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Allister Heath calls it correctly on growth [1]

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Allister Heath, editor of City AM, has an Editor's Letter in Wednesday's paper [3] calling for urgent action to stimulate growth. He is right, and time is running out for the Chancellor to act. Allister calls for Corporation Tax to be slashed to 11 percent (below Ireland's 12.5 percent) and for Capital Gains Tax to be abolished. He says:

"While this sounds drastic, this would immediately up the returns on capital from all UK investments; at a stroke, it would become significantly more profitable for firms to invest and operate in Britain."

Again, he is right, but he points out that in the short term this would increase the deficit. Yes it would, but it would generate so much economic activity that in the medium term it would more than pay for itself. Indeed, it is a sure way, maybe the only sure way, of reducing both the debt and the proportion of the economy taken by government.

He also backs raising the personal allowance (as the ASI does) to take those below the minimum wage out of income tax and national insurance payments altogether, "a job-friendly alternative to a compulsory living wage." And he wants to kick-start a shale energy revolution, a revision of planning laws to boost house-building, and private sector infrastructure projects. To all of this we can only say yes. Yes, it would work, and yes, it must be done now.

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