

## Loan Charge Debate

I attended the brief debate on the taxation of loans in the House on 8th January. I intervened in the debate to make the points that people had often taken professional advice about the legality of these schemes, and had notified the tax authorities of what they were doing.

Other speakers in the debate set out individual cases that demonstrated the Revenue was seeking to go back a long way and to impose very large retrospective charges on people when they had not tried to charge them extra tax at the time.

Given the number of MPs including myself who would have voted for the amendment to the Finance Bill calling for a review, the Government conceded and accepted the amendment. This is welcome and gives us another opportunity to put the case to the Revenue. The Treasury Minister accepting the Amendment did not however accept the underlying point at issue, and reaffirmed the Treasury view that some of these schemes were always illegal and that tax remains due. I recommend that support groups re-submit the case to the Treasury as part of the review they must now undertake.

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## Brexit An uncivil war

I watched this C4 film on Monday evening. It was a typical Remain influenced take on the referendum, and a missed opportunity to say something new about the campaigns.

The whole film was skewed to exploring the Leave campaign rather than the Remain campaign. I mainly watched it to see more of the background to Remain but was disappointed. The movie did not even include George Osborne in it, yet he was arguably the most influential Remain campaigner. Remain went mainly on Treasury matters and used endless amounts of UK Treasury and international finance materials. Peter Mandelson was only referred to in passing in the film though he too seemed to have a big role. There was no exploration of why the punishment budget did not work or how they came to run such irresponsibly false forecasts as they did for the short term period after a Leave vote.

There was no discussion of Project Fear or of why people did not believe the wildly wrong forecasts of a worse future. The Remain campaign was seen as the work of just one man, Craig Oliver. I don't know whether he will like his representation or whether the most revealing scenes of him and the campaign even happened.

We saw him inspecting the Remain headquarters at set up time and telling them

if they did not meet his requirements he could run it out of Number 10. There was no discussion of whether this was appropriate or legal. We did not see them planning to send a leaflet at taxpayers expense just before the campaign proper began, seeking to use the power of government and the idea that this propaganda sheet was in some way the truth as a means of closing down debate.

We saw Mr Oliver shouting and swearing down the phone to the BBC, complaining that they were giving equal airtime to Leave when he was fielding "Nobel prize winners" for the news. This scene represented the Remain idea that the establishment had more right to a say and a vote than anyone else, and expressed the huge Remain frustration that the BBC and electorate were not being more deferential to the galaxy of establishment people they had lined up to endorse Remain. We saw no scenes of how all these people were approached and used. It would have been good to have seen how for example the President of the USA was persuaded to say "back of the queue" which became a famous moment.

We saw Mr Oliver completely lose his temper with a focus group when the members of it continued to resist the very clear establishment messages he had been sending out. In an unprofessional moment he broke into the room, took over the conversation and hectoring the people present to accept his view of the position. Some of them pushed back hard, showing how Leave voters simply did not believe the establishment dodgy forecasts and resented the hectoring tone Remain adopted throughout.

The message of the film if it had one at all was that clever ways of using digital technology to contact voters won it for Leave. There was no consideration of the possibility that a large number of UK voters voted to take back control because that is exactly what they want to do. The popular wish for a proper democracy and the wish to be independent again somehow escaped the attention of this movie. It was like many other media commentaries patronising about Leave voters.

It had plenty of inaccuracies. It had Sir William Cash on the Vote Leave Board when he was a member and at the meeting featured. The representation of Sir Bernard Jenkin was very inaccurate.

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## [Vandalism in Wokingham town centre](#)

The local press has highlighted worrying vandalism over the holiday period in the centre of Wokingham. I am in touch with Councillors who have been working on this matter, who in turn are co-operating with the local police. I am willing to take up matters with government if that is needed, and thank the Councillors and police for their work so far to try to get on top of this problem.

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## Good rate of jobs growth

There has continued to be a good rate of jobs growth in the UK over the course of 2018, despite the monetary squeeze and the tax hits to cars and some housing. Since the referendum vote more than 700,000 jobs have been added. This contrasts starkly with the 500,000 job losses the Treasury forecast for the first couple of years after the announcement of a Leave vote win. Real incomes are also rising again, and are in the UK usefully above the levels reached prior to the banking crash in 2007, as is GDP per head. In contrast several countries in the Euro area including Greece, Portugal, Spain, Italy and France are still below the 2007 levels of real GDP per capita. The banking crash and great recession at the end of the last decade did plenty of damage to jobs and real incomes on both sides of the Atlantic and on both sides of Channel.

The US economy has also shown a good pace of jobs growth in the last year, accelerated by the tax cuts and fiscal boost administered by the Trump administration. Real wages have also done well, with people enjoying more spending power as the tax cut benefits flow through to their bank accounts. The statements made by Jerome Powell, the Chairman of the Federal Reserve Board on Friday were important and reassuring. He said he was listening carefully to markets who are concerned about a global downturn. He confirmed there was no need for early rate rises from here and stressed there was no pre determined path for Fed policy. Prior to this markets took as a guide the suggestion that there could be three more rate rises in 2019.

The UK authorities need to reappraise their approach in the light of recent events and in the light of Mr Powell's welcome statement. We could do with more progress in generating jobs and rising living standards. This has so far been a long lasting recovery from the crash of 2008-9, but also quite a slow one. As Janet Yellen, former Chair of the Fed stated, recoveries do not die of old age. They end when Central Banks make them end. There is no need for them to do so any time soon. Policy has been tighter than it need have been thanks to Quantitative tightening, higher rates and tougher banking guidance. Latest global surveys show more of a problem with orders, not with inflation. Falling commodity prices confirm there is no great inflation threat out there.

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## Major increases in healthcare money

Today the government announced its financial settlement for the NHS for the next five years. Total spending will rise from £115 bn last year to £148bn in

2023-24, representing a 3.4% real increase each year.

The government wishes in particular to improve early cancer diagnosis, to improve mental health services, increase funding to ensure better quality care in the community, allow GP surgeries to expand, and improve maternity services. The NHS will have more money for introducing digital technology, personal healthcare budgets and more prevention measures.

I will be following up with the government over our local share of this welcome boost to NHS budgets. We do need to expand our local health capacity and make sure local health professionals have the budgets they need to provide a good quality service.