need to find something new to say and to say it better if they want to be posted.

This site does not seek to censor people who disagree with me or the government or the Conservative party, and is willing to explore alternative explanations and policy options in a sensible way.

---

## Death rates

The official figures for death rates in the UK show that the death rate in 2020 was considerably higher than in recent years. They also show, contrary to some media reports, that the death rate stayed below the higher levels it reached in the years 1999-2004. The overall rate is around 1% per annum, with most of those dying being the elderly. As people are living longer, so the typical age of death has trended upwards over the last half century.

There was a surge of deaths in the spring of 2020 brought on by CV 19 which boosted overall annual numbers. Since then progress with finding a range of treatments and nursing procedures that can cut the death rate from the virus have helped to bring down the numbers dying from the pandemic.

Today there is concern that other causes of death including cancer and heart problems may be boosted by people not seeking the treatment they need with these conditions, or by delays in access to hospital care resulting from the need to create extra capacity in some hospitals to handle covid 19 patients. There is also the double hit to overall NHS capacity that has come from the measures to tackle the virus. There is more social distancing in hospitals to wrestle with infection control, and absences of more staff who either catch the virus or need to self isolate for periods after contact with it.

The NHS management and their Ministerial supporters are concentrating on rolling out the vaccine, with the hope that this will solve the problem of lockdown. It may require more development of vaccines and further vaccination moves should the virus transmute. This important work should not detract from the need to advance in other ways as well. So let us look at other ways we can learn to live with this virus.

1. More medical guidance on ways the rest of us can fend off the virus, using everything from diet to exercise. What is the official view of zinc, Vitamin C, weight loss and other measures in addition to Vitamin D which now has some official support?
2. Are there treatments like Regeneron and chloroquine that can offer some protection?
3. More treatments that can cut the death rate and reduce the severity of viral attacks. The work that has discovered dexamethasone and the anti rheumatoid drugs is welcome. Where are we on Ivermectin and others?
4. More guidance and support for people to convert air flow and heating systems and introduce air cleansing systems within their air systems, to reduce exposure to disease laden air in enclosed rooms and spaces
5. More use of isolation hospitals to cut the spread of disease in health settings and to reduce the numbers of NHS staff at risk

---

## [We need an unlock plan](#)

Now the vaccines are being rolled out at some speed surely we are owed a proposed timetable to remove restrictions? The experts have always wanted long lock downs and have always seemed to rely on mass vaccination as their answer. It has been hard work getting them to take adaptation and safety measures seriously as a way of re opening more businesses, and even difficult to get results from tests and trials of various treatments to cut the death rate and the severity of the bad cases.

This week has been about securing sufficient deliveries of vaccine and sorting out arrangements to get the inoculations done. There have been debates about the relative role of GPs, pharmacies, hospitals and large temporary centres. The system seems to favour large facilities capable of carrying out many procedures, and favours NHS leadership. Let's hope it goes well.

Meanwhile damage is being done to many small businesses and the economy has declined again. the Chancellor resists all requests to give more temporary help to businesses .

I am pressing for more measures to support the economy and a clearer path back to work.

---

## Government borrowing

A contributor asked for an update on government debt.

The UK had a difficult borrowing problem in the IMF crash of the mid 1970s when the country ran out of foreign currency to borrow and had to make emergency cuts. The IMF supervised a programme of lower public spending in return for loans.

It had a bit of a domestic borrowing problem in the 1980s as a Conservative government tackled the large inherited borrowings. Interest rates rose to high levels to persuade people to take state debt as investments. As spending came under better control so rates came down, helping economic recovery.

It had a worse borrowing problem during and after the banking crash of 2008. State debt was high going into the crash alongside very high levels of private sector borrowing. Both sectors reined in in the last months of the Labour government. The incoming Coalition, contrary to media reports, raised the levels of state borrowing over their tenure.

On each of these occasions debt interest was over 3% of GDP or 6-7% of total public spending. It was considerably higher immediately after the war when state debt was 250% of GDP reflecting the need to spend and borrow to win the war. Patient work brought the debt under better control in the 1950s.

People ask me if we can afford the sharp build up in gross debt brought on by the policies chosen to deal with the pandemic. I am pleased to report that we can afford it, because interest rates have tumbled so much and because the Bank of England is buying in substantial quantities of the debt. The latest official predictions show net debt interest as a percentage of GDP falling to a tiny 0.8% of GDP next year as debts are rolled over at low rates and as the Bank completes its buying programme. This means debt interest will be at its lowest for the post 1945 period. There is no need to count the interest paid on the debt owned by the Bank of England, as taxpayers and government get that receipt.

The UK government today can borrow money for 10 years at 0.29%. The stated debt is a large 105% of GDP, but the state itself will own £875bn of that so the true figure for the actual net debt owed by the state is around two thirds of GDP.

These are unusual times when the US, UK, leading EU countries and Japan can all borrow at around zero very large sums of money. It is still not a good idea to go on borrowing at scale for too long, and never a good idea to waste money borrowed. The immediate need for high borrowing is necessary to subsidise people and companies that are prevented from working by lock downs. The sooner we can unlock, the sooner we can get our finances under better control.

The good news is there is no need to worry yet. Markets are allowing all the major countries to borrow plenty at ultra low rates of interest, underpinned by Central Banks buying up a lot of the debt. This only has to change were inflation to pick up, which so far it has not. Japan has been doing this now for several decades with no inflation, with gross state debt at 250% of GDP but net state debt around half that and the interest burden very low.