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# Cut NI and 50p tax, says Boris

**By Robert Winnett**
**Deputy Political Editor**

BORIS JOHNSON has urged the Chancellor to cut National Insurance to boost economic growth after official figures showed the economy stagnating.

The Mayor of London said a cut in taxes, including the scrapping of the 50p higher income tax rate, was essential to encourage entrepreneurs and "send a signal" that Britain was "open for business".

His demand came amid growing pressure on George Osborne to develop new policies to boost economic growth. *The Daily Telegraph* disclosed that there was impatience among No 10 advisers, who wanted the Treasury to be more imaginative in kick-starting the economy.

The Chancellor said yesterday that there was underlying growth in the economy and that the Treasury's tactics had "provided stability in a very unstable world".

Official figures showed that economic growth between April and June was 0.2 per cent. Over the past year, the economy had risen by just 0.7 per cent – far less than ministers expected.

Mr Johnson is an increasingly outspoken critic of the Coalition and is seen as the main rival to challenge Mr Osborne for the Conservative leadership when Mr Cameron eventually steps down.

"You've got to look at ways of stimulating growth now, and certainly I think you should look at National Insurance," he said. "You should look at ways of stimulating consumption confidence in the market."

He said the abolition of the 50p rate would be "a signal that London is open for business". He described London as a "great international competitive capital", but it was competing against capitals with much lower tax rates.

"That's the right direction to be going in," he said.

John Walker, the chairman of the Federation of Small Businesses, also called for tax cuts but he said that VAT should be reduced to five per cent in the construction and tourist service sectors to boost consumer and business confidence.

The Coalition implemented a one per cent increase in National Insurance for employers and higher rate taxpayers that was planned by the Labour government. Ministers scrapped the increase for basic rate taxpayers.

*'I would have grown more if it hadn't been for the Royal wedding and the unseasonably warm April'*

National Insurance was described as a "tax on jobs" and some experts believed that a reduction could be self-financing as more people would be employed and subsequently pay tax.

Mr Osborne is thought to have ruled out a reduction in the levy, but is expected to announce the scrapping of the 50p rate in next year's budget.

The higher rate, levied on those earning more than £150,000 a year, is blamed for pushing financiers and entrepreneurs abroad but is unlikely to be lifted until 2013 as ministers believe that scrapping it while public-sector pay is frozen would prove controversial.

Mr Osborne is waiting for data from HM Revenue and Customs that is expected to confirm that the 50p rate is damaging Britain.

The Chancellor also indicated that he wanted to cut other taxes that were making Britain uncompetitive to business but the Prime Minister said earlier this week that tax cuts were currently unaffordable.

Mr Osborne said yesterday: "We have got to make choices about our tax system if we want to keep it competitive."

However, he made clear that he was not prepared to compromise on his overall deficit reduction strategy. "The absolutely fundamental requirement is economic stability. Without that you have nothing," he said. "Our economy is stable at this time because this Government has taken the difficult decisions to get to grips with Britain's debts. Abandoning that now, as some argue we should, would only risk British jobs and growth."

Mr Cameron insisted that yesterday's economic figures were "positive news" and that there was no need for an economic "plan B" as some experts suggested.

The Office for National Statistics said the second-quarter economic figure would have shown growth of up to 0.7 per cent if it had not been for one-off factors such as the extra bank holiday for the Royal wedding and the disruption to British

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## Virgin's Swiss move is blow to Osborne

## The toast of Glorious Goodwood

## MoD spends £1 billion on staff credit cards

**By Holly Watt**

Defence Secretary, has previously attacked the MoD's expenditure

# CLOTHES THAT ARE PROUD TO BE BRITISH

*A new breed of streetwear designers is bringing urban style to heritage fabrics, says* ***Alicia Waite***

As recently as 10 years ago, the thought of British heritage clothing conjured up a fusty picture. Tweed jackets and plus fours were the preserve of the upper classes, donned only for country pursuits, and accessorised with a layer of dog hair and a long-barrelled gun.

But fast-forward a decade, and a new image has taken its place. When style mavens Alexa Chung and Olivia Palermo stepped out in their waxed Barbour jackets on to urban streets, the fashion world took notice. Now, it has become a full-scale movement. With heritage brands such as Burberry leading the global fashion scene, Mulberry sales rising 526 per cent over the past year, and Pringle being one of the hottest tickets at London Fashion Week, British-based labels have become "cool" again. Tired of two decades spent producing clothes in factories on foreign shores, a new wave of companies that design and manufacture in Britain, using British fabrics, has emerged.

Take Leicestershire-based Peregrine (peregrineclothing.co.uk). Originally set up in 1901, by the great-grandfather of the current owner, Tom Glover, the label was recently resurrected after all but folding in the Eighties. With modern takes on classic knitwear pieces and waxed cotton jackets that look as at-home on the Tube as on a country walk, it boasts a level of craftsmanship that is rarely found on the high street.

"It's so important to retain the skills on which our country was built," says Glover. "We can still manufacture good knitwear competitively in the UK. With fewer factories left over here, that 'Made in England' label represents a sign of quality not just in our country, but around the world."

He is right: more than 60 per cent of sales at Peregrine are overseas. Despite occasional lulls in the British fashion trade, our reputation for high standards has yet to be tarnished. The Japanese, in particular, have a penchant for British-made style. Cherchbi (cherchbi.com), a new accessories brand that makes bags from Northern Irish cowhide and tweed woven from the wool of Herdwyck sheep, has more Japanese stockists than British. Similarly, menswear label Private White VC (privatewhitevc.com), womenswear label Heritage Research (heritageresearch.co.uk) and Chapman Bags (chapmanbags.com) all have many stockists in Japan.

What attracts foreign buyers is the emphasis on endurance, not only in the clothing, but their back stories as well. Private White VC, which is based in Manchester, is designed around the everyday wardrobe of Jack White, a soldier awarded the Victoria Cross in 1918. After leaving the Army, White took a job in a raincoat factory, Cooper & Stollbrand, where he worked his way to the top. His namesake label, which was launched last year by his great-grandson, James Eden, is now manufactured here alongside garments for the likes of Burberry and Paul Smith.

**Cape jacket £295 blouse £135 chinos £130 and brogues £228** all Heritage Research at Nola's Boutique; 01273 911006, nolaboutique.co.uk

"Much of our success and survival can be attributed to the traditional values and determination of Private White, whose obsession with craft and quality lives on in the brand," says Eden, whose label has a utilitarian aesthetic. Waxed bomber jackets and workwear suits in robust moleskin are designed to withstand the elements, and are adorned with the Victoria Cross, the brand's logo.

Similarly, Heritage Research, a new womenswear label hand-made in Britain, has cited first female aviator Amelia Earhart's then groundbreaking androgynous style as the design inspiration behind its first collection, which launched this year. Though Earhart was American, her grit and determination are at one with the ethos of the brand, which offers a no-frills collection of cropped riding jackets, military-style, wide-legged trousers and mannish brogues.

The new emphasis on detail is to be applauded. Take the tweed used in Cherchbi's bags. The wool from the Herdwyck sheep with which it is woven was thought worthless – until it was blended with cowhide and Manchester-made cotton and turned into beautiful bags.

The laborious work involved is reflected in the high prices – a full-sized Cherchbi holdall retails for £595, for instance. But these pieces will last a lifetime – and there is an extra thrill in knowing your pound is supporting the best of British.

to me.

"This collection is about being true to myself; all the pieces are honestly what I would wear. When my friends saw it, they said, 'This is so you!'" And right down to the scribbly spider logo, too.

*The Claudia Schiffer range is available from August 12 at claudiaschiffer.com, net-a-porter.com and Harvey Nichols (0845 604 1888)*

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