

# Relaunching UKIP

## A New Manifesto for a New Leader 2019

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## **Introduction – The State we are in.**

### **Our Values**

UKIP is a diverse and inclusive political party. Its members come from all walks of life, classes, faiths, races and sexual orientations united by the determination to get Britain out of the European Union. Not all members however joined because of Brexit. Many want to stand up for Freedom of Conscience, Freedom of Speech and Freedom of Choice as well as Freedom for Britain in an increasingly regimented and politically correct society. Many will disagree over subjects such as abortion and other moral issues, but as libertarians we respect the freedom of each to make their own decisions in a free society.

A free society is not a free-for-all. It only works because most people adhere to strongly held moral values whether they are religious or secular. We have a reputation across the world for being kind, polite and considerate towards those around us. We have a strong sense of social responsibility and it is clear to me that a free society not only requires such a commitment, it also breeds it. If you doubt that just look across the Channel where for generations now they have been ruled by Napoleonic Law, which is far more proscriptive than UK law. What we see is a far greater tendency to political extremism and violence as well as to casual rudeness.

If you really want to see what right-wing extremism looks like then look at the recent gains made by the Ekre party in Estonia, which appears to want to establish apartheid between ethnic Estonians and the minority Russian ethnic community in the country and to 'de-Russify' them. They may of course have been misrepresented (not the first time these things have happened!) and there is nothing wrong with positive policies to protect indigenous cultures (Welsh language for example), but if minority persecution is involved then Vladimir Putin has a history of riding to the rescue of Russian minorities by using military force such as in Georgia and Ukraine. There is no reason to suppose he would not do the same in Estonia, which is a member of NATO, and we are committed to come to their defence. This is an extremely dangerous situation and we should make it crystal clear to the Estonians that we will expel them from NATO before that happens if they proceed down that path.

We must resist the temptation to legislate for good behaviour. The law exists to protect us from harm or loss from third parties and to allow us to contract safely with second parties. In a free society it is not there to be patronising or to coerce people into patterns of behaviour purely of convenience to the State. UKIP has been committed to repealing the Human Rights and subsequent snowflake legislation and should remain so. That need not preclude us from introducing something much more tightly defined if social disorder requires it.

Freedom of speech has also recently become a sensitive issue. It is vitally important to hear both sides of an argument before making a judgement. One of the most basic objectives of propaganda is to control the flow of information so that your victims do not hear your opponents' arguments. UKIP has frequently been subject to this form of establishment corruption and we must continue to fight against it. Social media echo chambers are also breeding more and more intolerant groups and we must continue to puncture, with humour as well as argument, hypocrisy wherever we find it. It is particularly gratifying when one of these groups shoot themselves in the foot with their own hypocrisy by trying to have their cake and eat it! To be clear, I would never myself make gratuitous jokes or derogatory remarks about someone's identity or any form of human suffering, but offence claimed consequentially to a serious discussion or satirical sketch must be acceptable. Carl Benjamin did not make a joke about rape; he simply held up a mirror to Ms. Phillips and asked 'How would you like it if I were to make a joke about rape' – a very different matter and an entirely reasonable challenge in the circumstances. It was not even about freedom of speech at all, merely accuracy in understanding, but somehow the issues got mixed up in the aftermath. The pursuit of truth is the cornerstone of our civilisation, and for any who find it too hot in the kitchen the simple solution is to get out of the kitchen.

Another challenge to our principles has been the reaction to youngsters returning from supporting ISIS in Syria. Many have demanded retribution for treachery and stripping them of British citizenship. Later I argue against dual nationality, but I do not condemn anyone to statelessness. There was the case of the 19 year old mother of Bangladeshi origin whom Bangladesh immediately disowned. I suspect many of these youngsters are camp followers and not hardened psychopaths like Jihadi John. They may have felt let down by our culture, possibly excluded from school, and sought something different. They will have been unprepared for the horrors they witnessed and grown up very quickly. They now need to come home, face the music and to recover and reflect.

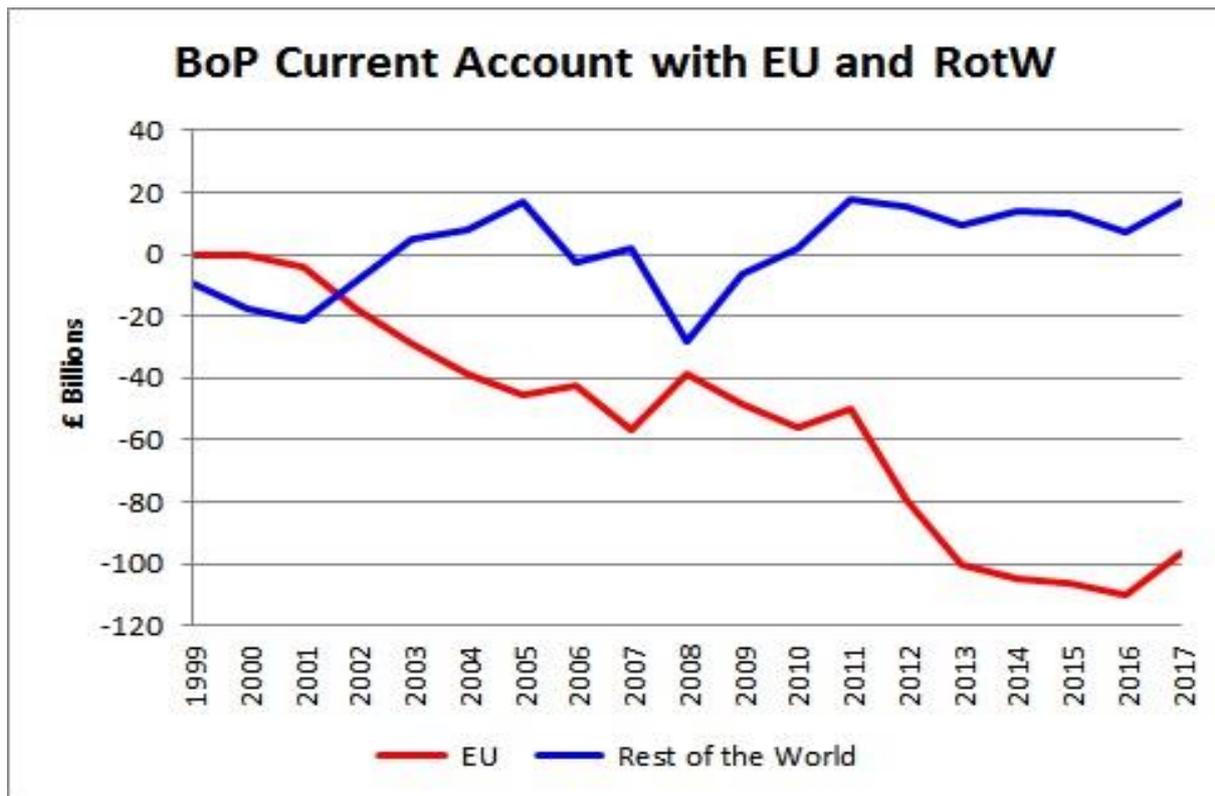
If we react with extreme retribution then in my opinion the terrorists have won. They will have undermined our culture to such an extent that it will have been reduced to an incoherent jumble of animal instincts. We must lead by example with the right balance of discipline and care such as we would expect for our own children. Of course they must be debriefed and the possibly dangerous ones monitored, but most may well explain to their friends and family what really happened and that they made a mistake. That would be one of the best antidotes to radicalisation we could wish for.

These issues, together with the economic, environmental and cultural disasters described below, and with the educational disaster where our schools are failing and excluding slower, disabled and disturbed children, have resulted in a widespread sense that society is polarising and that many are being left behind. Many voted to leave the EU on this general basis and probably do not have any detailed knowledge of the situation in Brussels. If we do not address these issues we shall have failed them and result of the referendum.

This manifesto does not preclude the many other policies featured in previous party manifestos unless explicitly mentioned. The aim is to wrest back control of the political agenda. With these policies we have a unique opportunity to do that.

### The Economic Disaster:

Our experience of free trade, that is trade without tariffs or quotas, within the EU Single Market and Customs Union, particularly over the past twenty years, has been an absolute unmitigated disaster, as this graph of our balance of payments shows.



It has dragged us into deficit, locked us into stagnation, inflated debt to record and dangerous levels, has smothered business with a blanket of suffocating and needless regulation, and has made most of us poorer. This is not some dodgy forecast. This is cold, hard, historical fact. One might have thought we could have mentioned it at some point.

The record levels of national and personal debt are the inevitable consequence of the current account deficit. A trade deficit means people are buying more foreign stuff and less British stuff. Other things being equal it would cause massive unemployment. By borrowing we can replace the lost demand and maintain full employment. But it cannot go on for ever as eventually the banks will pull the plug and we will go down the hole.

If you go on and on blowing up a balloon it will eventually burst. When the debt bubble bursts the consequences will be catastrophic. If we remain in the EU, do any sort of deal with the EU, or leave with an unmanaged No Deal the deficit will just get larger and it is only a matter of time before the debt balloon bursts. In the meantime borrowing on this scale

reduces interest rates which undermines economic growth, which is why we have the productivity gap. In fact we have 'stagflation'; jobs are being created but our standard of living is still going down.

The government claims we have 'real' growth of 1.5%. But this includes around 1% population growth and the remainder is due to an unsustainably overheated and mis-managed economy. Even then the remaining 0.5% or so of real per capita growth is not evenly distributed. Take into account the widening regional, wealth and income gaps and it becomes clear that such growth as we have had has simply been creamed off by the Metropolitan elite. They have protected themselves this way during periods of negative growth thereby driving everyone else even further into poverty, and austerity has ensured that public sector spending has taken a disproportionate hit compared to private incomes.

The significant labour shortages that have developed since the referendum arise because the government has failed to match demand to population. It is no argument to lift immigration controls. The system of demand management put in place by Ken Clarke and Gordon Brown whereby a tightening labour market produced inflation to which the Bank of England reacted by increasing interest rates thereby applying the brakes no longer works. This is because of open borders; the labour market now never tightens to produce inflation in the first place.

The reason this government can boast about record numbers of jobs created (unsurprising in a growing population), lower levels of unemployment and positive GDP growth is because of the overheating economy. This is caused by three factors, two of which they never intended in the first place; the devaluation following the referendum, the restarting of Quantitative Easing (QE), also authorised after the referendum with the issue of a further £70 billion of printed money, and the Help to Buy policy. These are counterbalanced by the depressing effect of the trade deficit which is likely to reassert itself before too long, but for the past three years the stimulating factors have been the stronger. It is an unstable equilibrium.

Proposals by both prospective Conservative leaders to cut taxes to grow our way out of debt and stagnation are misplaced. These will only overheat the economy and increase debt still further.

It is the poor who are the greatest users of our devastated public services, including policing, and those outside London who have suffered most. No wonder most people feel excluded and left behind. That is why so many voted to leave the European Union. They may not have understood the economic details, but they can smell a rotten apple when they see one.

### **The environmental disaster:**

Overpopulation, whether produced by immigration or high birth rates, is causing an environmental catastrophe both nationally and globally. We may not be able to do much

about the latter but we can certainly address the former. Environmental issues include deteriorating health and living conditions in our cities as well as the destruction of the green belt, the countryside and other species.

Global population is projected to peak at around 10 billion before the end of the century, and food poverty to end within the next ten to fifteen years, which is all good news. It is unlikely however that the planet can support these numbers at a developed standard of living. Some may say that we should just allow quality of life to average out around the globe. I reject that idea. All that is required is political and economic freedom, and that is a matter for each country to sort out for itself. There is no evidence to support the theory that international aid has any positive economic impact at all. All it is doing is salve the guilt complexes of some at home.

### **The Cultural Disaster:**

I don't have a problem with diversity, but everything in moderation. When the numbers become as large as this, and when communities quite naturally self-segregate for mutual support, preserve their own cultures and to be near their own places of worship, the result in many parts of the country ceases to be diversity at all and becomes a series of inverted monocultures. When these monocultures expand at the expense of others, including the indigenous culture, you have a recipe for conflict and extremism.

Does the establishment seriously think we should all live in streets with exactly the same proportions of each culture and identity? Nobody wants that. We can be perfectly comfortable with self-segregation and ask for no more integration than that each community is proportionately no more dependent on the state than any other. To force people to live contrary to their wishes is totalitarian nonsense and does not constitute a free society. The requirement for self-sufficiency will drive all the integration that is needed.

We may not be able to reverse the numbers but we can certainly stabilise them. The cultural clash at the boundaries between communities and ethnic cleansing by the expanding groups, combined with the refusal of the establishment to do anything about it, is what drives people to racism and political extremism. This is deplorable and a direct result of establishment inaction. Tony Blair once said we must be tough on crime and tough on the causes of crime. He was right. If you can reduce the cause then you will reduce the effect. You can suppress the few but you cannot suppress the many and maintain a free society. The same applies to racism and political extremism. UKIP's policies must be designed to achieve that, and policies both to balance migration and to balance birth rates between those on benefits and those not are central to this objective.

Ironically our political enemies love to accuse us of racism and political extremism whereas it is in fact they themselves who are responsible for it. UKIP wants our arrogant and ill-informed establishment to listen to people and address their concerns. It is their failure to do this that has caused an upturn in racist incidents since the referendum. UKIP deplores

this development and our policies must seek to reverse it. UKIP is a centre radical libertarian party that strongly opposes all forms of discrimination and extremism, and we could perhaps include such a declaration in our membership joining procedures. We have observed that the police and criminal justice system has failed to bring all criminals to justice equally regardless of their racial or ethnic backgrounds. Indeed there have been many instances where the police have concentrated on persecuting complainants and protesters rather than on catching criminals.

This failure is the essence of Tommy Robinson's testimony from his experience in Luton where he has observed the way Muslim criminal gangs ethnically cleanse the areas they want their expanding community to live in. This has been done at the expense of all other communities including black, Jewish and many others including the indigenous community. Tommy has wondered why Islam is particularly prone to developing cancerous cells which invade their host community, and has written a second book about it, and it is tempting to regard Islam as the problem. I disagree. The problem is criminality and the failure of the establishment to deal with it, not Islam. Islam may have its own internal problems but these should not be considered as any business of the State. Unfortunately Tommy Robinson does not present well, often being highly confrontational, and is not therefore an asset to the party, but I retain huge respect for him and the way he and his family have put up with all the slander and persecution the establishment have heaped upon them. The Stazi would have been proud of our establishment. Anyone who has read Tommy's book, *Enemy of the State*, will know he is neither a racist nor an advocate of political violence.

### **Our Spineless Establishment:**

I am genuinely at a loss to understand why so much of the establishment has developed such a guilt complex about Britain's past or about what they see as a class system. The class system surely came to an end when women got the vote in 1928. Anything that remains is purely personal class attitudes and those who feel guilty about that are surely those who suffer from them the most. Both Tony Blair and David Cameron were clearly acute sufferers.

UKIP by contrast is a classless party. We see nowadays that everyone has to work for a living and we are all in the same boat. Some of course will be more successful than others, and Mother Nature has never been fair in the way she allocates strengths and weaknesses. We are what we inherit, whether by nature or by nurture. All the more reason to be non-judgemental about identity and aptitude. Attitudes will change naturally with the changing generations. It is only the Labour Party that now has a vested interest in preserving this discrimination, and they do their supporters no favours by doing so. Karl Marx believed that society would polarise into workers and capitalists and that the middle classes would naturally die out. The reverse has been the case, yet in this country we perversely persevere with a class-based two party system. The irony is that the very guilt complexes the establishment suffers from are now re-polarising our society.

Britain was the first country to abolish slavery. We were also the first country to propose the Principle of Self-determination of Sovereignty and to press for its inclusion into international law. Is it not odd that some people are now ashamed of these achievements? Today slavery is still practised in some parts of the world, and we ourselves are still not immune from it through the practices of human traffickers. America only abolished slavery because it was convenient to do so during their Civil War. Today also Britain is the only country actively to have upheld the Principle of Self-determination of Sovereignty both through our End of Empire policies and by the granting or holding of referendums on it in Ireland, both south and North, and in Scotland as well as the Falklands and Gibraltar. I know of no other country that has done this, unless you count Indonesia over East Timor and that was only after immense international pressure.

We truly command the moral high ground on this and can for example look both India and Pakistan in the eye over Kashmir and the Chinese over Tibet. Ever since 1947 consistently 85% of Kashmiris have wanted independence, yet as soon as they gained their own independence both India and Pakistan reverted straight back to territorial imperialism. Let us never forget that under this principle the sovereignty of any territory is determined not by historical factors, nor by geographical factors or religious scriptures of any kind. It is determined purely by the wishes of the people who live there today. It is the first time humankind has had available a way of resolving territorial disputes without resorting to war.

The British Empire was the first to be based on trade rather than slavery or plunder. Of course values change over time, but at that time it was a major advance. Both the Roman and Spanish empires were based on slavery and plunder, yet I don't see any rending of hair or wearing of sackcloth in either Italy or Spain? Our colonies benefited economically as well as Britain, even if Indian maharajah's kept most of it for themselves! Nor is the extraction of natural resources plunder. It is only the process of extraction and of transporting them to a market place where they are in demand that adds value to them. Like the fish in the sea, they are worthless until then.

Our electoral systems and constitution are in dire need of reform to bring Britain into the twenty-first century. UKIP is the only party that will do so.

## **A Seven-point Plan to build a New Great Britain.**

### **1. A New Flagship Policy: Brexit Plus – Cross-funding tariffs to eliminate our trade deficit**

Brexit Plus is simply our existing No Deal Unilateral WTO Terms Brexit with added provision to reduce and eliminate the trade deficit as well as to decompress the debt bubble. A No Deal Brexit is a necessary condition for taking back control of our trade but not a sufficient one.

Cross-funding tariffs will protect and promote our exports whilst inhibiting our imports. This can be achieved by using some of the new import tariff revenues the Treasury will receive to refund to foreign importers the tariffs they will have to pay on our exports. Because we have a trade deficit this will produce a positive cash flow for the Treasury. It will also be legal under WTO Rules. Article 2 of the WTO's Agreement on Subsidies and Countervailing Measures defines a prohibited subsidy as a payment to a specific entity within the jurisdiction of the granting authority. As these payments will be directly to foreign importers they will be outside our own jurisdiction and therefore entirely legal.

The policy has the effect of creating unilateral free trade for our exports, protecting our existing exports to the EU and increasing those to other countries where currently we face tariffs. It removes any need for trade deals anywhere until we move into surplus when the cash flow will turn negative. We must however ensure we raise sufficient income from import tariffs until that point has been achieved. The temptation to reduce rates and prices must be resisted.

Our trade objective must be to make Britain a surplus country. History shows that surplus countries have higher rates of economic growth than deficit countries. This stands to reason as a surplus is a profit. Imports will be inhibited by the import tariffs and exports will be promoted by Brexit Plus, thereby giving us a double boost back towards prosperity. By contrast the hope of a free-trade deal after Brexit upon which both the Conservatives and Farage are pinning their hopes is firstly unlikely to materialise and more importantly would simply lock us into the catastrophic downward spiral we have seen over the past twenty years. It would take us in completely the wrong direction.

The only way we can escape the Crash and re-establish economic growth is through Brexit Plus. A No-Deal Brexit alone will not reduce the deficit. Indeed it is likely to increase it as exports will be frustrated by the foreign tariffs. Only with the tariff cross-funding policy can we ensure we move toward becoming a surplus country.

National Debt can be hedged by setting up a Sovereign Wealth Fund, something that should have been started ten years ago when interest rates first hit the floor. It would be safer to continue funding the trade deficit by increasing national debt through fiscal policy rather than personal debt through monetary policy while it is being reduced and eliminated, which will take several years.

Meanwhile personal debt can be decompressed to avoid a crash by using credit controls rather than interest rates to control inflation or labour shortages. Like bringing a diver up from the deep, if you do it too quickly he gets the bends which can be fatal. The Bank of England would be given a target to keep property prices stable or gently declining post code by post code across the country by limiting the availability of mortgage finance. This may also have the effect of increasing the supply of housing and enhancing regional policy as property developers would no longer have any incentive to build up their land banks instead of building houses on them. The post codes most likely to experience property inflation are the richest, so the poorer areas would receive relatively greater monetary stimulus.

## **2. Balanced Migration**

### **A Quota and Auction system:**

Immigration was not an issue when Nigel Farage and others set up UKIP in the early 1990s, but when it became obvious that we could only control our borders if we left the EU it quickly became mainstream. His Australian Point-based system hit the mark as a slogan, but has drawbacks as a workable policy. Did it apply to citizenship as well as work permits? What about students, visitors, refugees and illegals? It is likely that such a system would become heavily bureaucratic and cumbersome and prone to political exceptions.

A Quota and Auction system on the other hand would create an open competitive market for the skills we need. It would require employers to pay for a place in the quota thereby forcing them to consider that recruiting and training British staff could be the cheaper option, and would enable us to set the quota where we want it and gradually to tighten it so that the labour market has time to respond to the new conditions. It would also give time for government to set the level of consumer demand to match the level of population and provide full employment without undue labour shortages at that level. In due course the quota could even be set to reduce population levels.

A Q&A system also deals effectively with special cases and political exceptions. Those who support such exceptions would be allowed to pay for a quota place. As sponsors they would also have to provide insurance cover for medical fees and any benefits that may be claimed. We would not wish for anyone to become destitute. The quota would not have to be restricted to employees as the total would not change.

### **Four year Temporary Residence and Work Permits:**

An online monthly quota system would enable applicants to purchase a place up to any of six months in advance at the going rate for that month. This would increase as the quota for that month filled up. Applicants could either be British sponsors wanting to bring someone to this country for whatever reason (doesn't have to be employment) or people wanting to

come to this country under their own steam (likewise) provided they are not on any security blacklist. Shorter periods down to six months could also be purchased for a proportionately lower price. If they want to bring family with them a quota would be required for each member, but possibly allowing children at half or age proportionate price.

At the end of four years a sponsor or Temporary Resident (TR) can purchase a similar extension provided they have not claimed benefits in the meantime or been convicted of a custodial sentence. Sponsors would be liable to refund any benefits claimed and any debts left behind but could also curtail the permit on giving three months' notice to both the TR and the authorities. TRs would be entitled to the full range of benefits and public services during their stay.

### **Citizenship:**

A separate Qualification, Quota and Waiting List system would apply to those TRs applying to become full British citizens. 16 years of residency without claiming benefits or serving a convicted sentence, not necessarily contiguous, would be the qualification. A separate quota would apply and be filled on a first come first served basis. Those who have already lived here for a period of time would be able to take that into account.

Some non-exclusive priority could be given to those who have British ancestry; a discount according to how many sixteenths of them is already British (ie. one great, great grandparent would be a sixteenth). Some appropriate priority could also be given to those who are secular or who uphold the Judaeo/Christian faiths.

The status of permanent leave to remain would be abolished. Children could only become citizens in their own right depending on how many years they have been here. Discounted TR prices could be available.

Citizenship should only be inherited if two of three conditions are satisfied – birth here and parents who are British citizens. In exceptional circumstances a child born here could be granted citizenship if they would otherwise be stateless.

Dual nationality should be abolished since it produces conflicts over who is responsible for them as well as possible duties to other countries. Applicants would have to renounce any existing citizenships, with confirmation from their previous national authorities.

### **Visitors and students:**

Anyone who is not on a security blacklist may visit this country for up to three months free of charge or for up to a further three months for a fee. Optional smart passes could be issued to keep track of the days spent in this country which may not be contiguous and which would automatically flag up any excesses. All visitors must provide bio-details and a central database would keep track of their movements in and out of the country. If a visitor overstays their visa their name and photo would be posted onto a website and a reward offered for information leading to their arrest.

Visitors and students must have health insurance and would not be entitled to benefits or public services.

Border staff would no longer be required to assess the purpose of a visitor's stay. This has led to embarrassing errors in the past and is quite unnecessary once we have bio-details on record.

Students may also be given smart passes for the duration of their studies on application confirmed by their educational establishment. The establishment may cancel the pass on giving three months' notice to both student and the authorities if the fees are not paid, house exams are not passed or as some other disciplinary measure, and may likewise reinstate them if these conditions are subsequently satisfied. Educational and NHS establishments would be subject to audit by the border agency.

The Border Force should become an integral part of the Police so that both work together with joint accountability.

### **Refugees and Illegals:**

It should be possible to negotiate the lease of a substantial tract of land as sovereign British territory somewhere temperate and fertile in Central Asia. Many of these areas are depopulating as people move into the cities. To the host country this would represent a substantial economic regional boost. The colony would be open and would use the host country's currency, thereby engaging in trade and employment in both directions. Residents would be entitled to benefits at a level matching the local cost of living and a full range of public services would be provided. The aim would be to develop a fully self-sufficient economy under British jurisdiction and protection. Non-residents would be allowed to visit.

An airstrip would allow direct access from the UK, and the tendency would probably be for refugees and illegals to self-segregate, thereby ending the almost impossible task of doing this through the courts in the UK. Illegals would probably leave and refugees stay. Any caught trying to re-enter the UK without a subsequently obtained visitor or TR visa would simply be recycled straight back again.

Such an arrangement would be expensive but a much better use of some of the current overseas aid budget. It would also allow us to participate fully in sharing the burden of the refugee crisis.

### **Ending Breeding for Benefits:**

Back in 2013 the Department of Work and Pensions released statistics under a Freedom of Information request showing that out of all parents on benefits 23% had three or more children whereas out of all parents not on benefits only 11.5% had three or more children. No information was given as to the ethnic origins of these children and there is no need to ask as any policy must of course be strictly non-discriminatory.

The Conservative government recently introduced a two child policy for child tax credits but, being Tories, they did not compensate by increasing the adult benefits. This is not a cost-cutting exercise. Its purpose is to remove the perverse incentive to breed. All child benefits, allowances and credits would be wrapped up into the adult allowances so that for two parent two child families the total benefit income is unchanged. It would just be received as adult benefits alone. Existing larger families would continue under the old system but would not receive additional child benefits for any new births. Single adults and one child families on the other hand would be much better off – a welcome narrowing of the income gap.

### **Other cultural issues related to immigration:**

Leaving aside the critical issue of a breakdown in policing and criminal justice, the ancient principle of equality under the law which, as mentioned above, I deal with elsewhere, there are three other issues of concern:

#### FGM

Over 8000 cases of FGM are reported by the NHS and other agencies every year yet very few are prosecuted. This is because they are trying to prosecute the wrong people, the cutters. In a libertarian society parents are primarily responsible for their children, so it is parents who automatically should be prosecuted unless they can show they have passed responsibility to someone else in this country.

Some say this will discourage them from seeking medical care for their children, but the same principle applies. If they are negligent they should be prosecuted.

#### Burkas

I personally think it most unlikely that Moslem women are a major source of unidentified crime in this country, but our traditional common law relies on us being accountable to each other and that is impossible if we cannot identify each other. I am far more concerned about balaclavas and motorcycle helmets.

All headgear that obscures the face and which is not essential for health and safety purposes should be banned in public. Where such headgear is so required it should be marked so as to identify its occupant either directly or indirectly.

#### Mosques

Concern has also been expressed over the foreign funding of mosques. This can be tackled in a non-discriminatory manner by banning the foreign funding of all religious buildings with the exception of those of the established church. This would then be selective rather than discriminatory.

### **3). Regional policy:**

The first thing to do is measure the problem. The ONS must be required to produce regular statistics on the standard deviation of unemployment rates post-code by post-code across the country. Then we will all know what we are talking about and can watch which direction it is going in. The contention that the metropolitan elite are creaming off such growth as the economy achieves, or more, can then be exposed.

#### **A composite Un- and under- employment rate:**

We must review the calculation of the unemployment rate itself. With so many now self-employed or working part-time the structure of the labour market has changed radically in recent years. We need a composite rate that includes under-employment. Many self-employed people are not working sufficiently to earn the equivalent full-time minimum wage.

I argue in the next section for self-assessment of benefits. We have self-assessment of tax, so why not benefits. Of course all the necessary checking of documents can still take place but on a sample basis later, with any adjustments being made to subsequent payments of either benefits or tax. Payments would be made on receipt of online time and income sheets completely automatically.

Such a system would also enable claimants to report the number of hours they were available for work but could not do so thereby for the first time giving us methodical collection of data on underemployment.

#### **Regional tax discounts and business investment grants:**

Having reconstructed the unemployment statistics they can then be used for regional policy. Discounts on income tax and business rates would be calculated directly in proportion to the local level of composite unemployment. One might even include vacant housing in the calculation.

This would be a permanent fiscal structure, unlike the supply-side policies we have seen in the past which have all tended to be flavour of the month. Supply-side policies are also far less effective than in Keynes' day when to dig a hole in the ground required whole gangs of navvies being paid a wage which then stimulated the local economy. Today a multinational from London would turn up with a JCB and have the job done in no time and with no local economic impact at all. The boom of the late 1980's together with the effect of interest rate policy since also indicates that demand side policy has more impact.

#### **Housing:**

All free market economies are geographically unstable. It is no good going on and on building more and more properties in London and the South East as that will only accelerate

the instability. In any case overcrowding causes health and other environmental problems and we should instead be placing a limit on population density in the local planning laws.

New housing should be concentrated on brownfield sites outside London and the South East. High rise multifunctional buildings such as the Shard with no more than 20% social housing would overcome the security and maintenance problems experienced with pure social housing tower blocks. A maximum footprint of 1% on site together with offsite entrances to underground car parking and services access would ensure preservation of green space for recreation and wildlife. A strong regional policy would encourage both people and jobs to move to them and out of London and the South East.

### **Help to Buy**

A recent Panorama exposé by the economist Liam Halligan of the Help to Buy policy was shocking. In particular the way in which the building companies have denied purchasers the right to reasonable retentions or snagging periods. From my own experience of the construction industry 10% and six months are normal. These purchasers have typically been allowed less than 1% and just a day or two.

Help to Buy is one of the monetary stimulus policies that, along with QE, have helped us out of recession (and into an overheated economy which has produced excessive labour shortages). But in order to persuade the building companies to play ball the government has had to offer massive profit levels in excess of the comfortable profits they were making by simply riding up the capital gains on their land banks. Halligan noted that the MD of Persimmon, for example, had received a bonus of £75 million, and the shares of such companies have rocketed in recent years.

Most of these properties have been built to minimum and inadequate standards. The contracts have been sweated. Independent surveyors brought in by Panorama listed pages of defects. They will not retain their value. Don't forget that the taxpayer owns 20% of them and so will lose alongside the owner occupiers.

UKIP policy must be to grant all Help to Buy owner occupiers since the programme started a free independent defects survey regardless of what they signed up to. The companies must be made liable for making good all defects by Act of Parliament. If as a result they go bust then the directors must be held personally liable for these costs up to the limit of the bonuses they have received since the start of the programme.

### **4. Tax and Welfare Reform**

The widening income gap is a major reason why many people voted for Brexit. The frustration may be fading a bit at present as the government is deliberately over-heating the economy, but the underlying gap is still almost certainly widening. Although GDP numbers show growth much of this, depending on which series you are looking at, includes inflation and population growth. Once you have stripped these factors out there is not much left in

terms of real per capita growth in our standard of living, and such as there is is being creamed off by the metropolitan elite.

As with the regional gap the first thing to do is measure the problem. The ONS must report on the standard deviation of incomes around the mean. If we are to ensure that British workers step up to plate to replace cheap immigration, then we must ensure that the right financial incentives are in place. This is not about the generosity or otherwise of the welfare safety net, though I recognise that an objective measure of the 'right' level of benefits has never been available. Food Banks however do give us an indication. One could say for example that if more than 20% say of claimants are using food banks then the benefit levels are too low and vice versa. A free vote in Parliament could determine the figure.

### **Universal Credits and Self-assessment of Benefits:**

The sadistic approach to implementing universal credits adopted by the Conservatives is both unnecessary and counter-productive. There is nothing wrong with the original concept of UCs which merely improves efficiency for both taxpayer and claimant and gives us better protection from benefit fraud, but to delay payments and remove direct payment of rents is sheer Tory ideology.

When I was finance director for one of London's largest housing associations I well remember the considerable amount of time our housing staff had to spend with our tenants just helping them with domestic budgeting. We needed that to collect the rent of course, but they benefited much more generally. It's no good just beating people over the head with a big stick like the Tories do saying "that'll learn 'em" because it just doesn't. They just can't do it. They need help. My mum always told me that you pay your rent first and everything else out of whatever is left. That was good advice and the very opposite of what the Tories are doing. Furthermore they are applying the benefits cap to housing benefit first thereby creating a huge and expensive churn in social housing which serves no good purpose at all. We must reverse that and ensure that initial payments of universal credits are paid out on unchecked information on the nail on application. Subsequent payments can then be paid on receipt of online or hard copy timesheets as argued above. That will then build trust in the system so that claimants will become much more flexible and confident in taking on work, even if it is only temporary or part-time. The more work they take on the lower the cost to the taxpayer and well as the more flexible the labour market. Audit and document checking can then be carried out on a subsequent regular cycle with recoveries being made where necessary either by way of deduction from future benefits or by addition to taxation.

If no post-implementation reports on the introduction of UCs have been produced then the roll-out should be suspended immediately until they have, and assessment and implementation of any design changes required duly made. Recent experience has shown that fraudsters have been able to access the system because loans are being made unchecked to get round the delays. Of course basic and indeed extensive identification

checks both on individuals and their bank accounts are essential to prevent fraud. These could be carried out when National Insurance Numbers are first issued, updateable either online or at any job centre, or at any other time before the need to claim benefits arises. If an individual does not have or is having difficulty in opening a bank account then assistance can be provided directly to the bank after the personal security checks have been carried by the job centre.

### **The poverty trap – making work pay:**

There is nothing in the design of UCs that makes work pay. That requires a big increase in the earnings disregards before clawback starts, at least £50 pw, and a reduction on the rate of clawback to at most 50%, split equally between housing benefit and other benefits so that those only on HB face a clawback rate of 25%. With a big further increase in the personal tax allowance together with an increase in the basic rate of income tax to 25% and a halving of the basic rate band, this could lead to a seamless transition, at least for single, people, out of clawback and into income tax with neither gap nor overlap. Breakeven point for taxpayers works out at around £34,000 a year. The introduction of a middle rate at 35%, as we have previously recommended in UKIP, would prevent too great an increase above £34,000 and a top rate of 45% would complete the structure.

Some people have suggested that a flat rate of income and capital gains tax would be far simpler and achieve administrative savings. Almost certainly this is wishful thinking. The work involved in doing a personal tax assessment lies in arriving at the figure for taxable income. Once this has been established applying the tax rates to it is easily automated and is done for you at the press of a button if you use self-assessment.

Likewise a favourite maxim of the Right is the Laffer curve which claims that a reduction in the rates of tax will produce higher revenues. So far as I know there is no proof to support this contention. In fact several years ago the US State of Kansas tried it out. It failed and they have now abandoned it.

If it is so necessary for entrepreneurs to be incentivised by low marginal rates of tax, then it is doubly so for the poor who have no other source of motivation. Personally I always felt insulted if my manager thought I need motivating by thanks and bonuses, and never did anything differently when I had a profit-share. An entrepreneur or company director is motivated by his vision and professionalism. At the very least the top rates of clawback and taxation should be the same.

### **The dependency trap – a cash alternative to Housing Benefit:**

Why do we have a Catch 22 in claiming housing benefit? You can't sign a tenancy agreement without showing you have sufficient income, and you can't claim housing benefit without a tenancy agreement! Furthermore there is no incentive for a tenant to negotiate a lower rent if whatever is agreed is the amount paid out. HB should be set at the Rent Officer's indicative rent, which he should publish on his website so that both sides to know where

they stand, regardless of the actual rent agreed. This is particularly important if you are facing a rent review or looking for somewhere suitable in the private sector.

Even better there should be a cash option for housing benefit. Anyone entitled to HB, which can be assessed on application, should first receive a certificate confirming their entitlement to HB, which would enable them to negotiate with landlords, or opt for payment in cash so they can go out and make their own arrangements. It is likely this would deliver a substantial reduction on rough sleeping. It is patronising to assume a homeless person would be unable to spend that money responsibly. If they do mis-spend it on drugs or alcohol or whatever they could be made a ward of court and a guardian with power of attorney appointed. I suspect that many private individuals would be keen to train up and be accountable for such a responsibility on a charitable basis.

### **A Landlords Guarantees Agency:**

There are both rogue tenants and rogue landlords. If we don't sort out the private provision of social housing billions of pounds of capital expenditure will be dumped onto the taxpayer. As Margaret Thatcher correctly noted, the strain of social support should be borne by housing benefit not state ownership.

If a tenant fails to pay the rent it can take months for a landlord to get an eviction, and then that just creates another homeless family. It would make much more sense for the state to bear the risk, especially as the state has much greater power to recover monies owing either by deduction from benefits or addition to taxation. For a premium of perhaps 5% a landlord charging a rent within the Rent Officer's indicative limit should be able to receive his rent direct from a Landlord's Guarantees Agency (LGA) on the nail even if housing benefit does not fully cover it, for example where tenants have some income and are in the taper. The Agency would then have the right to recover direct payment of the full amount of the rent as a deduction against all UC benefits due. Landlords would have the right to this either with the agreement of the tenant or where rent is over one month overdue.

But it could work both ways. Any failure by the landlord to meet his obligations under the tenancy agreement such as for maintenance could result in repair bills being authorised and paid for by the Agency and then deducted from the rent payable.

### **Inheritance Tax:**

Naturally the middle classes moan about inheritance tax and, although I am not naturally sympathetic, I do take the point about it being double taxation in the hands of the deceased. Nor is it a progressive tax in the hands of the beneficiary. It is immensely complicated and accounts for about a quarter of the entire tax code. So let's abolish it.

However we cannot afford not to replace it nor address the problem of the widening wealth gap. Nobody likes paying tax but surely it is better to tax windfalls than hard-earner income or profits? I propose therefore replacing IHT with a liability to CGT (Capital Gains Tax) in the

hands of the beneficiary. This could be spread over ten consecutive years at the choice of the taxpayer starting perhaps five years previously. Roll-over relief would still be available for amounts paid into a pension or for starting or inheriting a business, and could be extended to the repayment of student loans. The separate CGT allowance could then be abolished and the tax charged at the individual's marginal rate of income tax.

### **The taxation of multi-national corporations:**

In theory the OECD is looking at ways of getting international agreement on this but progress has been very slow since it was approved in principle at the G8 meeting at Enniskillen in 2013 and must now be doubtful. There is no reason to wait. We can act unilaterally on the basis that global profit figures are now available, as are turnover proportions between countries, so that global taxable income can be assessed apportioned to each country by turnover and then taxed at that country's own rate of corporation tax. We need the money to fund the above welfare reform policies which will be expensive.

In theory businesses should not pay tax because they don't have votes (taxation without representation) and because dividends should be taxed in the hands of shareholders. Unfortunately the shareholders of multinationals are not all liable to UK tax. A Multi-national could be defined as any business that sells more than 10% of its turnover to more than one country.

### **5). A Sovereign Wealth Fund – to hedge our National Debt and fund our state pensions.**

Quite the most extraordinary act of gross negligence committed by our hopeless establishment is its failure to start a Sovereign Wealth Fund (SWF) when interest rates first hit the floor after the banking crisis. Since then it has been possible to government to borrow 30-year money for 3% or less. Any half-decent fund manager will get you returns of 7% or better by investing in international equities, as I know from my own two small pension funds and the returns gained by most investment trusts on the stock exchange. Some managers have achieved 10% on average over the past twenty years or so. Even if you only got 5% compound return that would still quadruple your money over thirty years. 5% is the rate that the French economist Thomas Piketty derived as being the average return on all capital investment within the most advanced economies over the past 300 years. Thus for every £100bn invested you would have a clear £150bn at the end of the first 30 years after paying all interest and the capital back. By year sixty it would be £600bn, by year ninety £2.5trn and by year 120 £10trn. Eventually we could be paying for our public services out of investment returns without the need for taxation at all!

It would of course be necessary to transfer responsibility for the fund into a written constitution so that degenerate politicians could not plunder it, as appears to have happened to the Shetlands fund.

The funding and review procedures could also be locked into a written constitution. Underwriting could be provided by quantitative easing, which would be unlikely to cause

inflation as the money would mainly be being invested overseas. This would have the further beneficial effect of maintaining our exchange rate at a competitive level. The amount raised by the Government Broker each month could be increased by ½ billion until the amount of underwriting required exceed 25%, given an absolute interest rate cap of 3%. At that point the amount would be reduced again by ½ billion a month until the 25% limit was met again. This would make the funding automatically responsive to changing market conditions. The funds would be allocated to a wide range of asset managers in the City and elsewhere, with preference later being given to the best performers. Quantitative easing is of course 'free' money, so its use would reduce costs still further.

### **Funding the State Pension:**

The state pension is an unfunded pay-as-you-go scheme the cost of which increases with an expanding and ageing population. The burden of this therefore falls onto the current workforce and taxpayers rather than on the pensioners themselves. We should gradually transfer this burden onto the SWF by redefining the National Insurance Contribution, which currently is completely unrelated to any pensions or public services at all - it is just another tax – as a National Pension Contribution and paying it into the SWF instead.

The cost of the state pension is huge – nearly £100bn a year, 40% of the entire social security budget and about 13% of the entire government budget. Transferring it to the SWF would be no easy task as the taxpayer would lose the benefits of the income before gaining the benefits of the cost. National Debt would have to be increased further over a transitional period of perhaps 25 years, but this would eventually be covered by the SWF itself so would be possible in the long term. Again the policy would have to be fixed into a written constitution. If say initially an additional 1% of the contributions and pensions were transferred to the SWF annually, rising later as the SWF grew, the taxpayer would gain progressively throughout the transition.

### **A New State Flexible and Portable Pension:**

The days when people had a job for life are long gone. Portability between jobs, including moves between the public and private sectors, as well as flexibility over the three key parameters of contribution rate, date of retirement and pension level are now desirable. The SWF could safely offer a fixed return of 4%, taking the difference between that and its actual return as a risk premium, so that savers could choose any two of the parameters and get a quote for the third. Further they could vary these objectives at any time in life.

It would also be sensible to protect the taxpayer from irresponsible pension withdrawals by limiting them so that an annuity based on an individual's total pension provision at any time would exceed the threshold for benefits in retirement once this level of savings had been achieved. Entitlement to benefits at any point in life could also be limited where someone could withdraw from their schemes without endangering a final annuity on this basis. The law would permit withdrawals at any time for this purpose. The annuity calculation would

be used purely for assessment purposes and would not commit the individual to buying an annuity on retirement.

## **6. Managing our Public Services and Corporate Governance.**

Few if any of our public services have survived austerity fit for purpose. Whilst it may take many years to find the funding necessary to bring them back up to standard, given that we are all poorer these days as a result of our membership of the EU, and that our public services have borne the brunt of this impoverishment, there are opportunities to improve efficiency which will have some effect in the meantime. UKIP must be committed to the safety net principle whether it applies to income or to essential services.

### **A National Credit Card:**

The issue of a National Credit Card to all taxpayers and benefit claimants who want one would enable them to access the private sector on a means-tested basis for their essential services such as health and education. Everyone would pay something proportionate to their ability to pay. That purchase decision is essential to drive efficiency and quality and availability of service in an open competitive market. You would pay the suppliers fees on your card in the normal way, but would not have to pay off the card directly. Instead, at the end of the tax year, the taxman would review your spending alongside his usual assessment of income for tax purposes, put the two together and calculate your share of what you have spent, adding it to your tax code or bill for the following year. The balance on your card would then be cleared from the government's own budget for the relevant service, though a 5% interest charge would apply until then. This is because the card would require a substantial amount of working capital to pay the suppliers in advance, and this would have to come from the SWF which requires a minimum 5% return.

The rate of transfer from public to private sector spending would have to be managed at a slow rate within a transitional period to ensure that private sector suppliers can keep up with the increase in demand as well as initially to iron out any bugs. This can be done by varying the means-test gradient for each service covered and by adding services to the card in a progressive manner. There would be a one-stop-shop website for all suppliers wanting and authorised to offer allowable services on the card but no pre-qualification tests other than accuracy of advertised claims. There would also be a customer feedback facility so supplier performance can be compared. This would allow inexperienced suppliers to enter the market at a cheaper price – a black-list system rather than the type of white-list system government has used in the past and which simply adds to the suppliers' costs indiscriminately.

In due course the users' contribution will significantly reduce the cost of services to the taxpayer both as a proportion of the cost of the services supplied privately and by reducing the burden on the public sector. It would create freedom of choice for users thereby improving standards and efficiency and it would remove the smack of privilege from using

the private sector. It would mean for example that any parent no matter how poor could send their child to an independent school if they so wished and if that school had chosen to accept the card for payment of fees. The benefit to the schools would be improved reliability of cash flow in the collection of fees and improved security that all children could complete their education at that school regardless of their parents changing financial circumstances. We should be celebrating our independent schools not persecuting them. They are amongst the best in the world and it is a tragedy that so few British children have access to them.

### **Reforming the Civil Service:**

Have you ever noticed something I find rather peculiar? With the exception of the Armed Forces, not one of our national public services has any top management. No wonder they are in such a mess!

The Civil Service has two quite separate and distinct functions. It advises minister on current problems and future policy, and it is also responsible for providing services that Parliament has already mandated. These functions require quite different organisational structures; the former a pool system such as you would find in a firm of accountants or solicitors, and the latter a hierarchical pyramid structure as in the armed forces with clear lines of responsibility from top to bottom and of accountability from bottom to top. At present they are all mixed up.

Under the discussion on constitutional reform I shall recommend that the advisory civil service be split off and report to a separate elected Constitutional Council so as to provide protection from politicisation and a much more arm's length relationship with parliament and government. The politicisation of the civil service over Brexit has been a major obstacle to providing MPs and voters with objective advice and information. It is also noticeable that the quality of the civil service has deteriorated markedly over the past thirty years or so. Whether this is due to too many years subservience to Brussels, whether it is due to social engineering programmes of one sort or another, to too many special advisors running around the place or simply to a failure by politicians to support the civil service by working with and through them rather than around them I don't know, but we must get back to recruiting and promoting on the basis of merit and merit alone. Separate management responsibility will facilitate this.

The politicisation of the police and criminal justice system has also been a major problem resulting in a failure to bring to justice all criminals regardless of ethnic background. This failure has incensed indigenous communities who have found themselves overwhelmed by ethnic cleansing gangs and other forms of criminality by the expanding newcomer communities. It is the establishment who are driving people to racism and political extremism, not those who protest at their failure. There have also been many examples of the police rounding on and harassing the protesters rather than pursuing the criminals. UKIPs policies are aimed at reversing this trend, not at promoting it.

### **Comparative Management by Results:**

As regards the executive civil service Tony Blair tried direct top-down management by setting targets and backing them up with bonuses and penalties. It did not work because the targets were absolute and bore no relation to what was practically achievable. They also cut across the need for local accountability.

A private sector conglomerate does things differently and a system I call '*comparative management by results*' was honed to perfection by Arnold Weinstock when he was running GEC in the 60s, 70s and 80s. It is ideal for the public sector which similarly has many units in many locations all responding to local needs. Weinstock never told his subsidiary MDs what to make or how to make it or who to sell to or anything. That was what he paid them for. He simply compared their performance according to seven key financial indicators and then got onto the telephone to the hapless MDs in the bottom part of the list. "These numbers are not good enough. What are you going to do about it? I want your plan of action on my desk by such and such a date". If they could improve well and good. You don't want to lose experienced people if you can possibly help it. But if not the answer was simple. "You're fired". No special measures or help of any kind. And it worked a treat. That is how we should be managing our public services.

Of course the indicators we would use for the public sector would be different to those Weinstock used and probably much more extensive, including qualitative measures and feedback from customers. It is also important to recognise that local considerations may provide good reasons why performance differs. These factors can come out in the periodic review process. The first step is to appoint a national chief executive for each and every one of our public services, including the Police, which in turn can then appoint a proper Board of Directors focused on resource provision and performance management; a national Human Resources Director, Finance Director, IT Director, R&D Director, Operations and Regional Directors and so on as befits each service. If the NHS had had an HR Director in place all these years we would not now have such a shortage of either doctors or nurses or the facilities to train them. Each level in the hierarchy must have the power to hire and fire the level below. It is important to understand that local communities are customers not managers. I would even go so far as to suggest that all local authority staff should report to a national chief executive rather than to lay councillors.

### **Outsourcing and Privatisation:**

These two things are different but often confused. Outsourcing is where a manager within an organisation, which can be either public or private, decides to contract out certain activities instead of providing them by employing staff in-house. It can work where the manager has close contact and supervision over the contractor and is in a position to decide whether the contractor has met his contractual obligations and can therefore be paid. It does not work where the person receiving the service is someone else, which means there is no feedback decision-making loop to determine whether the service is good enough and should be paid

for. A perfect example of this latter situation is the outsourcing of patient care by the NHS. We should ban it.

Privatisation on the other hand is where an entire service is sold off by the government to new shareholders. It can and has worked where it promotes competition so that customers have a choice between providers. It is less likely to work where a public sector monopoly is simply swapped for a private sector one or limited choice for the customer such as by region.

All monopolies profiteer. If they cannot profiteer by increasing prices they will profiteer by reducing costs and quality of service. Austerity is a good example! Nationalisation provides no protection. If you are worried about profiteering a much simpler answer is profit capping. If profits exceed a certain percentage the company is required by law to reduce its prices. You would set the profit cap at a level which enables the company to access the capital markets for the investment funds it needs, which will vary according to how capital intensive that industry is, and you could also set a collar to provide support if a critical industry faces bankruptcy. This massively helps to attract investors for long term infrastructure projects such as power stations. The cap and collar approach avoids having to agree a fixed price when no one has the slightest idea what demand and costs are likely to be more than a few years ahead. A perfect example of how not to do it was the Hinckley Point C project where the agreed fixed price of £90 per MWh has already been undercut by green energy. That £90 price will almost certainly have been padded out with a massive uncertainty premium, which means that the power station might still have been able to provide competitive energy under a cap and collar contract. Railways are discussed separately under transport.

### **Carillion and Corporate Governance:**

As I write the government is in the process of reviewing what needs to be done to prevent such corporate collapses happening again, and is in receipt of substantial petitions on the subject. The prime focus of the protests and review is on whether the auditors could and should have picked up the warning signs and issued a qualified audit report on the basis that Carillion was no longer a going concern. So the first point to make is that even if they had, and the signs may not have been there at that point, the damage would most likely have already been done and if so nothing would have been different.

One proposal being pushed is that audit firms be split up with their tax and consultancy arms floated off separately. I qualified as a Chartered Accountant with one of the big firms in London in the early 1970s, and shortly after transferred to the management consultancy division. The first thing I noticed is that it was not a division at all. It was a completely separate practice trading at arms-length from the main firm. Indeed there were some audit partners who would not let us management consultants anywhere near their clients! The audit partners who did pass work to us saw their role as being able to offer a wide range of services to their clients which they could oversee on behalf of their client. There was nothing financial in it for them then, and I do not suppose that has changed since.

So is there a problem here, or are we just looking for scapegoats? I think there is.

For an auditor to qualify an audit report is a hugely damaging decision for both of them, and to do so on the basis that the client is no longer a going concern is incendiary. It takes a lot of courage. So the larger and more significant the client the more difficult the decision. Some people have proposed that the big firms be broken up into smaller practices, but that would just make the client significance problem even greater, and the question of ancillary services is not even relevant. The other suggestion being bandied about is for an audit watchdog, some sort of auditor's auditor, or for auditing by state auditors. Neither of these suggestions it seems to me addresses the actual problem, and would just add complication and cost and almost certainly a deterioration of service. Yes, state auditors would be more independent, but the cost to the taxpayer would be huge and could not possibly be justified.

However there is another possibility and that is the creation of shareholder supervisory boards (SSBs). I have recommended these separately in relation to fat-cat pay and over-ambitious mergers and acquisitions. Responsibility for appointing and reviewing the auditors is an obvious addition. It would change relationship between the Directors and Auditors completely, making it much more arms-length, and would create a much more proactive relationship between the Shareholders and the Directors. The half dozen or so largest shareholders on the register at any time could comprise the Board, together with the Chairman, MD, FD and one Non-exec, and where significant government contracts are involved a government representative could be included too. Key decisions have to be made much more quickly these days than can be deferred to all of the shareholders in general meeting, and in any case it is the Directors who get to draft the resolutions. An SSB could make quick interim decisions and approve the resolutions first.

Company law should also be changed to make the shareholders supreme once again. Even today Directors can over-rule the shareholders on key decisions including resolutions about their own pay. This goes back to the 1890s when the Bank of Glasgow went bust and everyone asked why the shareholders had made such bad decisions. It turned out that most shareholders in those days were retired vicars and little old ladies and so on who had no professional training at all, so it made sense to give the Directors the final say. Today the situation is completely different with most shareholders being highly proficient asset and pension fund managers.

Finally there is the question of limited liability. It is extremely surprising that the risky contracts that brought Carillion down were not being conducted through subsidiaries with limited liability. The conglomerate structure that you will find in most large companies is designed to do this so that if one subsidiary goes bust the rest of the group is unaffected. Bad luck on the creditors of the subsidiary of course as they have no recourse to the holding company or the rest of the group for restitution, but it makes sense overall. If a subsidiary is considered to be taking on too much risk there are always insurance options available. Where significant government contracts are involved a government representative could also be included on the SSB thereby allowing extra scrutiny of risks being faced and of measures to offlay them.

#### **Fat Cat Pay – Cheapest Competent Candidate:**

In the public sector today as well as in the public corporate sector senior executive pay is set on a comparative basis in a closed shop behind closed doors. This leads to a spiralling effect as each employer tries to outdo or at least match everyone else. It is an old trick of the Unions as well.

In an open competitive market the rate for the job is determined by the balance of supply and demand for that particular skill in that particular location at that particular level of seniority. It has little to do with comparatives nor with any conflict between capitalists and workers. The rate for the job is an objective measure most usually identified from staff turnover rates. If the rate is high the pay is too low and vice versa.

With senior executives the statistics are too rare for any meaningful turnover rate to be calculated. We have all heard the old soar that in the armed forces you end up with more admirals than you have ships and more generals than tanks and so on and it is the same for any large organisation. They tend to recruit well, train well and promote well so that you end up with a great tsunami of talent surging up into the pinnacle at the top of the pyramid with nowhere to go. Simple price theory would therefore suggest that top executive salaries should be lower than those of middle management!

Simple price theory however cannot contend with human greed. Head-hunters and Directors love to argue that only a few people can do these top jobs, but there is no evidence to support such a contention. Head-hunters are simply covering their backsides when they put forward those who have already done the top job somewhere else before and not done too badly. However several years ago now an American university did some research into the performance of CEOs comparing those doing the job for the first time and those moved sideways by head-hunters. Almost invariably they found that the first-timers did a better job.

We need a much more open competitive market for these top jobs. I am not saying directly that remuneration should be lower, simply that we do not have an open competitive market. I strongly suspect though that remuneration would be lower as a result.

This can be achieved by insisting that recruiters put at least five competent names onto their shortlist, and then ask those candidates to bid for the job just as you would do with any other contractor. Head-hunters must work harder and dip their toes much deeper into the pool of talent to fill the shortlist. In the public sector the lowest bidder would always get the job, but in quoted companies the Shareholders Supervisory Board could make the final decision.

Subsequent to appointment increases should be in line with average increases across the organisation as a whole unless the SSB decides otherwise.

### **Our Railways – To Nationalise or Rationalise?**

Network Rail currently dumps around £7 billion a year of capital expenditure onto the taxpayer – and that is before HS2. Ideally they should be spending more than this to modernise and expand. But not all taxpayers use the railways, and many do not live anywhere near the areas receiving the benefit of such investment, so why should they pay for it? If we were to nationalise the operators that could easily add another £3 billion or so.

Removing burdens like this from the taxpayers' shoulders will reduce public expenditure far more substantially than cuts to public services.

Some people think that because the railways are a monopoly they will profiteer. But as noted above, nationalisation would not prevent that. Profiteering can take the form of cutting costs and hence quality of service just as much as increasing prices and is due to the fact that they are monopolies rather than ownership. Profit capping would be much easier and more effective. Under such an arrangement if profits exceeded a cap of, say for illustration, 7½%, by say 2½%, to 10% on turnover then they would be required to reduce their fares by 5%, double the excess, so that other things being equal they would have made a profit of 5%, thus still giving them an incentive to improve efficiency further to make back up to 7½%. Likewise if profits fell below a collar of say 2½% and turnover could not be increased by raising fares or cutting costs without damaging services then a subsidy to make good the shortfall would be received. This ensures investors can invest for the long term with confidence, making it more likely the capital funds can be raised for a good price.

Labour are now proposing to nationalise not only the railways but the energy sector and much else. Although nationalising the railways would not be particularly expensive given that the franchises expire of their own accord and Network Rail is already nationalised, nationalising other profitable sectors would either be prohibitively expensive or would result in theft from shareholders, most of whom are ourselves through our pension funds and life savings. Millions of people would lose their savings. The idea is ludicrous and would not achieve anything useful.

We have one of the most expensive rail networks per passenger mile of any country in the world, and whilst some of this is rightly due to high environmental and safety standards, much is down to lack of access to funds for modernisation, lack of competition and to the ridiculous and costly franchise system. Franchises are fine if you are running a chain of burger bars or something but are totally unsuited to capital intensive industries such as our railways, where long-term commitment is required. Moreover they serve no purpose. Provided the operating companies are publicly quoted they will be subject to the normal risks of takeover or merger if they are inefficient. They will also provide reliable investment opportunities for savers.

A much better approach therefore is to privatise Network Rail and then change its relationship with the operators. Network Rail would publish a maximum capacity timetable and operators purchase or sell permanent ownership of slots in that timetable in an open market, rather like landing rights at airports. In addition they would pay a periodic access fee so that they didn't just sit on those rights without using them, as well as a negotiated percentage of their own turnover to cover Network Rail's own operating costs. Other operators could then purchase unused timetable slots providing genuine competition on every route and Network Rail would have an incentive to support and cooperate with the operators to maximise turnover without all of the current bureaucratic penalty systems. Should an operator require infrastructure upgrading this would be a matter of negotiation

with Network Rail in return for an increase in the access or turnover fees. Both Network Rail and the operators would be subject to profit capping regulation as well as maintenance regulation, the latter being a main failing of the last attempt at privatisation.

### **Airports and Infrastructure planning:**

Airport expansion is another bucket currently being kicked down the road. UKIP is and must remain totally opposed to further expansion of airports in West London on health, environmental and safety grounds. Imagine the consequences on the ground of a terrorist attack on a plane over London, and residents are already suffering from respiratory diseases as a result of pollution.

We still need an infrastructure 'Tsar' to identify needs and assess priorities, but having done so his approach should be to get a specification agreed by Parliament and then to put a contract to build and run the facility, subject to profit regulation, out to the highest bidder. Regional subsidies, proportional to local levels of unemployment at standard rates published annually by the Treasury, would automatically be available and non-negotiable, and several options could be put up for auction side-by-side so that the highest bid identifies both the winning consortium and the location. This obviates the need for bureaucrats to make viability assessments, often corrupted by political considerations as we have seen with HS2.

### **Department of Transport:**

More generally transport is just about the only public service that is or should be user financed without any transfer of wealth from rich to poor. Everything else is funded from the progressive tax system and necessarily involves a transfer of wealth - that is principally why they are in the public sector. Discounts such as bus passes should be funded by the DWP, and regional subsidies by the relevant regional authorities and policies.

There is therefore a case completely to ring-fence the Department of Transport and make it self-funding. That way we can say to road and other transport users 'You get what you pay for'. It could decide independently whether it wants to cross-subsidise one form of transport from another to optimise capacity utilisation; a bit of push and pull together. I am not suggesting that all roads should be toll roads, though there is a strong case with bottlenecks such as bridges and tunnels. A personal hobbyhorse would be a West London cross-tunnel linking the A40 between Shepherds Bush and Roehampton on the A3 and south London ring road, currently an almost impossible journey as it is blocked both by the Thames and Richmond Park. I am sure a toll on that using APRN would be more than viable, but equally I am sure similar cases can be made around the country thereby saving taxpayers huge sums for capital infrastructure as well as providing greater responsiveness to the needs of users.

Road funding through the fuel excise duty will come under increasing pressure with the switch to hybrid and electric vehicles, so some form of road pricing is unavoidable.

Insurance companies already use similar equipment, so the technology is available. Probably the most painless and efficient way of doing this would be to add a substantial charge to the road fund licence paid in advance and then make monthly refunds of the difference between this and the actual usage charge. Links to APRN would be needed to ensure the equipment is not disabled! Charges would be higher for peak congestion journeys and times, and generally would be determined by the Secretary of State in consultation with Parliament completely independently from the Treasury. The DoT could also raise its own capital funds, though without Treasury guarantees, directly from the markets or possibly the SWF.

## **7. Education, Education, Education.**

The way in which our education system is failing the slowest and most disturbed children is a major factor in the polarisation of our society. Increasing numbers are simply being discarded and left with no hope of being employable. Difficult and disturbed children are being excluded from school altogether and many disabled children cannot now find a place at all. Schools are increasingly trying to dissuade slower children from sitting exams so as to massage their place in the league tables. No wonder so many feel excluded and left behind, and no wonder so many turn to crime, gangs, drugs and political extremism or suffer from mental illnesses of one sort or another. If their own culture has failed them so badly is it really surprising some turn to other cultures such as Islam? Not only do they become an immense burden on the state, they are also a burden to their families and to themselves.

First of all ban school league tables. All schools without exception must be excellent schools which can cater for all levels, so why do you need league tables? Also scrap SATs. Teachers know perfectly well how to teach, much better than politicians, so let them get on with it unhindered. However substitute GCPEs – General Certificate of Primary Education exams.

GCPEs would not be taken in primary schools. They would be taken during the first term of secondary school, after the decision as to which secondary school the child should attend has already been taken and is water under the bridge. This means their purpose is solely to assess what syllabus the child should undertake and be tailored to their individual needs, rather than to the needs of the school.

Grades would be standardised so that the best 10% get A's, the next 15% B's and so on 25% C's, 25% D's, 15% E's and the bottom 10% F's. This way the grades cannot inflate and teachers can set and steam according to the needs of each level of achievement. GCSEs should be graded in the same way. GCPEs would be retaken as often as is necessary with resits being required and access to GCSE's denied by subject for anything less than a D. All secondary schools would therefore have to cope with them, even grammar, free, specialist and independent schools if necessary.

It is surely only logical to accept that a slower child will not be able to undertake the same breadth of secondary education as a faster child. Go with the pace the child can manage. All

secondary schools would be expected to set and stream so that all needs are catered for, with higher budget precepts being allocated to the slower children so that the slower streams can have smaller class sizes. Disturbed (and disturbing) children would get extra pastoral care, specialist and more experienced teachers and even one-to-one attention if necessary – in fact whatever it takes to get those children over those hurdles.

Parents are primarily responsible for their children, not the State. The State should assist parents in this endeavour, not usurp them. This is a major difference between libertarianism and socialism. Parents should have as much choice as possible between different types of school including independent schools. Our independent schools are amongst the best in the world and it is a tragedy so few British children are able to attend them. The National Credit Card would enable any parent, however poor, to send their child to an independent school if that is what they want. Boarding fees, uniform costs and extra-curricular activities would be eligible as well as tuition fees. We should be celebrating our independent schools, not persecuting them.

All this costs money, so there are two ways we can finance these changes. First we can halve the budget precepts available to grammar schools leaving those schools to charge the balance, and more if they wish, onto the National Credit Card. Most parents of children in grammar schools are relatively well off and so would end up paying a significant proportion of these fees, thereby relieving the burden on the taxpayer.

Secondly we can reduce the size of the university sector. Tony Blair wanted 50% of school leavers to attend university because he thought it would give them all access to higher paid jobs. Unfortunately he forgot to increase the number of such jobs, so for most it has been a cruel deceit. Today roughly 33% of school leavers attend university at a cost to the taxpayer in student loans of around £16 billion a year. Only around 10% of these loans are being repaid at present, reflecting the fact that those higher paid jobs are elusive.

Let's not forget that students are adults. They are expected to make their own way in the world and stand on their own feet. It is unreasonable of them to expect unlimited funding for higher education if they do not have reasonable prospects of paying it back. So I would suggest that a 50% repayment rate would be a fairer balance between the interests of students and taxpayers, given that the economy does need competent graduates. This means raising the A-level and IB qualifications required to access student loans gradually year by year until the 50% repayment rate is reached. What percentage of school leavers would then be attending university I cannot guess, but probably at or below 20%. This would save over £5 billion a year which can then be ploughed back into primary, secondary and vocational tertiary education. I do not support the idea of reduced fees for STEM subjects. After all these are the students most likely to be able to repay their loans!

## **Electoral and Constitutional Reform.**

### **Electoral reform:**

1. End potentially corrupting donations by unelected institutions such as the Unions and Big Business to any political party in this country. Individuals should also be limited to a percentage of their taxable income so they can't act as conduits for others.
2. Add modest proportional state funding for all candidates in national and local elections; a small amount for each vote to be paid annually after each election until the following election in that constituency.
3. Introduce Proportional Representation using the Total Representation model. Under this model, which is I believe used successfully in Israel, two-thirds of MPs would be elected exactly as now on the first-past-the-post system. The constituencies would be larger but the ballot paper would look exactly the same. The remaining one-third would be elected on a list system from lists prepared by each party on whatever basis they choose in proportion to all the votes across the country which were not for successful constituency MPs. Successful list MPs would be allocated to two constituencies each.
4. End postal voting but substitute online advance voting at town halls and other designated polling stations around the country and even abroad where access is guarded by a need to confirm physical identification. Special smart cards could be issued for the purpose. The interconnected system would automatically prevent further voting at other polling stations and add up the votes as well.

### **Constitutional reform:**

The Royal Assent as a constitutional compliance check has been moribund for many years, as for example the passage of the Lisbon Treaty into law shows. It is right that the monarch should now be above politics, but that means we must find an alternative way to re-establish this crucial constitutional compliance check. The monarch must be independently advised on constitutional matters so that Parliament can be contained within the constitution.

The proposal here is to set up a separately elected Constitutional Council to manage a written constitution which would contain, amongst many other clauses, a requirement that all international treaties must contain a five-year review clause. It need not be a large body, perhaps one representative from around 25 regions across the kingdom, elected on a non-party political basis whenever a member has completed a set number of years or has decided to retire. It could be chaired by a proper Lord Chancellor with a casting vote who would be a senior member of the legal profession as well as a member of the House of Lords so he can anticipate issues that may arise.

Once such a council is in place it can take responsibility for a number of other issues in which Parliament itself has too much of a vested interest, such as:

1. MPs' pay and expenses
2. The Judiciary
3. The Advisory Civil Service
4. A Base Police Mandate (politicians could add to it but not subtract)
5. The Boundaries Commission and Parliamentary Commissioner
6. The Sovereign Wealth Fund.
7. The Royal Prerogative
8. The Royal Assent
9. The Honours system
10. Appointments to the House of Lords

I think these matters are all self-explanatory and most have been mentioned in the text above. The purpose is to create a more arms-length relationship between these basic constitutional functions and Parliament so that they cannot become politicised in the way many perceive that they have been. It is the basic audit principle of separation of duties.

### **The House of Lords:**

There has been much talk of abolishing the House of Lords – mainly out of frustration at their frustrating of Brexit. However anger clouds the judgement and we should make a more objective assessment.

The original purpose of the House of Lords was to provide a revising chamber full of people with expertise and experience in various areas. The membership was unlimited in number so as to widen the pool of talent as much as possible. The House of Lords is intended as the 'quality control' stage on the legislative production line. Unfortunately it has recently been undermined by being stuffed full of Tony and Cameron cronies with the sole function of gerrymandering voting in favour of the ruling party. Clearly the swamp must be cleared out, and abolition is one way of doing that.

MPs are representatives. There is no requirement on them to have any education or technical expertise at all. The people can and should be able to choose whoever they like to represent them, and it is noticeable that at hustings the local candidate almost always wins. This not only leaves party leaders with the problem of how to get their best people elected (a problem which the Total Representation system can overcome through list MPs depending on how the party chooses to select list candidates) but would be doubly inappropriate for the House of Lords. This is because, firstly, if members in both the Commons and the Lords were elected representatives we would have two representatives doing the same job. It would be a recipe for buck passing when something goes wrong as it would contravene the organisational principle of single-point accountability. Secondly, to

ensure that candidates do indeed have the skills and experience required an appointment system is essential. The only question is who does the appointing as that should also be democratically accountable.

The Constitutional Council provides a solution to this problem. We can re-populate the House of Lords this way and thereby retain the benefit of a sound revising chamber without corrupting loyalties.

### **Devolution within the United Kingdom:**

UKIP has always been a unionist party but also believes in localism and the Principle of Self-determination of Sovereignty, which may at first sight seem contradictory. It need not be so.

If we value the Union we must earn the respect of its constituent parts rather than impose on them as most Tories would do. A strong regional policy as described above is a good starting point, but the mechanism of devolution is also important. The current arrangements, particularly with Scotland under the Barnett formula, leave open the possibility of unfairness and misallocation of resources to England's disadvantage.

I therefore advocate an opt-out arrangement. Under this Westminster would pass laws for the whole of the United Kingdom without exception. Thereafter any self-defining part of the kingdom could opt out of any UK law provided that in so doing it would not disadvantage citizens living elsewhere. Such other citizens or Parliament itself could appeal against any opt-out on the basis of fact, and it would then be for the courts to decide. Successful opt-outs are likely to be on value-judgemental issues, such as foxhunting, where there is no national interest in maintaining uniformity across the land, or additional taxation, negotiated exchanges and other laws which do not subtract from UK law.

Such opt-outs would also be available to incoming cultural communities as well, but I see no reason to object to this provided the above tests apply. If they created no-go areas then the opt-out would fail. We would also have to be absolutely sure that all citizens within that community had a secret vote on the matter. Local authorities have by-laws and institutions have their own rules and regulations, so this would be no different.

In a court of law if new evidence comes to light then the case is reopened. Scots can reasonably argue that Brexit amounts to new evidence. However it is surely important that such a vote is taken on the basis of experience rather than prejudice. And given the number of other constitutional changes we have in the pipeline that would apply to them also. So it could be ten years or so after the last of these is implemented that it would become appropriate to have a further referendum on Scottish independence if they still wanted it.

People naturally want to support and belong to successful institutions. Over the past 70 years Britain's star has been falling whilst that of the EU has been rising, so the desire to switch horses is perhaps not quite as contradictory as it appears. However after Brexit the situation will almost certainly be reversed and Scots voting for independence will find they have sold at the bottom and bought at the top. Not a mistake they usually make!

## **Differentiating UKIP from Nigel Farage and other parties**

As the above manifest demonstrates UKIP can have a unique place at the centre of British politics after Brexit. But we can also differentiate ourselves regarding Brexit itself. The Brexit Party is a protest party whereas UKIP is a political party. We will be around to clear up the mess left behind by our membership of the European Union long after the BP has evaporated.

Nigel Farage is undoubtedly a great politician and we all owe him a huge debt of gratitude for getting us the referendum victory. He should by now be standing on the fourth plinth in Trafalgar Square. I might even offer him an umbrella to go with his new position!

However now that we have to think about how Brexit is to be delivered and how to make the most of the opportunities it offers, it is clear we have reached the limits of Nigel's talents. He is great with slogans but weak on policy and executive experience. When was the last time you heard him speak about either trade and the economy or about immigration? Has he abandoned the Australian Points-based system, one of the most effective of his slogans, and is he now distancing himself from the whole question of immigration altogether? He appears to be driven purely by the waste, inefficiency and lack of democratic accountability in Brussels, which of course we all deplore, but the equally substantial issues of trade, the economy and immigration seem to have passed him by. Once we are out of the EU legally, however disastrously, he will evaporate.

On trade he still wants a 'free trade' deal with the EU, thinking perhaps that is the only way to protect our exports, as big business undoubtedly keeps telling him, whereas it is not and indeed would only widen still further the trade deficit we have. That after all is how we got it in the first place and it is devastating our economy. Simple mathematics should surely have informed him that if you increase both imports and exports by the same percentage on top of a deficit you will only increase that deficit by the same percentage. It takes us in completely the wrong direction. Yet he still goes on about a free trade deal with the EU.

On the establishment he wants to 'Smash to two-party system'! Another slogan. So do we, but we actually have a plan to do it (see above). He doesn't. He has promised to produce a manifesto in due course but I suspect it will just be a disjointed tick-box affair which no-one will read. And I wonder how keen he would be to ending donations by unelected institutions such as business?!

Labour is on its last legs having become the Moslem Party of Great Britain. Hence all the anti-Semitism. In order to survive it has had to take sides now that we are all working class. But as the Moslem percentage of the population inexorably grows they will break away to form their own future ruling party leaving Labour to expire like a fish in a rock pool in the desert. Nigel is also well to the right of centre on social matters and taxation. Who is to represent Brexiteers to the Left or Centre? That is now UKIP territory.