

It was not the picture that caused Magdalen College problems

I have no problem with the postgraduate students at Magdalen College Oxford choosing what pictures to place on their wall. Rotating your pictures or finding one you like better is an enjoyable luxury to have.

The problem came with the way the MCR decided to make or allow this to become a political issue and a matter of national debate. Their explanation of why a picture of the Queen was not suitable gained the approval of some and the condemnation of others. A student common room which needs to allow all its members of whatever view or background to feel valued and respected ended up dividing opinion by being too free with its explanations. Had they said if anyone had bothered to ask they just wanted a change or a different decorative effect there would have been no story. Now monarchists there may feel on edge.

I raise this to frame a wider debate. It is most important our universities themselves are strictly independent of political opinion or intellectual bias. There should not be a collective student view formed by a majority on the role of the Queen and what she symbolises. There should be no College or university view of which democratic parties are worthy of support. There can and should be many different student views of politics, with individuals and issue based societies seeking to make converts and expressing their views as they see fit within the law. The university, the College, or the debating society needs to offer platforms for the main strands of thought and democratic politics so young people can hear for themselves and dispute with believers. The danger is universities become too narrow in a collective view, and no platform people who represent legitimate and often popular positions.

Today there is a feeling amongst populists who favour national democracies and more individual freedoms that universities are hostile to them and unwilling to hear their case. As someone who is not a voter for AFD, Lega, the US Republicans or National Rally, who does not support all their views and who keeps out of expressing individual views on foreign elections, I nonetheless am uneasy if UK universities think representatives of these parties and viewpoints should be excluded from the global debate. A majority of students may well have disliked President Trump and disapproved of some of his views, but they should be willing to hear the case of the supporters of someone who commanded millions of votes in the world's most powerful democracy. Currently in the EU some anti EU parties are front runners in opinion polls. University people need to understand why and to hear the arguments, even if they do stay resolutely in favour of the EU project.

Democracy thrives on lively exchanges of varied viewpoints and on free votes to determine who has made the most successful popular appeal. In an age of scepticism about a ruling elite of rich business people, powerful officials and a gilded group of establishment politicians Universities need to understand both their aims and why so many people disagree with their

consensus.

Recovery is underway

With Brexit behind us and Covid calmed by a comprehensive vaccination programme which most people welcomed, the U.K. economy is set to grow quickly from here. The U.K. is forecast by international bodies to grow faster this year than the EU. Sterling has risen against the dollar, the Euro and the yen following our exit from the EU.

The U.K. authorities have provided a much smaller monetary and fiscal stimulus than the USA relative to the size of the economy. Money growth has been running at half the US level. The Treasury in the U.K. is planning big cuts in the deficit in future years whilst the US President is planning two more \$2trillion packages of extra spending. The Congress may water that down, as some are becoming alarmed by the scale and duration of the planned debt build up and by the inflationary forces unleashed by the twin stimuli.

In the U.K. the Bank of England needs to avoid premature tightening before recovery is well set. The Treasury needs to speed up ending the special expenditures on companies to cushion the blows of anti pandemic policy, whilst getting us back to work promptly from June 21. Furlough needs to end. Many of the jobs will be there again. Where jobs are lost there will be plenty of new job opportunities as the whole economy opens up and employers seek people to get things done and the orders dispatched.

There are already too many shortages needing more recruitment and more investment. We are short of cement and semiconductors, of HGV drivers and of chefs, of electricity capacity and of home grown fruit and vegetables. I have been asking Ministers to work with business to tackle these shortages urgently, to cut inflationary pressures and create more better paid jobs.

There are plenty of opportunities for business creation and expansion as the U.K. embarks on its most rapid and substantial recovery ever recorded. Government needs to make sure the public sector responds by cutting tax rates, granting necessary permissions, negotiating good trade deals and spending its budgets wisely using U.K. suppliers wherever possible.

My contribution to the Statement on

Education Recovery, 7 June

Sir John Redwood (Wokingham (Con)): Will my right hon. Friend join me in congratulating those schools that adapted rapidly to the virtual and hybrid world and taught extensive timetables sticking to exam syllabuses? What more can be done to spread best practice, while offering targeted support for those schools that faced special difficulties?

The Secretary of State for Education (Mr Gavin Williamson): My right hon. Friend absolutely hit the nail on the head; the children who benefited most were those in schools that kept a clear focus on supporting children with a strong and rich knowledge-based curriculum.

That has very much been based on the reforms that have been rolled out by this Government over the last 11 years. There are sometimes siren calls to reduce the standards and quality of our curriculum and what is taught, but that most disadvantages children from the most disadvantaged areas. I reassure my right hon.

Friend that every action we take will be about reinforcing the evidence as to what actually works and how we can benefit children, including through tutoring, driving up teacher quality and ensuring that teachers have the right materials, support and training to deliver the very best for their children.

World taxation Is a bad idea

The G7 Finance Ministers and Central Bankers claimed a breakthrough in moving to a world based system of company taxation. President Biden wanted to set a minimum tax rate of 21% worldwide, and find a way of preventing some global companies booking too much income to low tax countries. He settled for a 15% proposed minimum rate, and a complex outline over the allocation of profit. The Communique offers “market countries awarded taxing rights on at least 20% of profit exceeding a 10% margin for the largest and most profitable enterprises”.

These so called twin pillars of policy were important to get all the G7 on board. The USA seeks the abolition of the recently imposed digital turnover taxes in the UK, France and elsewhere as a trade off for the promise of some transfer of profit to tax in countries where the digital giants trade substantially. Either way the USA will be one of the major beneficiaries. Many of the large global digital giants are US corporations who have in the past kept substantial business offshore in lower taxed jurisdictions. President Trump offered favourable terms to get some of the cash repatriated. The final agreement was a much watered down version of the original US

proposal.

It needed to be watered down as countries understandably value independence in seeking to tax companies. There is no world government with democratic accountability or authority that can set a world tax rate for business and distribute the revenues between countries to a formula. The EU has been trying to get there by small steps, but has found it is much easier to invent a new specialist environmental EU tax that applies to all than to reform a tax like corporation tax so that it becomes a uniform levy. The EU has decided to allow Ireland to be a tax haven with a 12.5% corporation tax rate, even though many EU member states are unhappy about that status.

I think tax competition has a lot to recommend it so there is some countervailing force to the remorseless pressure to tax more based on the theory that higher rates produces more revenue. In the case of business taxes a lower rate often raises the amount of money collected, acting as an incentive to invest, raising the prospective returns and leaving more cash in the business to pay for it. Lower rates can produce more income for shareholders and governments.

This proposal looks difficult to enforce. The 15% minimum is not too damaging, and is still below the UK rate so it does not currently constrain us. There will need to be some good drafting to decide how turnover and profit allocation will work within a multinational profitable company. So far the general language allows various interpretations.

Assuming the G7 leaders endorse this recommendation, it then needs to be worked up further and sold to the G20. China and Russia may have other ideas. If they can be accommodated then it needs the support of the whole OECD. The proposal is vulnerable to some countries seeing an opportunity to set a low corporation tax rate or to accept the minimum rate but offer lots of offsets and concessions to try to remain or gain status as a good tax location for substantial booking of business.

Helping migrants in the UK is a form of overseas aid

The UK has welcomed a large number of migrants in recent years. When considering our overseas aid budget, people should also put into the balance the large numbers of people from dangerous and low income countries we help by supporting them on arrival and then granting them rights to stay and to work. I have always thought the costs of housing and setting up the facilities for migrants should be properly attributed to the overseas aid budget. The international definition of official development assistance allows a country to include some money spent in the donor country helping people from a recipient country.

The EU once estimated that a migrant into the EU received the equivalent of 250,000 Euros in capital as they received a home, access to health care, education, transport and all the other public services provided free at the point of use for them or subsidised. There is no reason to suppose the UK current offer is below this indicative figure. Many migrants are housed in London and other locations where housing is dear. Whilst establishing their right to remain and to work the migrant receives board as well as lodging from the state. Once in work they receive top up benefits if their employment is at least in the first instance lower paid. Given the number of people coming to the UK as refugees or migrants to live and work, there is a direct cash cost on the state to provide many more social homes, and additional school places and healthcare capacity.