[UK inflation tumbles, real incomes rise]

On the government's preferred measure of inflation, CPI(H), March brought the figure down to 2.3%. On the CPI measure excluding housing it fell to 2.5%. This means real wages and incomes are rising faster than many commentators realised.

It is a reminder how competitive conditions are in retail, with continuing downward pressure on prices from excess conventional shop capacity and fierce discounter and internet competition.

[More good news on jobs, whilst sterling rises]

The pound drew level with the rate it reached prior to the referendum, hitting $1.43 again. The only negative forecast of the Remain campaign that they kept repeating after the event because they thought it had more chance of success has now joined the others as wrong.

During the Referendum campaign I was frequently asked by interviewers to defend why I thought jobs would go up, housing would be unaffected and the economy would continue to grow, as the Remain camp with all the official forecasters behind them said the opposite. They told us with all the authority of establishment error and malfunctioning models that in the first year or so after the vote we would have a recession, jobs would fall, unemployment would rise, the pound would fall and house prices would fall. I said the opposite of all of those save for the pound. There I said after we vote to leave the pound will go up and down depending on our policies compared to other countries policies, as it has done for many years all the time we have been in the EU. The Bank decided on loose money in 2016 so the pound fell, and has decided to tighten money this year so it is rising.

Yesterday we learned that another 55,000 jobs were added to the total in the three months to February. Employment is up by 427,000 compared to a year ago, with most of the new jobs being full time. This takes unemployment down again to 4.2%, way below the average levels in the Eurozone. Pay went up by 2.8%, so we are back with real increases in pay now inflation is subsiding. There has been no fall in real incomes since the vote. Unemployment is well below the levels prior to the vote and pay in money terms is rising faster now than in 2016.

The UK economy is good at generating extra jobs. Now we need to encourage businesses to put more capital into boosting productivity, so we need fewer new people to come in to the UK to take low paid jobs, and so we can boost pay more for people already working and living here.

The relentless drive to political union

The EU rests on the four freedoms – the free movement of goods, people, capital and ideas. It central political driver is now the Euro. The UK has never been willing to join the Euro, with around 80% of the public opposed and both major political parties against in practice. Many UK voters also have reservations about freedom of movement, which has meant successive UK governments have kept us out of the Schengen common border arrangements and have sought derogations or opt outs on other features like access to benefits.

The UK is therefore being a good European by withdrawing from the EU, because it is unable and unwilling to join two of the crucial founding policies of this Union. Our position has become extremely difficult, seeking to hold up or dilute policies designed to promote greater union. We have also been consistently unwilling to pay more into the budget to help the development of the Euro area.

A single currency needs a sovereign state with its taxpayers to support it. It needs large transfer payments from the richer parts of the zone to the poorer parts. It usually needs a common benefits system, large transfers through such a system, and further large transfers through local and regional government financing from the centre. The Eurozone has not yet been able to develop all of these mechanisms or to route sufficient cash through the mechanisms it does have to transfer money from rich to poor. The UK leaving will allow the Eurozone members to have a better debate over how far they need to go and have a wish to go to buttress their currency with proper arrangements to transfer cash and to even out minimum income levels around the zone.

Currently the Eurozone manages to live with a huge surplus run up by Germany, and large deficits incurred by Greece, Italy, Spain and Portugal through financings via the European central Bank. This Bank accepts an interest free deposit from Germany and lends it on to the countries and their banks that need the extra money. It would be wise for the zone to consider longer term and more usual ways to handle the need for large transfers within a currency zone. Free of UK membership there can now be a much closer identity between the EU and the single currency it sponsors.

Good retail sales in March 2018

The British Retail Consortium reported a few days ago that March retail sales overall rose by 2.3% year on year. They said "This is above the 3 months and 12 months moving averages of 1.8% and 1.9% respectively but is positively distorted by the timing of Easter."

Today's more detailed news is that sales on the High Street fell by 8.6%, with a much smaller decline in shopping centres and good rises on line. None of this has anything to do with Brexit. There is a strong trend for people to buy more on line and less in shops, probably speeded up in March by the dreadful weather. Food sales were particularly strong In March , with a rise of 5.3%.

Some people like to report part of the retail sales story, usually quoting so called like for like in shops, to give a gloomy answer.

Lecture at Middlesex

On Thursday evening I gave a lecture at Middlesex University about the long period of the UK's membership of what became the European Union, and why it led so many UK voters to conclude we will be better off out.

Two things were most neglected in the Referendum thanks to the dominance of the Remain campaign and the Establishment behind it in driving the media agenda. These were the economic damage that membership did to the UK, and the plans of the EU to move onto political as well as full monetary and economic union. I will consider these today and in later posts.

We need to examine the EU's love of austerity policies. They are embedded in the Maastricht Treaty, and apply to the UK as well as to Euro members, though without the same enforcement mechanisms for us as for a Euro member. Maastricht says that no state should borrow more than 3% of GDP in any year, and all states should bring their state debts down to 60% of GDP. This latter requirement forces a country like Greece to try to run a budget surplus, and lies behind Chancellor Osborne's wish to repay debt in the UK. Each year the Treasury reports on our public finances against the Maastricht requirements, and each year we have a Parliamentary debate about our progress or lack of it in hitting these targets.

Our membership of the EC began badly with a deep recession in the middle 1970s. Whilst this was not directly caused by our EEC membership, it did lead some people in the 1975 referendum to doubt there would be economic gains from membership. Our presence in the EC did not begin with a surge of new business from joining the Customs Union. In the first decade the removal of all tariffs from manufactures where we were relatively weak allowed continental countries led by Germany to boost their exports to us greatly, helping destroy jobs and factories here at home. Conversely a lack of market opening in services where we were stronger meant we ran perpetual large balance of payments deficits.

The worst impact of the EU on us came from their requirement that we join the Exchange Rate Mechanism. This gave us a boom/bust nightmare – entirely predictable as I wrote in a pamphlet prior to the event. We lost 5% of National Income and Output from the slump it caused. The 2016 referendum was our first chance to vote on the EU's role in that disaster. The UK government that was the agent of it had long since perished at the ballot box as electors removed the EU's agent of recession in the 1997 election.

The austerity policies in Greece, Ireland, Spain and elsewhere have been of altogether much greater magnitude than in the UK where we have broken the rules by more and for longer on debt and deficit. In Greece there have been endless rounds of cuts including large cash cuts in pay and pensions which we in the UK have rightly never considered. These policies have been deeply damaging to their economies, resulting in high unemployment and excessively high youth unemployment.