

Easing the squeeze?

The UK economy has been through a monetary squeeze and an unplanned fiscal squeeze over the last year and a half. The Chancellor reported that this year they are collecting £7.4bn more in tax than planned, and spending £4.5bn less than planned in March. Added to the halving of money growth thanks to Bank of England policy, it is no wonder growth has slowed down.

The Chancellor has decided to put back the money that has been removed by higher tax revenues and lower spending in his figures for next year. There will be an £11bn fiscal boost from lower taxes and higher spending. Is this truly a boost as the OBR say, when it is merely trying to get back to their forecast figures from last March which turned out once again to be too pessimistic? It is not easy for a Chancellor to chart a course for spending and taxing, when the numbers he relies on for the year in question, let alone future years, are so wrong. At least recent forecasts have not been as wildly and wilfully wrong as the prediction of a recession in the winter after the Brexit vote made prior to the referendum by the Treasury and Bank.

There was much discussion of what constitutes an end to austerity. As argued here, to many people austerity is high taxes on their incomes and spending, or an absence of real growth in their pay or living standards. The Chancellor raised Income Tax allowances to help boost the net pay packet. He has also proposed above inflation increases in the Living wage and some improvements in benefit payments. He argued that austerity is a private sector as well as a public sector matter, and rightly argued that higher taxes do not solve the problem of austerity for individuals and the private sector. Indeed, they are an important cause of the problem.

The spending increases were largely as briefed out over the week end and already discussed here. The task still remains to see how value and improvement can be bought with the large headline figures pencilled in for the NHS, and to find sufficient for social care and schools. £400 million for schools capital for small projects as a one off is not quite what the schools had in mind when lobbying for more money for their revenue budgets to meet mainstream costs. The government will continue to spend more on Universal Credit as roll out continues and issues arise that need more generous treatment.

Better transport

It is great news that the Budget will include a major programme to improve our roads. The government briefing says they will spend more on motorway improvements. They will offer a substantial sum to improve strategic local highways. There will be more money for potholes, and more to improve

dangerous and congested junctions. There will be more cash to improve access to town centres.

I have been pressing for this for some time. It is welcome when ideas you work on come to fruition. I am asking Wokingham and West Berkshire Councillors to have schemes ready that are likely to qualify for money under these headings. We need better and safer junctions, we need more capacity and better flows at junctions, and we need more capacity on our strategic local highways. On my list is the northern and southern peripherals around Wokingham, the new bridge over the railway, and the rest of the Winnersh by pass. There are various junctions that can be made safer with better flows by putting in roundabouts or rephasing lights with traffic sensors. Splitting turning traffic from straight on traffic would also help. Another Thames crossing would be good but getting agreement from surrounding Councils remains problematic.

Nationally England needs to complete the network of trunk roads and motorways to at least dual carriageway standard and with grade separated junctions. We need a network of relief A roads for local journeys to relieve the trunk routes. One of the ironies of all the Remain commentary about possible delays at the ports after Brexit is port delay pales into insignificance besides the delays transport companies have to deal with everytime there is a crash or roadworks on one of our limited number of main motorways and trunk roads. Just in Time manufacturers have to build in these delays which are all too regular. One of the ways of raising productivity in the UK is to improve the road network. People running plumbing, electrical, cleaning and other businesses offering a service in people's homes schedule fewer appointments to allow for the extra time it usually takes to get to the places of work. Delivery companies for on line shopping also have to confront inadequate roads for their vans.

Some green critics complain about any increase in road spending. They should recognise that cutting down on traffic jams and improving flows of vehicles through junctions and over rivers and railway lines cuts down on the amount of fuel burnt by slow moving vehicles, and cuts the amount of emissions hitting people living and working close to busy roads. On line retailers cannot deliver to your door by train or bike, and businesses that need to take tools and materials to a job also need vans. It is time to give them a helping hand. It will require Councils to come up with good schemes to spend the money well. Traffic management needs to help in the task of improving junction safety and vehicle flows.

Greens and AFD slash support for Mrs

Merkel's CDU party and for her the SPD, her coalition partner.

Exit polls confirm the polls prior to the Hesse state elections. This is another serious drop in support for the two main parties in Germany's grand coalition government. Once again the parties becoming much more popular are the Greens and the AFD, parties attacking the EU establishment view.

Alice Weidel, the leader of the AFD in the German Parliament and effectively the Leader of the Opposition, recently made a speech supporting the right of every EU member state to decide to leave the EU if they wished. She was highly critical of Mrs Merkel's model of the EU, attacking the idea of further integration, disagreeing with common budgets and freedom of movement, and worrying whether Germany was being led into providing too much financial support for the rest of the EU. She wishes to see the Commission's right to propose new laws removed. She recommended that the EU treat the UK better, respecting the democratic judgement of UK voters.

The forces ranged against the increasing power of the EU federal state are growing. The next question is will the SPD, reluctant members of Mrs Merkel's coalition government, carry on given the big damage it is doing to their voter base.

Yes Chancellor, we could afford a better budget if we leave without a Withdrawal Agreement

Mr Hammond says he will need a second budget if we leave the EU on 29 March. That much I agree. But far from needing a version of Mr Osborne's ridiculous Punishment budget we could afford a budget for higher growth and higher net incomes.

Freed of the need to pay £ 39 bn for no good reason to the EU we could have a great budget for prosperity. Lets do just that. No deal is a lot better than Mr Hammond's idea of a deal. He wants to delay our exit and sandbag us with a huge EU bill.

What a Brexit budget would look like

This will be the last budget before the UK is an independent country again, if we end up with no deal. It is the time to set a new course. We need to be optimistic. We need to promote more growth and more enterprise. We need to grasp the ability of lower taxes to power prosperity. This should be the budget for prosperity, not austerity.

We need to cut Stamp duties, Capital Gains Tax, and Vehicle Excise duties as described before. Current rates reduce the tax take by deterring transactions.

We need to cut the rates of Income Tax from 20% to 18 % and from 45% to 40%.

We need to abolish VAT on Feminine hygiene products, green products and domestic fuel.

We need to boost spending on schools 10 % or more below the current national average per pupil amount.

We need to spend more on improving the road network.

We need to meet the costs of the planned increase in NHS spending, only releasing the money if there are good plans to spend it to raise the quality and quantity of care. We should remove car parking charges at hospitals from patients and visitors.

I read the Chancellor is going to cut business rates for smaller shops in High Streets, which is helpful.

All this can come from the £ 39 bn over the next three years we will save by not signing the penal Withdrawal Agreement.

There is £39 bn to spend over the next three years if we decline to sign the one sided Withdrawal Agreement. Thats a 2% boost to national income.