

# The Autumn Statement

Next week the Chancellor presents his Autumn Statement.

It is important he starts to cut taxes. The Conservative party must be the party of lower taxation. It needs to do that as well as say that. It has two main opportunities left before the next General election. It should start now on the downward path of tax rates and numbers of taxes.

It is important he tells the Bank of England to stop selling so many bonds at big losses. The European central Bank who made the same inflationary mistake as the Bank of England in printing too much money and buying too many bonds, is not making the same mistake of selling them too soon at huge losses. Hold the bonds to redemption and the losses will be smaller. Selling bonds now gives us higher mortgage rates, as forcing the price of bonds down puts the rate of interest up. The bond portfolio is fully indemnified against loss by the Treasury whose permission is needed for it. Why do taxpayers have to pay those big losses?

It is important to cut taxes that boost output and or help bring down inflation faster. The tax cuts need to help the self employed, where we have lost 800,000 this decade. Remove the 2017 and 2021 IR 35 Income Tax changes. Boost output by raising the VAT threshold for small businesses so they can expand further. Cut taxes on energy and on petrol and diesel to push prices down.

The Treasury wrongly thinks tax cuts are inflationary. If you pay for them by cutting the growth in public spending they are not inflationary. If you get enough revenue in from the extra growth they are not inflationary. If you borrow money through selling more bonds they are not inflationary. What was inflationary was to have a surge of public spending along with massive money creation and bond buying.

Indeed, helping creating more business capacity to supply more goods and services cuts inflation. Taking taxes off energy cuts inflation.