

## The Autumn Statement - a quick reaction

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Four macroeconomic things stand out from the Autumn Statement.

First, Philip Hammond is expecting 'economic headwinds'. He said so and this was the pervasive underlying, mainly unstated, fear that underpinned most of his decisions. In fact, it was why there were so few decisions. Hammond clearly fears Brexit meltdown. That is why he is keeping all he can in reserve.

Second, growth will be weak at best. It was forecast, but even Hammond had to draw attention to the OBR's risk warnings attached to the forecast. And did you notice the talk on inflation? No, nor did I. Maybe that was something he would rather avoid: the bad news there is already unavoidable.

Third, we learned fiscal rules can be abandoned with impunity as Osborne's were rejected without a backward glance. That which replaced it was worse though in many ways. First the books will be balanced, but we don't know when. So that's austerity forever. Second, debt as a proportion of GDP will shrink. That's a licence for privatisation. Third, benefits will be capped. This is a plan for continued shrinking of the state at cost to ordinary people, and the social safety net.

Fourth, the so-called investment plan is peanuts but seems to focus on those hubs of desperation known as Oxford and Cambridge. Everything else was left to the (very) small print.

Let me turn to the micro economy then. First, next year's cruel benefit cuts will continue. And the changed taper on benefits cannot compensate for the failings of Universal Credit.

Second, at the same time the expensive (£6 billion a year) cuts to corporation tax will continue.

Third, steps are to be taken to make sure small business does not get the benefit of these corporation tax cuts. This will be massively divisive in Tory heartlands.

Fourth, personal allowance increases have little impact on poverty. But in fairness increases in the living wage will.

Fifth, the change in rental rules looks good but in buoyant rental markets will soon reappear as real rent increases.

Sixth: was there a sixth? This was an Autumn Statement so bereft of ideas that abolishing the Autumn Statement may be a headline in itself.

But through it all there was one lie, and that is the one about debt. This is not £1.6 trillion. It is £435 billion less because that's how much of the debt the government owns itself. And you can't owe yourself money. But the lie is still told time and again to destroy the chances of ordinary people in this country, all of whom have every reason to be angry as a result.