

What is Marxism?

Some people bandy around the label Marxism too easily, without recognising what Marxism is. It might help the debate to remind people what Marx himself recommended by way of public policy in his much circulated Communist Party Manifesto. It contained ten wide ranging policy proposals, to recast the citizen's relation with the state and to give the state a much mightier role in the economy and society.

Just one of the ten proposals has gained widespread support today and been adopted throughout the advanced world. That was the last proposal, that the state should offer free education to all children, and child's labour in factories should be made illegal. This is now common ground for all UK political parties.

Three proposals related mainly to property. One demanded the confiscation of all property of emigrants and rebels. One required the abolition of all rights of inheritance. A third was the most wide ranging, seeking the abolition of all rights to property in land, with the state owning all land and charging rents. It was this system which helped lead to famines and agricultural disasters in communist countries trying something like it. In the USSR output of food was much stronger from the limited number of independent farm owners that survived, only to led to brutal attacks upon them for being successful.

Three policies proposed a massive extension of nationalised ownership. All banks would be converted into a single state monopoly bank. Communications and transport would be nationalised. There would also be substantial state take overs of industry and factories. This system led the USSR to fall behind the west technically and in terms of productivity. The Soviet economy was heavily skewed towards weapons production and heavy industry at the expense of consumer goods, owing to the low levels of per capita national income achieved.

There would be a heavy and progressive income tax. This was a good way to drive out talent and create a closed impoverished economy by advanced world standards.

There would be a requirement on everyone to work, with "industrial and agricultural armies" established to enforce the employment duty.

The state would combine agriculture with industry, "gradually abolishing the distinction between town and country by a more equable distribution of the populace around the country."

I spent my early years in politics exposing why nine of these ten proposals caused misery, low incomes and a lack of freedom. I recommended the alternative, the Popular capitalist manifesto, based around the promotion of ownership for all and greater personal freedoms. How much of a threat are Marxist ideas again today? What can we learn from Venezuela? Why do advocates

of Marxism as a political programme always claim states that followed their ideas were not true Marxist states, because they usually create poverty and tyranny combined.

Age, wealth and income

A few write in here to express anger that older people are on average wealthier than young people. They demand higher taxes on the old so the state can spend their money instead. More write in to complain that the elderly are overtaxed, penalised for their prudence in saving when younger, or robbed for daring to be successful in business or as investors.

It is normal for older people to own more wealth than younger people. Most people go on a financial journey. As children we have no wealth and survive through our parents spending their money on our food and shelter. As young adults we start accumulating the tools and furnishings for a grown up life, and can start saving to buy a home of our own. Many save for retirement. In later years many benefit from earlier sacrifices, seeing their home rise in value, the mortgage paid off and the pension and other savings reach the point where a comfortable retirement is an option. Not all do this. Some are unable to and some choose not to, preferring to spend everything they earn as they earn it. The state helps those more who reach old age without owning a home and having private savings for whatever reason. It rightly helps those most who are disabled or ill, where incapacity has impeded or prevented paid work.

Most of us find ageism unacceptable. We live in a multi generational world of families, where many of the better off members of a family help the family members who are struggling. People in their fifties and sixties who may often have the most wealth and income in a family are usually helping both their parents and their children at the same time. The Bank of Mum and Dad is a great source of grants and loans for property deposits, education and training costs and those one off larger items young householders need but cannot afford. It may also be paying for one offs to improve the life of elderly Parents, or helping with care costs, or providing free board and lodging or a holiday for an elderly relative.

No-one can take their money with them when they die. None of us know how long we will live, so some overdo the acquisition of wealth and income and die before they have enjoyed it or spent enough if it. Others spend too much too soon and end up poor in very old age. All the money is given to others on death or is taken by the state to spend on others. Many people think it wrong of the state to take large sums on death. Others think that is the best time for the state to take it, disliking the way some get a large windfall from a dead relative when others belong to families with no money to inherit. Some rich people think their children are rich enough or do not like their

children, so they give their money on death to good causes or to others who were good to them in life.

A lot of older people also give generously of their time to younger and older family members. Many grandparents give up paid work in order to offer free child care to their grandchildren, and many older people care for a very elderly relative instead of them entering a care home. The army of volunteer careers work for love, not money, losing opportunities to take paid employment.

Taxing the better off

The majority of you who responded by email or blog post to my piece on the four millionaires thought none of them was rich. A few of you thought they were and thought I should concentrate on more representative people from amongst my constituents. They should study modern Britain more closely. Most of my constituents own their own house. Many of them own homes worth £250,000 to £1 million. Many also have savings, especially through company or individual pension funds. If they have provided for a pension of £10,000 that's another £200,000 of assets. Many look forward to larger pensions than that.

It is true I am talking here mainly about the older half of my electors. I write regularly about education, training, acquiring a first home and then a family home, and the need for more better paid jobs, all very relevant to the younger half. People in the age range 18 to their early 50s tend to be acquiring homes, paying off mortgages and accumulating pensions, whilst people from their 50s onwards often own their own home, have repaid their loans and have savings. Younger people are also of course interested in wealth taxes as they may be involved in the finances of their parents in older age.

Let us now look at the taxes that impact people with homes, savings and pension pots. Two things emerge. The first is tax has a big impact on how people hold their wealth. The second is many feel they have been cheated by the state over the years as successive government have changed the rules and broken previous government promises.

We were encouraged to save as young workers for our retirement through tax privileged pension funds. Instead of using our savings to invest in a business or improve our homes or to boost our living standards as younger people we duly put the money away. Years later government decided to change the rules, saying if you had saved too much (a level never mentioned before) or been good at investing those savings they were going to tax it after all. Large sums are now locked up in pension funds people do not wish to use because of the big tax hit if they do.

George Osborne promised to exempt £1m of assets from Inheritance tax for each family. This was a surprisingly popular pledge, given how few people will be in the position of receiving such a large inheritance. He then failed to deliver, keeping the sum at £650,000 with complicated rules about family homes as a top up in some cases. Many people go to great lengths to avoid any possibility of IHT through the many legal ways it can be avoided.

Elderly people who bought themselves good family homes, or built or improved a home, now find they are hit by sky high Stamp duties if they want to trade down to something smaller or wish to move closer to their children. Younger people are also clobbered as they try to move up the property ladder. Stamp Duty encourages immobility, poor use of the housing stock and is a direct tax on aspiration and personal happiness.

Capital Gains tax also immobilises a lot of wealth. People with second homes and or share portfolios are reluctant to sell these assets where they are sitting on taxable gains. They keep homes they would rather switch to a different location, or switch into different assets altogether. Many share owners tell their investment managers not to take profits above the tax free allowance each year.

Our tax system over the years has favoured investment in your own home and in a pension portfolio of large company shares and bonds, limiting entrepreneurship and more interesting ways of saving. Because so many people responded to these tax reducing ways of saving governments then cheated people by finding ways of taxing them after all. We need fewer and lower taxes on changing assets around to encourage better use of capital. There are too many homes held by people who do not need them or want something more suited to their latest needs, and too many shareholdings only held because they sit on big gains when the money could be used for something the person needs more, or to reinvest in a better prospect.

Bank holiday parking in Wokingham is not all free

Some of the car parks and on street parking is free tomorrow and on other bank holidays and some is not. Do check the complex rules carefully before parking, as Wokingham does enforce parking charges on Bank holidays. Don't ruin a great day by running up a parking fine.

Wokingham car parks

I have asked the Council about the closure of the Euro car park on Denmark Street. They remind us this is a private car park, and they like some of my constituents are against its closure. They are in discussion with the owners.

The council agrees we need to keep sufficient parking places close to the centre to assist its success. People have many shopping and leisure choices so Wokingham needs to be welcoming to people coming by private vehicle.

I have seen a number of constituents struggling with the new car park pay machines. The ever vigilant Parking attendants are willing to explain the new system to those who want help. You do need to memorise your vehicle registration and type that in first. Then you have to decide between paying by cash through the coin slot or by card.