

## A budget for tinkering as the economy sinks

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Having listened to the budget with the main intention of talking about it on Radio 2 immediately after the Chancellor sat down, and having since been for a coffee instead of pouring over the budget detail, this first budget summary is inevitably going to be broad brush in approach.

That said I can be quite clear as to my concerns. This was a dismal budget where almost everything but the big issues that we face were addressed. At one point I thought Hunt might get down to discussing the postage stamp budget in the DWP, so nitpickingly small were many of the announcements.

As I predicted, what was not said was more important than what was in the speech. There was nothing on interest rates. Nothing too on quantitative tightening. And nothing on the need for more QE. Nothing too on solving pay disputes. On every big issues there was, then, total silence.

Nor was there mention of contagion in European banks as Credit Suisse appears to be tottering on the brink of collapse.

What there was, slipped out quietly, was a 1% spending cap on departmental budgets. If defence, the NHS and childcare get more that means this is going to be even tighter in some cases. Austerity is here to stay in the Tory vision of the future.

So what of what was said?

The energy support is another bung to big energy companies who will continue to laugh their way to the bank.

The childcare support is almost wholly for the middle classes.

The fuel duty cap is another £6 billion subsidy to motorists.

Calling nuclear power environmentally sustainable energy is a slap in the face for common sense.

The supposed tax give away to encourage investment by big business does nothing for small businesses who actually drive most economic growth and who will be getting a real tax increase.

Freeports are now investment zones, and get a bung when letting universities back into Horizon 2020 EU research projects would have been vastly more productive.

There are very real tax increases for almost everyone as rate bands and allowances are frozen. Households will have less to spend then, which is the most bizarre way to drive growth ever invented.

And technically avoiding recession is meaningless when around 7 million households are struggling to pay bills: they are in recession even if the wealthy and big business are not. Distribution matters, and Hunt showed no awareness of this.

But he will be repairing potholes, which is all this government is up to doing.

This was a budget for tinkering as the economy sinks. It was a deeply depressing fiasco. And if banks are in trouble, he could be back at the Despatch Book very soon.