

We cannot afford tax rises

Tax rises usually do damage. They deter investment, destroy jobs, prevent people spending money, cut business turnover, push rich people out of the country. They are favoured by those who want greater equality from greater misery. Get rid of all the rich foreigners and we will have more equal society, but we will also lose their investment money to create jobs and say good bye to their spending power diverted to competing countries.

The November Financial Statement put up taxes substantially. It also raised the amount we have to borrow massively by 75% compared to the March OBR forecast. This was the direct result not just of the energy cost increases but also the result of the slower growth they had to factor in. High taxes, low growth, excessive borrowing come from each other. Labour proved that by their more extreme excesses on tax in the 1970s when we had huge deficits and a so called brain drain as talent poured out of the country. The government need to grasp that the best way to get the deficit down is to grow faster. To grow faster we need lower tax rates, not higher. We need enough tax incentive for rich people and companies to come here, invest here, spend here. We need to allow more home talent to be self employed, to set up small businesses, to grow larger businesses. Why is one of the UK's greatest entrepreneurs Sir James Dyson having to decry government policy towards jobs and investment?

I will be producing some pieces on how we can have affordable tax cuts in the March budget. They need to be affordable costed growth promoting tax cuts that help increase the number of successful entrepreneurs, attract foreign capital and stimulate investment in the extra capacities we need. If the government is serious about getting inflation down it needs to promote and facilitate more domestic energy supply, more home grown food, more fish landed in the UK, more trees growth for timber here, more steel and ceramics output and the rest that we need to curb imports and increase supply.