SUMMARY OF RECOMMENDATIONS

There are three main policy proposals. These are recommendations for long-term changes, rather than short term solutions, leading to a different kind of trading economy in which taxation is not used.

1 <u>Reduce taxation below the upper limit</u>

This action will provide immediate relief to the economy. Due to the adverse characteristics of the present system of taxation, it will also contribute to 'levelling up' across the United Kingdom.

The next stage cannot begin until this step is complete.

2. <u>Replace taxation by a system of public revenue</u>

After taxation has been reduced below the upper limit, a system of public revenue based on location theory is gradually introduced.

The administrative arrangements of the former rating system allow invoices for government services to be issued to firms, households, and public sector bodies as the method of payment for all public goods and services. The major part of public health, education and housing provision is transferred from central to local government.

Most public spending is brought under local electoral control. At the same time, a new system of licensing for state-owned natural resources is used to build up a sovereign wealth fund.

3. <u>Remove all remaining forms of taxation</u>

Once these steps have been taken, there is no longer the possibility of any further increases in long-term government borrowing. Over time, however, it will be possible to gradually reduce the amount of existing central government debt.

Implementation

Taxation can be reduced in stages through the ordinary process of the annual budget presented to Parliament. The question of which taxes to reduce or eliminate first depends upon the circumstances, but some changes will be more effective than others in bringing taxation below the upper limit, and in supporting ‘levelling up’.

Once the progressive elimination of taxation is well under way, the rating system is reformed so that a single invoice is issued locally for government services, including those provided at the national level. This includes licences for the extraction of publicly owned natural resources. Specific provision is also made for the payment of interest due on existing central government debt.

Special provision is made for low income households and those in need; there is more than one way this can be done in a strong and prosperous economy. The scale of government is reduced to one half its present size. In due course, all tariffs on international trade are removed except where required for reasons of foreign policy.