

Time to boost the economy

Interest rates have been cut in the USA, Brazil, India, Australia, New Zealand, Thailand, Turkey, Russia and elsewhere. The USA, France and others have offered some tax cuts. Italy is seeking to make the country more attractive to investors and entrepreneurs through tax changes. The Italians are pushing to be allowed some fiscal reflation to ease the pain of their adherence to Euro disciplines against a background of very weak growth and high unemployment.

The UK economy has performed very well considering the severe monetary and fiscal squeeze administered by the outgoing government. It is good to hear the new Prime Minister make clear his commitment to a prudent relaxation of the squeeze, with planned spending on police, schools, the NHS, prisons, and infrastructure. He should ensure tax policy is reviewed to make us internationally competitive and to maximise revenues around rates people are prepared to pay and which continue to attract talent, investment and business to the UK.

The PM has pledged to accelerate the roll out of fibre to every home and business to increase capacity and line speeds. More and more business, learning and entertainment will be delivered by internet, so we need the capacity to compete and to handle the volumes of data and film, likely to be involved. We also need more to be spent on roads to bust congestion, improve safety and reduce journey times. Road budgets were badly cut by the last Labour government and kept low by the Coalition.

The latest German figures show that the world manufacturing downturn in general and the bad hit to the car industry in particular have dragged the German economy into a quarter of negative growth, with poor prospects for the rest of this year. Italy was in recession last year in the second half, and remains very weak this year. The Eurozone as a whole is likely to avoid a recession but is widely forecast to record very slow growth. The internal logic of the debt and deficit rules and the inability to exploit the digital revolution unleashed by the USA will keep the overall Eurozone performance poor. Germany will still worry about the extent to which the whole zone is financed from German deposits of its surplus at the Central Bank for lending on to the deficit countries.

Now is the time for the UK to promote growth, more jobs and better incomes. New freeports, more development of the internet economy, and stronger global trading links with the faster growing parts of the world are all possible after October 31. The UK is better at tech and services and well placed to be an important global player.

The tragic death of PC Andrew Harper

I was greatly saddened to learn of the death of Andrew Harper while on duty in West Berkshire. I send my condolences to his family. The whole local community is shocked by the tragedy.

It reminds us to thank all those in the police and our other uniformed services who put themselves at risk to help the rest of us to live in safety.

No to a Corbyn led government of national disunity and unreliability

The UK has given its word to the international community that we are leaving the EU. We have held numerous discussions with countries around the world based on our new future. Now Mr Corbyn wants to delay our exit and create confusion about what we might do. His own party remains riven between Remain at all costs MPs and accept the verdict of the people MPs. Now the Leader of the Opposition is showing he cannot reach out and attract the support of the Lib Dems or Change UK for a No Confidence vote designed to put him in Downing Street.

Parliament's choice this September is simple. Does it at last want to do the right thing, honour the verdict of the referendum and allow us to leave the EU on October 31 as the government plans? Or does it have a narrow majority of MPs who want to bring on an early election, going back to the people and telling them this Parliament is not fit for purpose, can't make up its mind and needs to be thrown out? Were it to choose the latter it will be a difficult task for all those Labour MPs who stood on a Manifesto of leaving the EU to explain their about turn. It would mean any Conservative who had helped bring about such an election was unlikely to run again as a Conservative candidate. It means the near certain end to the Parliamentary work of those MPs who defected from their original parties and are now in Change UK in order to try to keep the UK in the EU.

This Parliament would go down in history as the worst ever if it opts to disband this autumn. Only getting us out of the EU as the two main parties promised in 2017 can now improve the reputation of this Parliament. This Parliament may anyway have left it too late to try to hold an election before we leave even if it could call one. Ironically only if the election is held after we have left does Labour have more chance of winning a decent vote share.

Trade wars?

Trade is always vulnerable to politics. Today we see a US/China trade dispute on a grand scale, as the US responds to the growing strategic and military challenge of the emerging superpower. Pakistan and India are in bitter dispute over Kashmir with threats to the trade from both sides of their troubled border. Japan and Korea have dismantled their framework of mutual trade preference and are imposing barriers on some items. The row resumed over Korean claims for war reparations. Many developing countries charge high tariffs on imports with special dispensations from WTO rules to allow this. The US has imposed sanctions on Iran which the EU has in effect to go along with. The UK refuses to sell various countries weapons and security machinery on strategic and moral grounds. Most advanced countries place security restrictions on the sale of certain technology products and services.

The main trend worldwide is for neighbouring countries to impose trade restrictions on each other for wider political reasons. In the Middle East trade is disrupted as part of the wider Sunni Shia conflicts. Mr Trump threatened tariffs against Mexico to get better border policing on the Mexican side of the border. He seeks to stop the illegal drugs trade from South America and looks for trade remedies. Japan have difficult relations with its neighbour China. China, Pakistan and India have disrupted trade around their common borders in Kashmir. These common rows and anti trade policies are always with us, but the strength of the WTO trading framework means world trade continues to grow and stays at high levels.

Despite these common problems the bulk of our trade in or out of the EU will be tariff free with relatively easy passage across borders. There are no current difficulties from government restrictions on the UK importing a large number of components, food and pharmaceuticals from non EU countries. The WTO Facilitation of Trade Agreement coupled with the enthusiasm of exporters to sell to us will ensure plenty of imports to meet our needs after 31 October with or with an EU Agreement. The UK so far has announced a major reduction in tariffs once we are out making it cheaper and easier to import from non EU places, and no dearer to import from EU.

We need to remember as well that the overwhelming majority of our trade is domestic. There is more scope for growing UK businesses and farms to supply our domestic market more, and this may well happen once we leave the EU and can settle our own affairs. Our time in the EU has seen loss of home market share in a number of crucial areas thanks to EU regulations and EU economic policies. Our early years in the EEC were particularly damaging with substantial de industrialisation. The ERM debacle hit our growth rate badly. Our growth rate has been slower in the single market than before we joined.

New 16 – 17 Saver discounted rail tickets & Independent rail fares review

I have received this letter from the Government detailing the launch of the brand new 16 – 17 Saver, which offers discounted rail tickets to young people. They are also launching an independent review of rail fares to ensure the railways offer value for money to passengers:

Dear John

I am pleased to inform you that today the Department for Transport, together with the rail industry, has unveiled the brand new 16 – 17 Saver, which guarantees half-price travel for young people in England and Wales.

Whether starting or returning to sixth-form or college, beginning an apprenticeship or entering the world of work, teenagers can start using their discounted tickets on Monday 2 September.

It is forecast to save young people and their families an average of £186 every year and set to boost education opportunities, communities and businesses with young people able to travel more affordably.

The launch comes as the Rail Delivery Group (RDG) confirmed that over 327,000 people are now saving a third off their journeys after purchasing the 26-30 Railcard, saving an average of £19 per month since it launched in January.

Today's announcement means that passengers aged between 16 and 30 will now benefit from significant savings on their travel. Available for purchase for £30 online at www.16-17saver.co.uk or by calling 0345 301 1656, the Saver will be on sale at 9am on Tuesday 20 August

From this date, up to 1.2 million young people are eligible for the 50% discount it offers on most rail travel, including peak and season tickets. The 16-17 Saver will be valid across England, Wales and services into Scotland, but not on ScotRail and Caledonian Sleeper services.

This is a positive step, but we need a rail system where passengers of all ages get a fair deal. While the government has frozen regulated fares in line with inflation for the seventh year in a row, there is a need to do more. Which is why the government has launched an independently-led Government review of the railway, including looking at fares reforms and value for money for passengers.

This review will report in the Autumn with reforms expected to begin in 2020.

I look forward to updating on progress in this area.

Yours sincerely

Chris Heaton-Harris MP

Minister of State for Transport