

The PM's five aims and the Chancellor's 4 E s

I strongly agree with the Chancellor's speech when he said "High taxes directly affect the incentives which determine decisions by entrepreneurs, investors or larger companies about whether to pursue their ambitions in Britain". This was in tune with his own support for a 15% Corporation tax rate when running for Leader last summer. The UK does need to be tax competitive, and has just lost its better place in the table of national tax levels with large recent hikes to Corporation Tax, windfall taxes, IR 35 toughening and other measures.

The Chancellor did not reinforce the PM's wish to end the illegal migrants by boat, though that would of course help control spending where the figures are running away on escalating hotel bills. I am sure he supports the PM, and needs to help him bring it about as quickly as possible. Nor did he reinforce the aim of getting Health waiting lists down. Again with his wish to control spending so taxes can be lowered he needs to take an interest in the 3,500 extra managers and 115,000 extra non medical staff recruited in under 3 years mentioned on this site.

He did reinforce the PM's wish to halve inflation, and spent the rest of the talk discussing the fifth aim, restoring growth. He proposed better education, adding literacy to the PM's stressing of maths. He rightly took up the case of why 1.4 million people say they wish to work yet they cannot get some of the 1m plus job vacancies and we still hear employers wanting to invite more migrants instead. More people already living here getting jobs would be a huge win all round and I wish him and the rest of the government all speed and success with the improved programmes to get more people into work.

He wants the prosperity and jobs to spread everywhere, which is a great ambition. He said he backs the full cost HS 2 project just hours after it had been suggested the government was considering cutting back on the very expensive last few miles in central London. One of the problems is London has enjoyed large capital investment only recently in the Elizabeth line, and many feel railway investment should now do more for the North. It is ironic that a so called levelling up large spend on HS 2 is wholly concentrated in London and the south for this Parliament for a line which will not reach the North this decade.

Above all he backs enterprise, remembering his own success setting up and growing a company before becoming a Minister. He will find this much easier if he does cut taxes on business and investment in what is now a very competitive world to attract footloose money and talent.

I will look in a future blog at the inbuilt pessimism in Treasury, Bank and OBR figures which is being used to discourage him from cutting taxes,.