

What should a charity do?

Many charities do good work, helping people who need support and assistance. Educational charities provide some great education and assist the many who cannot afford fees where payment is required. Health and wellbeing charities offer the extras beyond those that can be afforded from the NHS and benefits system.

There are some other charities that see part of their role to be as a campaign organisation to press a government to do things. This is a more questionable use of charitable donations and the tax exemptions that go with them. Political parties and political think tanks cannot claim charitable exemption from tax. A think tank that wants tax exemption has to demonstrate party political neutrality and an emphasis on education and independence of view.

There is also a divide over money. Many good and successful charities have built up endowments. This enables them to maintain a decent and usually rising rate of spending, without having to raise money to pay the monthly bills. Other charities live hand to mouth, establishing large support organisations with people drawing salaries that requires continuous fund raising to pay the bills. In some cases it encourages aggressive techniques to get the money to meet the salaries of the staff raising the money. Sometimes well endowed charities get criticised for being “rich” which seems odd. Given that all the money is held as a fund to pay future benefits to qualifying people and causes, surely it is good news that this has been guaranteed for future years by using the endowment model.

There is a growing concern about the charitable model that employs large numbers of well paid staff to fund raise and to demand that the government does something about their chosen area. Charities can attract a lot of volunteer talent or able people who understand rates of pay for a CEO of a charity will be lower than for a CEO of a competitive private sector business.

Charities also have to be careful not to compete using their tax free status as a competitive advantage against struggling private sector smaller businesses.

A message for the Conservatives at Conference

It is time to be bold.

The world teems with opportunities for us once we leave the EU on 29 March

next year.

We must show how we will use our new financial freedom from paying so much to the EU.

We must become again the low tax party. We believe individuals and families are best spending their own money on their own priorities. We need to cut the rates of Income tax so people keep more of what they earn.

We must be the party that backs enterprise and lets people enjoy the rewards of success. That means cutting the rate of Capital Gains tax.

We must be the party that helps people own their own home. Lets begin by getting Stamp duties down from the high levels George Osborne wrongly imposed.

We should want to have a strong car industry, and allow people to buy good modern cars made in the UK . That means taking Vehicle excise duty back down to more realistic levels.

Its not just a case of cutting corporation tax for the bigger companies , but cutting taxes on small businesses and individuals who take risks, create jobs and drive innovation.

Whilst we are about it lets cut business rates as well.

Some of these measures will raise more revenue, as the Treasury has imposed high rates which bring in less revenue. Others have a cost to be paid out of the savings in the EU budget.

We need to make the case again for freedom and free enterprise. This week we heard the marxist alternative. They tried that recently in Venezuela. The nationalised oil industry which was meant pay for it all now struggles to produce half the output it used to produce when in the private sector. They ended up gravely damaging the golden goose, a country with more oil reserves than any other now has empty supermarket shelves and an economy in collapse. Marxism has driven them into needless poverty.

So lets explain that price controls, nationalisations, government interventions may look well meaning but end in tears. Those policies hit the poor instead of helping them, and drive the rich out of your country. If government does not support and promote free enterprise it makes the country poorer. You can tax an economy into poverty. You can spend and borrow too much in the public sector leadig to a rapid inflation and a fall in your currency, which also hits the poor you are trying to help. You do not make the poor rich by making the rich poor.

Government tax attack on cars works

The latest figures show a further decline in the UK output of cars for domestic sale, as the government wished. They imposed higher taxes and threatened more taxes and bans. How much bigger fall do they want?

Amphibians do jump out of water that gets too hot

There were many years ago apparently scientific experiments to test the idea that if you left an amphibian in water which you heated up gradually it would not notice, dying when it got too hot. I always thought that a strange idea based on most cruel experiments. Most people think it is untrue. An animal will jump out when it senses the water is getting too hot. I am glad they do, for their sakes.

Some in the political world use the story of the boiling water as an analogy based appropriately on a falsehood to describe the way some people apparently will stick around supporting policies and proposals they dislike intensely if they are introduced slowly and stealthily. There has been a rumour about the Remain forces in the government using this technique to get more Leavers to accept more and more of the EU they are seeking to leave, by gradually introducing these features back into the promised Brexit the government is arranging. Thus we saw a progress of more EU controls, payments and laws being introduced from the original Lancaster House statement to the Florence speech, and from Florence to the Mansion House text, to end up with the Chequers proposals.

Gradually the crucial features of Brexit were eroded or removed. Instead of getting all our money back from Day 1 we were told there would be a big and lingering bill. Instead of getting freedom to set our own benefits and work permit policies, we were told we needed to accept some freedom of movement and some payment of benefits to EU citizens on arrival. Instead of getting full freedom to negotiate our own trade deals, we were told we had to live with accepting many EU rules and regulations which might get in the way of trade agreements. Instead of leaving on 29 March 2019 we were told it would be delayed for another 21 months for no good reason. Instead of getting control of our fish from next year, the timetable slipped and the language implied we would continue to give away much of our fish stock.

As any sensible person would predict, the latest version of Chequers represents unacceptably hot water, so the Brexiteers have indeed jumped out. The government has kindly proved again the commonsense view that you cannot get people to change their minds on fundamental issues by seeking to change them gradually and by stealth. They do notice, just as any animal spots the water getting too hot.

The EU'S borders

The main issue tackled at Salzburg is of great interest and concern. How many migrants should the EU admit? What controls should it place at its external border to control numbers arriving? How many of those borders should be hard physical borders with walls and fences, watch towers and plenty of staff? The EU has helped fund just such a tough border for Turkey with the states to the south, and some states like Austria and Hungary have also built their own walls and fences with razor wire.

The EU has a European Border and Coastguard service or Frontex, with a headquarters in Warsaw. The informal Council discussed whether this should be substantially beefed up with 10,000 new recruits to help member states handle the big issues of entry into the EU. To date Frontex has always claimed member states have the responsibility for policing their own borders, to an approved set of common rules. Frontex has access to specialist personnel and equipment to come and assist where there are particular problems or pressures. Recruiting many more staff would be a precondition for Frontex becoming a much more active participant in border security. Frontex offers ships, trained personnel and surveillance equipment.

Member states are divided on this issue. There is a strong wish to see tougher common EU border security, but also in some cases a reluctance to surrender power to police the border to an EU authority. Some states like Hungary and Austria have pushed their interpretation of EU policy a long way in the direction of hard borders and tough controls. The EU is now responding. It has a good relationship with Egypt to deter migrants from that country. It is now collaborating with the Libyan coastguard so more people rescued at sea who started out from Libya are returned to Libya. It is looking to enter agreements with more North African states, just as it has done with Turkey. In return for substantial sums of money, Turkey has agreed to provide a home for Syrian refugees and not to send them on to the EU.

Mr Salvini in Italy is pressing hard for a much tougher EU stance on migration. He has been refusing boats the right to land, and has recently organised the removal of a Panamanian flag from a charity boat that brings migrants from the sea to the shores of Italy, to remove the boat's right of passage. The EU do not like his approach, but so far have been unable to stop it.