

## The future of NATO

Mr Trump has always been sceptical of multi national bodies. His disagreement with Nato has been primarily the feeling that the USA makes a disproportionate financial and military contribution. He points out correctly that most of the European members fail to meet even the minimum 2% of GDP spend on their armed forces that NATO asks members to make. The UK does meet the obligation and agrees with the USA on this matter

There is also a disagreement with Turkey that is getting bigger. Turkey has bought a Russian anti missile system, which has led the USA to deny it US planes given the way Turkey is likely to release security information to Russia. Turkey wishes all of NATO to join its battle against Kurds, when NATO has been in alliance with Kurdish forces in Syria.

The UK as host to this week's 70th anniversary meeting had important work to do. NATO is central to the defence of the West and to our own security. The UK needs to help secure proper financing of the defence capabilities we need from all our allies, and to work to get our allies in more agreement about the importance and aims of NATO. For the last 70 years acceptance of NATO as a central pillar of our defence has been common ground between the main political parties.

Today Labour is unreliable on defence and hostile to the USA which continues to provide the bulk of the military capability of this alliance. Mr Corbyn has in the past been sceptical of NATO, often expressing more support for groups and countries which oppose us. Above all now we need to form a common position on China, on the threats from Iran, and how to respond to the cyber attacks which are now a regular feature of our lives.

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## IR 35 needs changing

I am writing to the Chancellor to tell him he should drop changes which force self employed people to be taxed as employed. There is considerable worry about this amongst people who are self employed. A Conservative government needs to be on their side. The self employed make a great contribution to our economy and lack the support of a bigger employer if they lose a customer, fall ill or want to go on holiday.

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## Helping people be better off

This election is about the prosperity and the well being of electors. Most of the parties in the election think they should tax you more as they think they can spend your money better than you can. The Conservatives offer more tax cuts, and want to help you earn and spend more of your own money.

Since 2010 Conservatives have taken many people out of paying Income Tax altogether and have cut tax for all standard rate taxpayers. We have frozen fuel duties for nine years to keep the costs of travelling down. We have boosted lower incomes through the Living Wage. We have increased the amount you can earn before Family Credit is reduced. We are doubling free child care to 30 hours for parents with 3-4 year olds, helping adults to earn more.

Since 2010 income inequality has fallen. There has been a 3.7 million rise in employment as many new jobs have been created.

All this is at risk from Labour, Lib Dem and Green agendas. Every time Labour has been in government since the war it has presided over a crisis which has pushed up unemployment and left the country more deeply in debt. This time these parties tell you they want to tax you more and spend more of your money. Why give them the chance when their policies will cost your family dear?

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## Lifting confidence

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Confidence is a precious flower. It is easily damaged or lost. The last three years have seen the UK's standing at home and abroad damaged by political indecision. It has been undermined by a new coarseness of language and an anger of debate by some, and by MPs in the last Parliament who promised one thing to their electors to get elected in the 2017 election, only to do the opposite once elected.

Instead of a newly independent UK developing better trade contacts with the rest of the world whilst continuing with many links, contracts and partnerships with businesses, individuals and institutions in the EU, the UK was dragged down by its very own Parliament. The Parliament first voted to

send the letter of withdrawal from the EU, then did everything in its power to undermine the UK government's negotiating position in the long talks that followed. Now in this election all the opposition parties from the last Parliament seek to prevent or delay Brexit. They wish to prolong the agony, expose the UK to a longer period of uncertainty, and strengthen the hand of the EU even more in yet more negotiations .

A second referendum cannot unite the country behind a single course of action. The Lib Dems have already said they would ignore another vote to Leave. Why should Leave voters accept a second referendum result in the unlikely event that it went the other way, when their decision to leave has so far not been implemented. For the sake of UK democracy we have to accept the result of votes.

Remain politicians have always complained about anything which undermines confidence and defers investment. They must see it is their attempts to stop or delay Brexit further that is now the main cause of the very uncertainty they dislike. The economy can do well from here, but ending the political uncertainty would help.

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## Prosperity not austerity

When the new government announced its economic aim is to promote growth and prosperity it heralded a most important change. It was a change I had pressed for for several years, meeting with disapproval from Mr Hammond.

The old government had as its main aim the reduction of debt as a proportion of GDP. This requirement of the Maastricht EU Treaty forced the government to constrain public spending too much and to keep tax rates too high. Indeed it often encouraged Mr Osborne and Mr Hammond to impose new taxes that were economically damaging, like their Stamp Duty and vehicle Excise Duty hikes which hit the homes and car markets.

Now the promotion of growth is the aim it allows the government to make selective increases in public spending in areas like health and schools where increased capacity and higher quality requires more and better paid staff. It will also require more tax cuts on earning and on transactions in our economy.

The official machine has clearly hit back a bit against the welcome revolution. It has placed a weaker version of the debt control back into the fiscal framework saying that over a five year period state debt as a proportion of GDP should decline. This is an improvement on needing an update of the position of state debt every time there is a new forecast with adjustments made in the short term. At each forecast there is an OBR admonition and a new pledge from government to get the debt down.

I support the control that says all current public spending must be paid for out of tax revenues. Allowing borrowing for capital investment is fine. It does require good capital investment assessments and good controls over build costs and project management. Some of these need improving as the government plans more public investment.

Meanwhile we await some signs from the UK economic establishment that they recognise the rest of the world is engaged in a battle to prevent the slowdown turning into something worse. Today's problem is not the threat of too much inflation, but too little activity. The rest of the world is cutting taxes, boosting liquidity and cutting interest rates. The world should escape recession as a result.

In the Eurozone Mrs Lagarde has stated that she thinks the negative interest rates, money creation and bond buying they are still doing is as far as the ECB can go. She wants some fiscal relaxation to boost growth.