

Good morning and welcome to the 12th of April Smart TV Review of the weekend's papers.

A few things have caught my attention. Last week's news was of course that Gordon Brown and the Government of the day believe that business leaders don't know what they're talking about, that they've been misled, some might suggest that they're suggesting that they might be stupid and that they don't understand the impact of the 1% national insurance rise on employers national insurance.

For me, it is the worst, worst suggestion that I have ever heard of, how can we be in the situation where we know that we need to generate more money as an economy to pay off our debts and make it more difficult for us to do that. What we need is this country and every small business to think it's a good idea to take on one more person, and every decent sized business to think it's a good idea to take on a few more people. If we put businesses in a situation where their national insurance costs have gone up already, then the capacity that they had to spend the money to employ the staff, that we need to generate the growth, to grow our way out of this problem, has been spent, and has been spent by the government.

So I had a written blog this week, not something that I do very often, but I was so sufficiently hacked off with this, that I laid out a series of simple options. Do you want £6 billion in the hands of the small and large businesses in the UK and expect them to drive us out of the recession that we have been in, and generate the growth and pay the taxes that we need to pay down all of this debt, or do you want the government to have the money? I absolutely and totally refute Gordon Brown's suggestion that the tax cut is taking £6 billion of the economy; it's the biggest load of nonsense that I've ever heard! It's putting £6 billion in the hands of businesses to generate growth, as opposed to the hands of the government. That's not taking money out of the economy, that's leaving it with the people who create jobs and create growth, rather than placing it in the hands of the government. I just think it is absolute insanity.

In this week's papers there is a very good example of the implications of that rise in national insurance, amongst the general relatively high burden of taxation that companies and individuals are facing. Any loss, a massive chemicals company have announced that they are going to be relocating their business for the UK to Switzerland, that all of their most senior people are going to become domiciled in Switzerland and therefore the UK government is not going to be able to get any tax whatsoever on the money that these businesses make.

So not only are we making more difficult for businesses to employ staff, which keeps people of job seekers allowance, keeps them off incapacity benefit, keeps them off being dependent on the state, so we're making it more difficult to give people jobs, the infrastructure that is in place is such, that massive companies like that are starting to look at it and say, "Enough is enough guys, we're going to go somewhere else." So again, massive, massive opportunities coming up in the election to redefine the way that we want our taxation. My suggestion, which nobody else is proposing, I actually would abolish employers national insurance entirely. Who ever thought that taxing people for having employees is a good idea, it's a preposterous idea. So take it away, obviously the tax needs to come from somewhere, so place it on the employees, place it on the profitability of the businesses, place it somewhere else, but do not place a tax on people, irrespective of whether they're making a profit or not, purely and simply because they have employees. Its just insanity.

Anyway, enough about that, a couple of things just to wrap up with, Michelle's now on maternity leave, so any contact you may previously of had with Michelle will now be with Terry Hewes, who is our new administrator and in the medium term will become our new trainee advisor. His email address is terry@smartfinancialplanning.co.uk and I'm sure you'll get to speak to him soon.

That's me for this week.