

# The madness continues - the Tories are urging Northern ...

Published: January 13, 2026, 7:22 am

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From the [Belfast Telegraph](#):

*Northern Ireland should cut a deal on corporation tax now and not worry about "a couple of hundred million" that it would cost, the Secretary of State has warned.*

*Owen Paterson told the Belfast Telegraph: "There are all sorts of good projects for public spending but at the moment the only source of money is the British taxpayer, coming from the Treasury in a block grant.*

*"To be absolutely brutal about that, that isn't going to go on forever."*

*His prediction that cuts are likely to get worse echo the sentiments of Ken Clark, the Justice Secretary, who warned at the weekend that the economy was in a "calamitous state" and that the Government's austerity drive could cause serious political unrest as its full extent sunk home.*

*Mr Paterson was reacting to comments from Finance Minister Sammy Wilson.*

*Mr Wilson told this newspaper that the Treasury's price for devolving power over the tax to Stormont and allowing a cut was "a rip-off". It would cost us around £300m off our block grant to reduce the business tax from the current 28% to the 12.5% charged in the Republic.*

*Mr Paterson suggested we could go as low as 10%, and that it could be reduced in increments as new business was attracted by lower rates and revenue increased.*

*He conceded that there may be some room for movement on cost from the Treasury.*

*"This whole issue will be subject to discussion and bargaining", he said, while urging Stormont to seal the deal quickly.*

*"There will never be a chance like this again. If I fail, no other Secretary of State is going to come along and touch this issue."*

*Low corporation tax was one of the main drivers of the Republic's Celtic Tiger boom.*

The insanity of this is breathtaking. I've just reported that [the Isle of Man](#) and [Jersey](#) are both seeking to commit economic suicide to keep low taxes that they clearly cannot afford and which will lead to the failure of their economies. Now we have the government urging Northern Ireland to do the same.

I have tackled the [issues involved in this publication](#). I doubt there is EU provision to allow this. Owen Paterson is clearly indifferent to this.

But worse - yet again this is the clearest possible sign that this government thinks that subsidies for tax haven abuse are more important by far than providing services to people. Sammy Wilson has this right - he knows the people of Northern Ireland will suffer a terrible cost for this madness. But what does that matter to a Tory? Tax abuse is all they're out to promote and hang the consequences it seems.

There are days when it really seems that the lunatics are taking over the asylum. Today is one of them.