

My Intervention in the AUKUS Defence Partnership debate

John Redwood: (Wokingham) (Con):

I warmly welcome the announcement and the work that has gone into it. Can the Minister give the House any indication of the first phase of roll-out, and of how many submarines of the new type will be built? How many of those could be for the Royal Navy?

Alex Chalk, Minister for Defence Procurement:

We know, come what may, that the first of these submarines will be built in Barrow, and we have already begun the procurement of long-lead items for that initial batch. Precise numbers will emerge in due course, and that will depend on all sorts of things, including how quickly the Australian industrial base matures and so on. I reassure my right hon. Friend that the first boat will be built here in the UK, and work is being done to ensure that the necessary components for future builds are already being procured.

NHS pay

I am glad to see progress with sorting out the NHS pay disputes. I have along with others put to Ministers the idea of a one off back payment for this year given the sharp acceleration of inflation in the first part of the year. I have pointed out that the NHS needs to fill a large number of medical staff vacancies as we need to get the waiting times and waiting lists down and put in extra beds with staff to support them.

Meeting with local teachers over pay

Yesterday I met a group of local teachers to discuss their pay. We agreed that talks need to resume between the government and the teaching unions, and agreed that the cost of living squeeze has taken its toll on the spending power of their salaries as with others.

They told me of difficulties in recruiting and retaining teachers locally, especially in some subjects like computing where there were other jobs than teaching readily available in our area. I said more data and examples would be helpful to their case, as employers do need to ensure pay levels are high

enough to fill vacancies.

I agreed to renew my conversations with Ministers about these pay issues following my meeting with them. I have of course had various talks with NHS and Education Ministers over how to resolve the pay disputes already and made suggestions to them. They also asked about a possible extension to boundaries for London weighting in pay, which I said I would also put to Ministers. This has not been on the government agenda, and talks about national pay levels are a more likely route to early changes in salary.

[My Intervention in the Building Safety debate](#)

John Redwood (Wokingham) (Con):

Given the shortage of capacity, what steps are the Government taking to encourage more businesses and people to come forward to provide good-quality building and construction work?

Michael Gove, Secretary of State for Levelling Up, Housing and Communities: My right hon. Friend makes an important point. We need to ensure that we have in the development sector, and indeed in the building safety sector, a range of companies and actors determined to do the right thing. Some of the changes that we are making—to the national planning policy framework, for example, and other steps that my right hon. Friend the Chancellor will announce in due course—are designed to ensure that we have a diverse and energetic private sector market helping consumers and leaseholders.

[My Telegraph article](#)

We need a better paid jobs, more investment, good news, growth type of budget . This one promotes more employment with useful measures to encourage more people to get into the workforce which is welcome. It also comes with higher taxes, higher state spending and an increased role for the state in the economy. This is not yet the march of the makers, the liberation of the growers, the freeing of the small businesses, the attraction of the big companies and investors that could boost our output, cut our imports and lift our spirits. This is a budget that rightly says the wholehearted socialism of the Opposition parties would be worse, but thinks a bit of socialism is what is needed. It includes unfunded spending increases.

This budget prolongs energy subsidies, imposing windfall taxes and higher corporation taxes on energy suppliers and VAT on domestic energy consumers and motorists. Why the money go round? Why big taxes on energy when the price of energy is too high and has been so inflationary ? It looks as if adopting the Opposition's favoured higher energy taxes will cut investment in domestic oil and gas making us more dependent on imported fossil fuels with their added property of increasing world CO₂ in their production and transport. Without more domestic energy the tax revenues will slump from the sector, the balance of payments tilts further into the red and we lose the well paid highly productive jobs. Why continuing subsidies for higher income homes to cushion the costs of using luxury levels of energy at home?

Windfall taxes now on wind farms don't help much either, particularly on top of a big lack of grid capacity making it difficult to connect new investment to customers if a business did still want to try.

Just when Spain runs out of water for salads and Dutch food is hit by their government wanting to stop the farming the UK opts to subsidise wilding, taking land out of food production altogether. The policy adds to the food miles and leaves us less to fall back on when the imports dry up. Instead of more tax revenue from growing and selling more this approach needs extra taxes to pay the subsidies to do nothing.

Much of industry needs large quantities of fossil fuel to produce iron, steel, ceramics, glass, chemicals, aluminium and much else. The UK imposes one of the highest carbon taxes in the world, hikes the corporation tax and then wonders why so much is closing. Subsidies are ploughed in to offset some of the taxes, but too little too late to save some at risk plants. We end up importing more, with more CO₂ created by the transport to get the products here. The taxpayer has to pay to stave off more closures.

The motor industry had a great technical and market strength in cleaner more efficient diesel engines. These are now being closed down, with the government proposing to ban all new diesel and petrol cars by 2030. No other main car producer country plans such an early phase out. The industry is rushing to end investment in the UK and to shut factories ahead of the deadline. The advice to the industry to make electric cars here has not resulted in a surge to do so as the UK struggles to attract enough battery capacity . The industry finds many more people are put off buying new diesels than want to buy new electrics.

We could expand small businesses rapidly if they would lift the VAT threshold. Small business innovates, offers flexible service and can move quickly. We could start more businesses if the tax regime was friendlier for self employed people trying to build multi client businesses. We need more small building, repair and maintenance firms amongst others.

We could keep and attract much more investment here if we set a competitive corporation tax rate. Why not match the Irish rate? The EU and the Protocol seems to want align us in other respects with rules and laws in Ireland so why not do so with their most successful business policy? We know it works. Ireland raises so much more business tax than we do per person thanks

to so many more companies setting up business there. Investment allowances help a bit, but large companies look at the longer term profits and cash flow of an investment which are seriously hit by a 31% increase in the tax charge.

A lot of socialism as recommended by Opposition parties takes you on a walk along a path paved with good intentions through mediocrity to poverty. A windfall tax here, a subsidy there, a price control here, a nationalised or government led business there and gradually you deter and lose private capital and competitive enterprise. Go the whole way like Venezuela and you end up with permanently empty shelves, rationing and an absence of investment. Talented people rush for the exit. Doing a bit of socialism will not increase the supply of homes, energy or food to ease our shortages. We need a capacity revolution. Cut the tax rates and grow more. Cut the rates and cut the deficit. Every time Conservative governments have cut business and income tax rates they have grown the revenues. The photo of Nigel Lawson in Number 11 should remind the government that even a little bit of Conservatism can work wonders.

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