

The pound rises

Much of the media and some commentators were keen to give prominence to any fall in the pound after Brexit. They claimed it was the result of Brexit, ignoring the falls before we voted. They said it would lead to higher inflation in the UK than elsewhere. So far our increase in inflation has been mainly owing to oil prices, and is less than the US with a stronger currency and similar to Germany's.

Will they today report the further surge in the pound, now 8% higher than its recent low against the dollar and Euro? Will they offer a political explanation for the improvement, as they claimed for the fall? And will they now predict less inflation as the pound rises? Don't hold your breath.

Shakespeare's England – thoughts for England's day, and the celebration of Shakespeare's birthday.

Some of you wondered why I did not say more on St George's Day. The reason is I was to give a St George's day talk on Thursday, and wanted to give it to the audience first. I would now like to share it more widely.

SHAKESPEARE'S ENGLAND

THE ONCE AND FUTURE COUNTRY

The past is a foreign country, they say.

Our Elizabethan and Jacobean ancestors lived different lives in many ways

There were no cars, planes or trains. Fast travel meant frequent changes of horses.

Most people got around on foot. They walked long distances but their range was limited to the local towns and villages.

They had no tv, radio, internet or mobile phones. Messages spread by word of mouth, by printed tracts and almanacs, or by sermons on Sunday.

The printing press was their revolutionary technology which brought them more news and views. Entertainment came from strolling players, music and songs at home and in the taverns, and from the new theatres in London.

Their politics was gripped by violent arguments over religion, with the central struggle between Catholics, Protestants and Puritans behind much of the faction fighting. Parliament spent time debating the liturgy, altar rails, smells and bells, bishops and the Bible.

Rich men as well as women displayed their financial success by dressing in fine brightly coloured silks, furs and lace. People carried weapons for self defence and quarrels could result in duels.

The labouring poor rented property and struggled to make ends meet. Food had to be preserved, pickled, or smoked to see them through the winter. There was no refrigeration or foreign imports of fresh produce when the larder was empty.

Were they to be able to visit modern London they would be stunned by its wealth and prosperity, amazed by its technical skill and variety of entertainment, bowled over by the pace of transport and the brilliance of electricity.

Shakespeare would doubtless be surprised that a replica of his theatre was here on the south bank. He would probably want it to use the best of modern techniques to thrill when he had learned what we can now do.

Shakespeare's past is well documented by the family properties which have survived, less well understood from the absence of revealing letters and account books covering his business and domestic dealings.

So why do we pause to study the Tudors and Jacobean so much when they are long gone and so different? It is not just curiosity about past times, nor a wish to be smug how much better off we are. It is because there are so many familiar features in our Elizabethan past that strike a chord.

Some features of Shakespeare's life are not the only continuity to today. England was ruled by a strong and successful woman. She was in a long running dispute with another powerful woman, the Queen of Scots. Before the union of crowns the border between Scotland and England caused uncertainty. Sound familiar?

Elizabeth's father had stumbled into changing England's relationship with the European neighbours. He had taken us out of the power of the Pope and the laws and court system of the Papacy. He asserted England's independence and his authority through important UK legislation. "This realm of England is an Empire, governed by one supreme Head and King" thundered the Parliamentary Statute in defiance of the Papal curia. England moved to independence regardless of the threats of the continental Catholic powers who would have it otherwise.

One of the pivotal political events in Shakespeare's life was the defeat of the Spanish Armada. In 1588 The mighty Catholic fleet undertaking the empresa or conquest of England was wedged on Flanders mud fleeing English fire ships or dashed against Scottish rocks as they ran for home the long way round. England turned outwards to Asia and the Americas in search of more

trade and early colonies.

The second defining moment was the attempt of conspirators to blow up the King and government in Parliament in 1605, with echoes in our own age when terrorists sought to murder the UK Cabinet and senior figures of the governing party with the Brighton bomb. We still commemorate the Jacobean attack on Bonfire Night.

Contemporary England in the second half of the sixteenth century had put behind it the ugly civil wars of the Roses. Aristocrats, gentlemen and ladies turned to the pastoral and peaceful arts of farming, gardening, building wonderful country mansions. Many houses sported glass windows for light and greater warmth, good hearths as the source of good food and hot water, better furniture and rich cloth hangings. The Elizabethan gentleman sought more wealth and income from property ownership. Merchants, traders, bankers and professionals amassed fortunes from their work. London emerged as one of the world's great cities, overshadowing the rest of the country. Does any of this sound modern?

Halls Croft on the edge of Jacobean Stratford shows us how well housed Shakespeare's daughter and her doctor husband were. Maybe their comfortable domestic surroundings with a good garden owed something to Shakespeare's own achievement at New Place where he had built a large mansion for his own later years out of the profits of his thesbian enterprises.

The romance that surrounded the Queen throughout her long reign was deliberately built up by male song writers, poets and courtiers. Elizabeth encouraged the cult of Gloriana. (pictures) She made a virtue of her virginity. Her shrewd political head and sense of England's history kept her from marriage. She did not wish her power to be rivalled or circumscribed by a male consort. Fresh from surviving smallpox early in her reign, Elizabeth may also have wished to avoid the dangers of giving birth, which was a hazardous feature of Elizabethan married life.

Shakespeare himself did little to fan the flames of the Gloriana cult. His plays portray many realistic powerful women. There is the evil Lady Macbeth egging on her husband to worse crimes. In Twelfth Night Countess Olivia owns and runs the household and has to deal with an ill behaved elderly male relative. Beatrice in Much Ado about Nothing is a wit and a match for Benedict. Both think marriage brings all manner of inconveniences to their independence before love captures them. Even Kate in Taming of the Shrew is no shrinking violet at the start of the play. Though the apparent victory of male power is not to modern tastes, the audience cannot help but think that such a talented and headstrong woman would only put up with her husband's control all the time it suited her to do so. Elizabethan society was used to powerful widows with independent means, landed interests or flourishing businesses.

The professional classes and the skilled artisans preserved their pay differentials and their dignities by belonging to professional bodies or guilds. The lawyers of Middle Temple allowed the use of their fine Hall for plays, claiming the first production of Twelfth Night. Shakespeare himself

was an actor as well as a writer, earning decent money alongside great actors who could command good fees.

So what of England? Like many of my fellow citizens, I am at peace with its history. I understand its past struggles, take pride in its many achievements, and can live with its past mistakes. I see England as a beacon for freedom, a pioneer of democracy, a country of enterprise and adventure, a country of global ambitions with human scale and understanding. To many around the world Magna Carta, the Restoration settlement of 1660 after the civil war, the long struggle against Napoleon and the resistance to Nazism are legendary victories that reverberated well beyond England's shores. Much of England's romance is shaped or developed by Shakespeare in his history plays, and in his detailed portraits of contemporary life.

England willingly merged much of her identity into the United Kingdom in a series of progressive changes to her relations with Scotland, Wales and Ireland. England on her own in the Middle ages was one of the first European countries to take political shape with a unitary government commanded by a King. This kingdom soon developed a doughty independence of mind. It took early and influential steps towards the rule of law, recorded and extended the rights of citizens and progressed to eventual democratic control. The story of England in its early days is one of how powerful men managed to control the executive and carve out for themselves and others inalienable rights.

By Shakespeare's era England fashioned a language of freedom and polished the idea of an Englishman's liberties. The great achievements of the Bible in English, the Book of Common prayer, and much of Elizabethan drama and poetry defined a nation and created a common culture. Parliament favoured limited government, rejected standing armies at home, and saw to its own defence at sea. Step by step Parliament wrestled control from the Crown, primarily by gaining control over the raising of tax and the spending of money.

In the twentieth century England was one with the United Kingdom. Representing 86% of the people and income of the whole, England willingly waved the Union flag, sang the Union's National Anthem at its own events, and showed tolerance to the smaller countries that had joined the Union. The loss of the Irish Free State after an unfortunate and bitter struggle determined English politicians thereafter that our union has to be a union of volunteers. In recent years Scotland has tested its own wish to remain in the ballot box, and all three of the other parts of the Union have been given substantial devolved powers.

To me England is the once and future country. One of its most famous kings is Arthur, a figure more of legend than of historical record. No-one today expects Arthur to come again, but many now anticipate an awakening of England as a vibrant democracy and cultural centre. Removed from the political maps, it has not proved possible to erase England from people's hearts or to forget its impressive contribution to world freedom and democracy today. The more some have tried to split England up into artificial regions and to balkanise the great country, the more there has been a resurgence of belief and love for it. Where once many were persuaded our flag had been demeaned by

extremists, today we can be proud of it again.

This week we also celebrate England's greatest writer. He towers over the world literary stage four hundred and one years after his death. He is a world brand, a commercial phenomenon, the inspiration for many operas, novels and other works. For many versed in English literature his characters are part of their network of personalities, helping readers to understand human nature better.

Shakespeare often sets the down to earth and human scenes against the grand politics of the principal characters. In Henry V, the apogee of kingship and fine virtues, he also traces the formation of a company of soldiers determined to avoid danger, whilst getting in the way of drink and profit

[Henry V: Act 2, Scene 1](#)

NYM

For my part, I care not: I say little; but when time shall serve, there shall be smiles; but that shall be as it may. I dare not fight; but I will wink and hold out mine iron: it is a simple one; but what though? it will toast cheese, and it will endure cold as another man's sword will: and there's an end.

BARDOLPH

I will bestow a breakfast to make you friends; and we'll be all three sworn brothers to France: let it be so, good Corporal Nym.

PISTOL

A noble shalt thou have, and present pay; And liquor likewise will I give to thee, And friendship shall combine, and brotherhood: I'll live by Nym, and Nym shall live by me; Is not this just? for I shall sutler be Unto the camp, and profits will accrue..

Shakespeare's genius lies in his ability to capture the timeless in human nature. His characters are immortal, though rooted in Elizabethan and Jacobean England. We have all met modern examples of the decency of Cordelia, Lear's one honest but loving daughter. We have encountered the evil of Iago, who thought any criminal means were justified to bring down Othello. We have admired others with the bravery of Henry V. We have witnessed some with the factional strength of Bolingbroke, besotted by the ambition to become King as Henry IV. How many have we met, with the pretensions of Falstaff to be greater and more influential than he was? Whilst Malvolio's puritanism and dress style are of the sixteenth century his pomposity and absurdity is timeless. They are at one and the same time of their age and of every age.

Shakespeare was rooted in England. He was both countryman, living in rural Stratford, and Londoner, living in the melee of the busy and fast growing Elizabethan metropolis. He knew his flora and his fauna, and writes intricately of the seasons, the weather and the harvests. He observed

minutely the mores and opinions of the many and varied people that traded, landed and lived in the capital. He wrote of their divergent religions, values, embassies and business. Today some think the Merchant of Venice too harsh. If we look more closely Shakespeare reminds us forcefully that Jews and Christians share a common humanity and are of the same flesh and blood.

In *Midsummer Night's Dream* Titania the Queen of the fairies tells us how out of joint the world has become through her raging dispute with Oberon the fairy King. Shakespeare draws on his meticulous observation of England's seasons and landscapes to make the point

A Midsummer Night's Dream: Act 2, Scene 1

TITANIA 93 The ox hath therefore stretch'd his yoke in vain, 94 The ploughman lost his sweat, and the green corn 95 Hath rotted ere his youth attain'd a beard; 96 The fold stands empty in the drowned field, 97 And crows are fattened with the murrion flock; 98 The nine men's morris is fill'd up with mud, 99 And the quaint mazes in the wanton green 100 For lack of tread are undistinguishable: 101 The human mortals want their winter here; 102 No night is now with hymn or carol blest:

Shakespeare's England is written into all the plays, whether they are ostensibly set at home or more usually in some more exotic location. *The Merry Wives of Windsor* is unique in its home location and portraits of the emerging middle class of contemporary England. Decent Mr Page and Mr Ford represent the comfortable men of some property and business that flourished as England grew more prosperous. We first meet Mr Page talking of eating venison and discussing his greyhounds. Their wives are to outwit the drunken and lewd Sir John Falstaff, who seeks to use his attachment to the court and his knighthood to win illicit favours of moral matrons. The Forest of Arden features in the plot of *As You Like It*, woodlands well known to the author close to the haunts of his Stratford family. When we hear description of the grassy banks and leafy glades in *Midsummer Night's Dream* it could as well be set in the rural England Shakespeare loved.

He is often kindly disposed to the beauties of the nature he was used to here at home. He portrays sylvan innocence and plenty in his comedies, contrasting shepherds and country folk, with people from the court. His rural settings have poor people with food to eat and gainful employment alongside the rich and powerful.

His portraits of working men capture the variety of Elizabethan society. The mechanics in *Midsummer Night's Dream* number a carpenter, weaver, bellows mender, tinker, tailor and joiner. Elsewhere we meet lawyers and constables, justices and soldiers, treated with satire in mind. Whilst he makes fun of many of them and gives them impediments of speech and understanding, there is often a loving tolerance of their foibles.

Between the court and the country lies the world of the jesters and fools.

They often bring wisdom and judgement to the whirl wind actions of the principals. Perhaps the best known soliloquy is the one by Jacques in As You Like it:

All the world's a stage

(From As You Like It Act II Scene VII)

Jacques to Duke Senior

All the world's a stage,
And all the men and women merely players;
They have their exits and their entrances,
And one man in his time plays many parts,
His acts being seven ages. At first, the infant,
Mewling and puking in the nurse's arms.
Then the whining schoolboy, with his satchel
And shining morning face, creeping like snail
Unwillingly to school. And then the lover,
Sighing like furnace, with a woeful ballad
Made to his mistress' eyebrow. Then a soldier,
Full of strange oaths and bearded like the pard,
Jealous in honor, sudden and quick in quarrel,
Seeking the bubble reputation
Even in the cannon's mouth. And then the justice,
In fair round belly with good capon lined,
With eyes severe and beard of formal cut,
Full of wise saws and modern instances;
And so he plays his part. The sixth age shifts
Into the lean and slippered pantaloon,
With spectacles on nose and pouch on side;

His youthful hose, well saved, a world too wide
For his shrunk shank, and his big manly voice,
Turning again toward childish treble, pipes
And whistles in his sound. Last scene of all,
That ends this strange eventful history,
Is second childishness and mere oblivion,
Sans teeth, sans eyes, sans taste, sans everything.

Just as today some of the brightest choose to be acerbic media commentators or scurrilous sketch writers, claiming to offer a mirror of truth to power, so in Shakespeare's time the great and mighty licensed fools to tease and challenge them. From Lear's Fool to Costard, from Jacques to the players in Hamlet these characters provide a moral commentary and help the audience understand the choices before the powerful. They are a crucial part of Englishness. England as a country has a long tradition of scatological and irreverent commentary on those who practise government and the law. An anti-clerical country, we have a natural scepticism about those who claim superior wisdom, who claim the right to govern, and those who seek to preserve mysteries beyond the artisan's understanding. The Fools stand up for the underdogs, ever popular in the English tradition of self-deprecation.

So what was this England that Shakespeare so stroked with magical words? It was a country at peace for a century after being riven by bloody civil wars. It was a country beginning a most extraordinary flowering, as a maritime and trading country, as a centre of great music, drama and poetry, as a power in Europe that could stand up to the superpower of the day, Spain. England was growing together, was becoming more prosperous. It was a land with more brick homes and more chimneys, more hearths and better food, more trade and more exotic products, more ships and more sheep, more cloth and more technology. London was bursting out, with a population above 200,000.

Shakespeare's history plays have but one enduring hero, England. The plays chart the troubles and dramas which disfigure the body politic, interrupt prosperous commerce and at times overturn the natural order. The plays set bastard against legitimate heir, strong man against weak monarch, faction against faction, north against south, England against France, even father against son. Despite all this England shines through, greater than any King, always present. The plays point crookedly towards a better future. For Shakespeare the histories culminate in an England at peace under a mighty and much loved monarch Elizabeth I. Such is her achievement that the kingdom can pass without dispute to James of Scotland. Shakespeare himself can praise the new King whilst questioning his old kingdom in the dark and very frank account of Scottish politics in Macbeth.

I dwell on the history plays because they are about England. I also draw most from Henry V. Henry V is the nearest we reach to Shakespeare's vision of ideal kingship. Trained partly in the taverns of Eastcheap, influenced but

not ruined by Falstaff and the drinking boys, as a King Henry has the common touch alongside the royal virtues of bravery and moral purpose. Under him England begins to live up to Shakespeare's expectations as an important power. Shakespeare never wrote a play expressly about the achievement of Elizabeth. The speech from his Henry VIII points to the crowning glory of England's achievements under the great Queen and has to suffice.

Henry VIII Act V, Scene V speech on the birth of Elizabeth "This royal infant..."

SCENE V. The palace.

CRANMER

Let me speak, sir, For heaven now bids me; and the words I utter Let none think flattery, for they'll find 'em truth. This royal infant—heaven still move about her!— Though in her cradle, yet now promises Upon this land a thousand thousand blessings, Which time shall bring to ripeness: she shall be— But few now living can behold that goodness— A pattern to all princes living with her, And all that shall succeed: Saba was never More covetous of wisdom and fair virtue Than this pure soul shall be: all princely graces, That mould up such a mighty piece as this is, With all the virtues that attend the good, Shall still be doubled on her: truth shall nurse her, Holy and heavenly thoughts still counsel her: She shall be loved and fear'd: her own shall bless her; Her foes shake like a field of beaten corn, And hang their heads with sorrow: good grows with her: In her days every man shall eat in safety, Under his own vine, what he plants; and sing The merry songs of peace to all his neighbours: God shall be truly known; and those about her From her shall read the perfect ways of honour, And by those claim their greatness, not by blood. Nor shall this peace sleep with her: but as when The bird of wonder dies, the maiden phoenix, Her ashes new create another heir, As great in admiration as herself; So shall she leave her blessedness to one, When heaven shall call her from this cloud of darkness, Who from the sacred ashes of her honour Shall star-like rise, as great in fame as she was, And so stand fix'd: peace, plenty, love, truth, terror, That were the servants to this chosen infant, Shall then be his, and like a vine grow to him: Wherever the bright sun of heaven shall shine, His honour and the greatness of his name Shall be, and make new nations: he shall flourish, And, like a mountain cedar, reach his branches To all the plains about him: our children's children Shall see this, and bless heaven.

Meanwhile, we can all enjoy again the passion of Henry's St Crispin day speech, a peason to our country, to honour and to bravery.

If we are mark'd to die, we are enow To do our country loss; and if to live, The fewer men, the greater share of honour. God's will! I pray thee, wish not one man more. By Jove, I am not covetous for gold, Nor care I who doth feed upon my cost; It yearns me not if men my garments wear; Such outward things dwell not in my desires: But if it be a sin to covet honour, I am the most offending soul alive. No, faith, my coz, wish not a man from England: God's peace! I would not lose so great an honour As one man more, methinks, would share from me For the best hope I have. O, do not wish one more! Rather

proclaim it, Westmoreland, through my host, That he which hath no stomach to this fight, Let him depart; his passport shall be made And crowns for convoy put into his purse: We would not die in that man's company That fears his fellowship to die with us. This day is called the feast of Crispian: He that outlives this day, and comes safe home, Will stand a tip-toe when the day is named, And rouse him at the name of Crispian. He that shall live this day, and see old age, Will yearly on the vigil feast his neighbours, And say 'Tomorrow is Saint Crispian:'

We few, we happy few, we band of brothers; For he to-day that sheds his blood with me Shall be my brother; be he ne'er so vile, This day shall gentle his condition: And gentlemen in England now a-bed Shall think themselves accursed they were not here, And hold their manhoods cheap whiles any speaks That fought with us upon Saint Crispin's day.

Henry V Act 2 Prologue, Chorus – "Now all the youth of England are on fire"

PROLOGUE

Enter Chorus

Chorus

Now all the youth of England are on fire, And silken dalliance in the wardrobe lies: Now thrive the armourers, and honour's thought Reigns solely in the breast of every man: They sell the pasture now to buy the horse,

O England! model to thy inward greatness, Like little body with a mighty heart, What mightst thou do, that honour would thee do, Were all thy children kind and natural!

The fitting end to this tribute to Shakespeare's England must lie in John of Gaunt's immortal words. He captures the magic and majesty of our country, damaged though it is by civil war and human failings.

Richard II Act II, Scene I, John of Gaunt "This royal throne of kings, this sceptre isle..."

JOHN OF GAUNT

This royal throne of kings, this scepter'd isle, This earth of majesty, this seat of Mars, This other Eden, demi-paradise, This fortress built by Nature for herself Against infection and the hand of war, This happy breed of men, this little world, This precious stone set in the silver sea, Which serves it in the office of a wall, Or as a moat defensive to a house, Against the envy of less happier lands, This blessed plot, this earth, this realm, this England, This nurse, this teeming womb of royal kings, Fear'd by their breed and famous by their birth, Renowned for their deeds as far from home, For Christian service and true chivalry, As is the sepulchre in stubborn Jewry, Of the world's ransom, blessed Mary's Son, This land of such dear souls, this

dear dear land, Dear for her reputation through the world, Is now leased out,
I die pronouncing it, Like to a tenement or pelting farm: England, bound in
with the triumphant sea Whose rocky shore beats back the envious siege Of
watery Neptune, is now bound in with shame, With inky blots and rotten
parchment bonds: That England, that was wont to conquer others, Hath made a
shameful conquest of itself. Ah, would the scandal vanish with my life, How
happy then were my ensuing death.

England's glory shines through even in her times of adversity.

[Making and growing things at home](#)

The Guardian decided to complain when I wrote on this website that were the EU to take the surprising course of seeking to damage their own trade with us, we would have plenty of options to make and grow things here for ourselves, or to import from elsewhere in the world with lower or no tariffs.

I was surprised that the Guardian seemed unaware that the UK does already make 1.7m cars a year in this country. They seemed to muddle up cars made in UK factories with cars made by UK owned car makers. What matters – and what I was clearly talking about – was cars made in UK factories. If the factory is here so are the jobs, the sales, the profits and the investments. The Guardian should not be so dismissive of the great work done by Nissan, Toyota, Land Rover and Jaguar, to name but four who make significant numbers of vehicles here in the UK.

Even better news is out of the EU the UK will be free to slash tariffs on agricultural exports from emerging market economies if the EU imposes tariffs on our food imports from them by virtue of charging tariffs on our exports. The UK could remove tariffs on products we do not produce at home, gaining other trading advantages for us with the emerging countries. We could simply remove the tariffs on food we have to buy abroad because it is not available at home just so we can buy more cheaply. We would obviously wish to help our own farmers to grow as much as possible for ourselves.

I have never understood why the EU wants to impose such high tariffs on foods from developing countries, and then pays them aid money as inadequate compensation. It would be better for them if we imported more of their goods.

New Legal Powers to Help Prevent Flooding

Wokingham Borough Council now has new legal powers to help prevent flooding across the borough, following its successful application to the Department for Environment, Food and Rural Affairs (DEFRA) to make land drainage byelaws.

Wokingham Borough Council has published the following press release:

New Legal Powers to Help Prevent Flooding

The Flood and Water Management Act 2010 allows local authorities to make land drainage byelaws to help regulate changes to flows in watercourses, manage obstructions and vegetation, and repair damage to river banks, among others.

Failure to adhere to these byelaws in the Wokingham Borough is now a criminal offence which can be prosecuted in magistrates' courts. This will help the borough council carry out its duties as a highway authority and also as the lead local flood authority.

"The risk of flooding and the impact of new major developments are matters of concern to very many residents and businesses in our borough," said Josie Wragg, interim director of environment at Wokingham Borough Council.

"Although we always try to persuade those who don't act responsibly to rectify problems, it will be useful to have these powers if action is ignored."

Wokingham Borough's specific byelaws give the borough council control over land within eight metres either side from the bank of a ditch. This will prevent development, or any features and structures, from being put too close to the ditch. This will allow the council to protect the natural flood plain, create a 'buffer zone' for biodiversity, and stop properties from flooding.

A six-week public consultation was held last year before the council's application to DEFRA to make sure the views of residents were taken into account.

A copy of the confirmed byelaws can be found on the flooding webpage, under 'useful information and websites' section, on the borough council's website: www.wokingham.gov.uk/community-and-safety/emergencies/drainage-and-flooding/

Additional UK government borrowing continues to reduce

The latest figures for UK government borrowing show it ended the most recent financial year to March at £52 bn, a little below the March 2016 forecast. It confirms that the UK economy has done well over the last year, bringing in extra tax revenues from growth to pay more of the bills for public services. Total state debt stood at 86.6% of GDP on the official definition. If we adjust this for the debt the Bank of England has bought up, the figure falls to 65%.

This level of additional borrowing shows the recovery from the extreme levels of additional debt at the end of the last decade has gone reasonably well, though a bit slower than the original plans in 2010. These figures exclude future state pension liabilities, as they also exclude future tax contributions to pay for those pensions on the pay as you go model all governments have operated. The figures do now include the debts of Network Rail, guaranteed by the government, which the Labour government classified as private sector debt.

There is no need to raise taxes from here to reduce the deficit further. A bit more growth will be the best way of cutting borrowing, as more people get jobs reducing their need for benefits, and as more tax revenue comes in from the growing turnover of the economy.

The aim of policy should be to boost productivity and output by encouraging entrepreneurship, and ensuring government is run more efficiently to assist in economic improvement.