

Loan charges and taxation

A number of constituents have raised the issue with me again about the tax treatment of loan charges. They point out they took advice and signed up to the scheme. They notified the tax authorities who raised no issues with it at the time, only to face large tax charges more recently often going back many years.

I have taken this up with the government on several occasions, querying the failure of the Tax Authorities to raise issues when the taxpayer first notified them of what they were doing, and asking clarification over the retrospective claiming of tax on these sums. The latest debate on these matters was curtailed by the water ingress to Westminster last week. The replies I have had from the government make clear they think tax is owing and they intend to continue with attempts to levy it from taxpayers. Each individual case is different over timing, size of payments and other matters. Constituents who think the government is in the wrong legally need to consider what legal action they can take, probably with others. It is always wise to find out what the strength of the case is and how much it might cost before committing. It is also a good idea to engage the accountant or tax adviser who assisted with the scheme in the first place, as they should help and should have some responsibility, where they can be traced.

The media and just leaving the EU – please use neutral language

My criticism of much mainstream media journalism about just leaving the EU is the lack of neutrality or objectivity in the reporting.

Many of them just assert leaving without a deal is “falling off a cliff edge” or will result in “cataclysm, or disaster”. This is the extreme language of some Remain MPs.

A neutral commentator should use neutral language to describe such an exit .
“Just leaving the EU without signing the Withdrawal Agreement” would do it.

They could then expand on how the two sides view that –

“Remain thinks this would be like falling off a cliff. They think it would be disastrous for the UK economy. They think the UK does owe more money to the EU and has to settle the bill. Leave on the other hand think it means quickly achieving their aims of taking back control of our laws, our borders and our money. They say it would enable the government to boost the UK economy by spending the money saved from EU contributions on improved

public services and tax cuts at home ”

That is as far as a reporter might wish to go. A commentator might go on to explain why he or she favoured the Remain or the Leave view, placing more information and criticism on the table. Where the media is using so called experts it would be helpful for them to reveal whether they are Leave voting or Remain voting experts, given the intensity of feeling on this issue.

What the government said about the referendum

Some are still writing to me saying the referendum was advisory, that it could have been the first of two, that it did not entail leaving the single market and customs union etc. Let's have another go at explaining it.

The government leaflet said

“A ONCE IN A GENERATION DECISION (in bold, decision not advisory, once only)

This is your decision. The government will implement what you decide”

It could not have been clearer

Much of the text was about trade and economics. It made clear we would be outside the single market, and set out why it thought that would be negative.

It also was based on the premise that we would be outside the customs union, though it did not say that directly. It went on at length about the need to negotiate a trade agreement with the EU after leaving, saying it would take time and be partial. You would not be able to and would not need to negotiate a trade deal with the EU if you were still in the Customs Union!

It was made clear by Remain in the campaign that leaving meant leaving the single market and customs union. Leave understood this and talked about the advantages of the UK being able to strike tariff free trade deals elsewhere which you could not do if still in the Customs Union.

The Conservative Manifesto of 2017 expressly ruled out staying in the single market and customs union. The Labour Manifesto set out a detailed independent UK trade policy which you could not do from within the single market and or customs union with the EU.

Second referendum

A number of constituents have contacted me about a second referendum. If I thought another vote could produce an answer the majority were happy with and which the rest would accept I would be tempted. I have given this considerable thought but have come down against supporting one for a variety of good reasons. A second referendum would increase divisions and undermine trust in the democratic process.

This issue was raised prominently in the 2017 General election by the Lib Dems. Both nationally and locally they argued for a second referendum. The national Conservative party, the national Labour party, the local Labour candidate and myself argued against. I do not normally change my mind on a promise made to my electors in a General election, and would need a very good reason to do so. In some cases where a voter was keen on a second referendum and said they could not live with the referendum result I told them they should not vote for me because I did wish to honour the national referendum result and thought a second referendum would be divisive.

It is difficult to know what question would be asked in a second referendum. Leave voters would resent the idea that they had to answer the same question twice. Nothing has changed since 2016. The arguments today are still the same as they were during the long and detailed referendum campaign examination. I was made to spend much of the time during the referendum debating customs unions, Norway and Swiss models, regulatory alignment and all the other matters that have dominated Parliament for 3 years now. The government leaflet to all households explained that leaving the EU meant leaving the single market and customs union, and the government forecast in graphic detail why it thought that would be a bad idea. Its short term economic forecasts for the first couple of years after a No vote proved to be wildly too pessimistic. I suspect Leave would win the same referendum again. If by any chance they did not, why would Leave voters be any more accepting of the second vote than some Remain MPs have been of the first vote? It would add more rancour and division to an already difficult situation. The cry would go up from many Leave supporters " Let's make it the best of three. "

Some say they want a referendum on the question of accepting Mrs May's Withdrawal Agreement or staying in. That is clearly a different question to Leave or remain. The problem with that is it does not offer the 17.4 m Leave voters anything to vote for, as most of us do not regard the Withdrawal Agreement as leaving. It is a Delay Agreement, keeping us in the EU without vote or voice for 21 to 45 months with a very uncertain future still to be negotiated. Were that to come about I suspect most Leave voters would simply write Leave on their ballot papers, resulting in a likely win for spoilt papers and a massive problem for Parliament trying to interpret the result.

You could have a second referendum asking the public to say would they want to sign the Withdrawal Agreement or leave without signing it. That is a new question, respects the results of the first referendum and gives Leave voters a clear choice they will like. I suspect that most advocates of the second

referendum would not favour that choice, as they usually tell me they want Remain on the ballot paper.

That leaves the possibility of a three way choice between Leave without the Agreement, sign the Agreement or Remain with full EU membership. This does not fully respect the results of the last referendum. It makes it very likely that the winning proposition has considerably less than 50% of the vote. Given the passions on this issue I would not wish us to implement a minority decision disliked by two of the three groupings in such a referendum. The organisation of a three way campaign with three official teams would also be more complex than the usual binary choice approach.

For these reasons I do not recommend a second vote on this topic. I think we need to move on. I want to concentrate on the issues of schools, social care, planning and highways that have a daily impact on my constituents lives. I want to help lift the indecision and uncertainty the delay of Brexit is causing.

Wednesday's efforts by the Cooper-Letwin government

The debate on Wednesday failed to get to grips properly with the constitutional revolution some Remain MPs are trying to unleash on the UK. The approach was based on lightning legislation with insufficient time to consider and propose amendments. A majority of one vote from a coalition that have never stood together on a platform before sought to impose their will on the government. The result is a Bill that rushed on to the Lords, where they wish to do the same, with the government against. If the government had itself tried to put legislation through like that many of the advocates of this Bill would have been protesting strongly. MPs were having to cobble together handwritten amendments to give in just a short while before the debate, whilst also listening to proceedings. It is not a good way to behave.

The government now has to decide whether it wishes to try to get back control or not. It should assert that the Bill has large financial implications. It should refuse to move a Money resolution to cover the costs. Ministers should remind the House that international negotiations are vested in the government of the day to handle as they see fit. Only the passage of a motion of no confidence in the government should be able to stop their handling of these matters. The government in its turn where an international negotiation requires legislation to implement it needs to be fully aware of what the House will and will not pass before striking an agreement in principle.

The crucial votes on the Bill and the wish to the new coalition to control the Order paper again on Monday were knife edge with around 310 on each side.

They lost the Monday business but won the Bill. Two of the other votes tell us more about the views of this Remain dominated Parliament.

Anne Main proposed that no delay should be permitted beyond the 22 May deadline for our exit. 123 of us voted for this, with a massive 488 against. This demonstrated that more than three quarters of the House are against a timely Brexit three years after the decision was made. It shows that a May/Corbyn coalition could have a large majority to railroad things through against the wishes of the minority who speak up for the 17.4m Leave voters.

The government proposed an amendment that in effect would have made delay easier for Ministers to arrange. That was defeated by 400 to 220, when many Conservatives voted against the government in favour of less delay. The Opposition decision to vote against was curious given their clear wish to delay.

What Wednesday showed in the Commons is the fate of Brexit hangs more in the hands of Mrs May than of Parliament. Despite the serious efforts to wrestle power from the government, it is still in Mrs May's capacity to allow us to leave on April 12 without signing the Withdrawal Agreement, or in her power to do a deal with Mr Corbyn to wound and delay Brexit for as long as they like subject to EU approval.