

Labour sets out to get the U.K. to grow the fastest in the G7

Here's the main aim of the Labour Manifesto. I fully support it. So did Liz Truss. It just shows how varied and wide an appeal it has.

Growth needs to be per capita growth. It needs to be productivity raising, wage increasing growth. We do not want GDP growth based on inviting in more and more people to take low skilled jobs for low wages. That way lies further demands for more homes, more hospitals, more schools, more public spending.

Labour is less clear over how it will bring this about. They want the private sector to build more homes. They suggest that simply setting top down house building targets in revised planning guidance will release extra plots for building and will resolve the matter. This is unlikely. The Conservatives used to set these targets but did not get building up to the 300,000 a year Labour wants, though they did increase the rate.,

Last year in England there were 1.1 million plots with housing permission available but the builders did not hit the 300,000 target. That had little to do with planning permissions and much to do with the Bank of England. The Bank deliberately sold bonds to drive mortgage rates up and kept short term rates high to reinforce the dear mortgages policy. They thought it necessary to drive rates up to stop people building and buying homes. That was a key part of their policy to correct the bad mistakes they had made with money and inflation in 2021-2.

Insufficient homes were built because they are dear, mortgages are scarce and interest rates too high to be easily affordable for many. Labour needs to address the cost of homes, made higher by Stamp Duty and other taxes, and above all by the cost of credit.

Meanwhile more planning permissions take time to filter through as it takes years to get all Councils to change their local plans in response to new guidance.

If the priority is more affordable housing for rent or sale then it will need substantial uplifts in state spending on capital investment and subsidies. To avoid this being inflationary there needs to be expansion of the trained domestic building workforce and more capacity in leading building materials and components.

I will comment on other parts of the Growth plan in later blogs.

Why the Conservatives Lost

There were many reasons given by people who had voted Conservative in 2019 as to why they switched their votes or abstained. I will attempt here to distill the main things that went wrong that lost the government support.

The long and strict covid lockdown

Many people disliked the lockdown and thought it wrong. Government failing to apply all of the rules to itself angered many more. Young people missed out badly on school and social activity. Some self employed and small businesses were badly damaged. Ideas proposed by some Conservative MPs to reduce the duration and exempt more people from the lockdown were rejected. The Opposition parties urged more severe and longer lockdowns, but government owns the policy as it implemented it.

The sharp rise in inflation

The government allowed the Bank of England to print excessive amounts of money in 2021, a recovery year. The first £300 bn in lockdown year made sense to offset some of the economic damage lockdown did. The Bank made this mistake in line with the Fed and European Central Bank. The Chinese, Japanese and Swiss Central Banks did not announce more money printing and bond buying and kept their inflations around 2%.. The Opposition supported this Bank policy but were very critical of the resulting inflation. The government had to own the results of bad Central Banking. The Bank of England could not even forecast the inflation let alone control it as they should.

The rise in taxes

The high costs of support to people and public services during covid led to big increases in public spending. OBR/Treasury rules kicked in and forced tax rises. Labour supports the failure to raise Income Tax thresholds, one of the main ways of raising tax. Conservative voters felt badly let down as they expected the government to offer lower taxes, not higher. They became critical of excess spending which included the costs of lower productivity, Bank of England losses, waste and excess in NHS covid procurement, big cost overruns on HS 2 etc

The large numbers of migrants

The 2019 Manifesto promised lower migration. Conservatives assumed there would be fewer new arrivals from the EU with the ending of free movement, as there were. They did not expect a very large increase in non EU migration instead. In January 2024 the government was persuaded to tighten the eligibility rules substantially to cut numbers significantly. The election came too soon for people to see the impact this is now having to control numbers, and too soon to allow the government to toughen rules further if numbers are still too high.

Too many changes in government

Three different Prime Ministers and many changes of Ministers made it difficult for government to sustain a strategy or for Ministers to be in full command of their briefs and their departments. This added to public frustrations.

The values of my website.

This website is written by me. It is not a Conservative party website. I hold no office in the Conservative party and have not been asked to advise or assist them.

My prime aim on this site is to provide good quality independent analysis of current economic and political issues. I will aim to set out the views of the main decision takers and influencers and seek to forecast what they may do or what results we might expect.

A secondary task will sometimes to make a case or help a campaign for policy change that could raise the prosperity, sustain the freedoms and improve the quality of life of people living in the U.K.

I will criticise government and leading institutions where they are doing harm or missing opportunity and support them where they are right. I will continue my campaigns for changes to the OBR economic policy framework, to the methods of the Bank of England, to the bond sales, to features of the net zero strategy, to the numbers of visas granted, to tax policy and other matters.

Where I am not providing a neutral critique of policy and events but pursuing an agenda for change I will have my principles and experience in mind. Lower and fewer taxes usually bring better growth and more revenues. Free enterprise solutions through competition and choice give the best answers for many of our needs. Government does need to intervene to help the ill and disadvantaged and should do so providing high quality service. Much more can be done to boost public sector productivity, quality and real wages. Freedom and democracy are always better than tyranny. National self government accountable to electors is better than world and regional Treaty based instructions.

I will return regularly to the growing gap between US economic success and poor European performance. I think controlling migration numbers is central to easing pressures on services and to boosting real wages and increasing worthwhile jobs for U.K. citizens. I will explore the UK's relative success compared to the EU in embracing technology and expanding services exports, whilst showing how we missed out compared to the US over the main digital Revolution.

Contributors are welcome, especially if they bring insights or information to the topics covered. I will not be posting items that wish to make cheap

political points or insist on disagreeing with everything I write however stupid the resulting response. If you want to complain about Conservatives communicate with a Conservative site.

[U.K. trade booms](#)

I keep reading nonsense that says our trade has fallen owing to Brexit.

The latest official figures tell a different story. U.K. exports grew by 50% between 2016 and 2023. That is well ahead of inflation. It was led by a 70% increase in services, the largest part of our export total. Exports of goods rose 31% in cash terms.

The U.K. has been reducing the share of its trade with the EU over many years, both from within and from outside the EU. The U.K. has embarked on a major net zero transition which leads to making far less where manufacture needs fossil fuel as energy and feedstock. This affects goods exports to anywhere in the world.

Since Brexit the U.K. has leapfrogged to second largest exporter of services after the US. We have also benefited from a surge in inward investment into greenfield projects. We were the third largest recipient of greenfield FDI over the last twenty years, and have risen to second in 2021 and 2022. In 2022 the U.K. attracted 3 times as much as Germany and 4.5 times as much as France.

In the Brand Finance index of soft power the U.K. has risen to second place since leaving the EU. That is not surprising as the U.K. has regained its place and vote at the WTO, joined the TPP, helped set up AUKUS and been an important leader of NATO after the US.

[Check the Lib Dem "facts"](#)

Lib Dem's revel in false "facts". Everywhere I go I see large signs saying "Lib Dems winning here". On past form and present polls in a majority of these cases it will be a lie as they will lose again. It is a bad form of lie, the self serving lie. They think people will vote for them if they pretend lots of others will. Very often most people have no wish to vote for them, so learning they might win is not going to change it.

Their latest national leaflet tells me "Labour are in third place in large parts of the country". Not in the polls the rest of us read.

It says they will “double nature” by 2050. What does that mean? How? Surely their actual plan is to convert more farms to solar and wind installation and put up many more pylons for grid, industrialising the landscape.

They say they “will bring down household energy bills by taxing the profits of gas companies to deliver the savings”. How? Surely charging more for gas to pay the tax puts our gas boiler bills up? There is no policy to give us free heat pumps to stop us burning gas. No policy to avoid power stations burning gas when the wind does not blow.

They say they will “deliver real protection for people against rising mortgage and rent payments”. As a party that pursues more regulatory controls on landlords leading to less rented accommodation I do not see how that works. Mortgages are mainly determined by the Independent Bank of England, an institution they support. So how would they get rates down?

It is high time Lib Dem’s were more thoroughly fact checked. They combine self serving endless messages about how they think people are going to vote with wish lists detached from reality.

I see green Ed took an internal flight the other day. He should practice what he preaches about modes of transport. He did not have to organise such a long distance tour criss crossing country in a way designed to maximise the use of fossil fuels.