

Taming the market?

I have received many phone calls from media and newspaper outlets wanting me to criticise the Conservative leadership for proposing some curbs on big business in areas like energy to help consumers. There is growing frustration by these people, often pro Remain commentators desperate to create a split in the pro Brexit Conservatives. Let me explain why they are wasting their time.

Many Conservatives regard delivering Brexit as the most important thing the next government has to do. We want strong and stable leadership able to get through the legislation needed. Together we seek a mandate to show the Lords the public are behind the Commons on this matter. The legislation to remove the power of the EU will be a Manifesto Bill, which by convention the Lords allow to pass. If we deliver Brexit well, then the UK can embrace free trade with non EU countries. The UK can be more outward looking and enterprising, to be able to pursue our own path to prosperity. We can choose our own taxes, spend our own money and amend our own laws.

Conservatives including the Prime Minister of course regard markets as the important source of choice, jobs and prosperity. Together we are against renationalising the railways, the water companies and the Postal service. Together we seek to create a climate favourable to business in the UK, and are pleased that so far Conservative led governments since 2010 have created conditions which have led to a big surge in investment and jobs. Together we want lower taxes, with proper rewards for work and venturing. Together we want to see more challenger businesses and more innovative small companies rise and flourish as signs of a healthy enterprise economy.

Belief in the importance of markets and competition is not the same as belief in a free for all. I and others of like mind have always accepted that Parliament and government needs to set out a clear legal framework to control business and ensure fair competition. We have always accepted the need for redistribution through taxes and benefits. We seek lower tax rates, but not lower tax revenues. One of the reasons we want lower tax rates on work and profit is to encourage more growth and prosperity. We support a legal framework to protect employees from any bad employer that might be out there.

Like the Prime Minister, I am all in favour of imposing requirements on large companies that have an overmighty market position, and especially intervening against monopolies and cartels that act against the customer interest. No Conservative supports large corporations tax cheating, overcharging or abusing their market power. Large corporations who distort markets or let their customers down or get out of line with the mood of the public they serve should not expect Conservative candidates and future MPs to turn against their Leader if she wishes to curb their abuses. The UK under the Conservatives should be a great place to do business for all those with competitive goods and services who wish to serve UK customers in all their diversity.

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[The MP service I provided in the last Parliament](#)

I think an MP should be easily contactable and personally interested in constituents' views and problems.

I wrote a daily diary piece seven days a week all year setting out my views and actions on national matters, and often a second piece on local issues where I was involved or urging the Council to take action. I encouraged constituents to logon and write back if they wished.

I provided an email answering and problem handling service seven days a week 51 weeks a year myself, with the other week covered during the working week by my staff.

I participated in more debates and votes than the average MP, and made sure I was always in Westminster when there was business on that mattered to my constituents. I did not undertake any foreign trips when Parliament was in session.

I held regular surgeries with appointment times that suited my constituents.

I kept my office costs charged to the taxpayer to well below the average MP office costs, by doing more of the work myself.

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[Inflation nears its modest peak in the Euro area and the UK](#)

Inflation has risen by similar amounts in Europe, the UK and the US. Yesterday the Euro area figure for April hit 1.9%, compared to minus 0.2% a year earlier. German inflation reached 2%, compared to minus 0.3% a year earlier. UK inflation at 2.7% compared with plus 0.3% a year ago has risen almost identically to German inflation over the last year, implying the UK inflation is not to do with sterling or Brexit as some allege.

The annual UK figure for April inflation at 2.7% reflected higher energy prices over the year. 30% of the price rise came from transport, with a surge in airfares for Easter a particularly strong item for April, and higher Vehicle Excise Duties adding to the pain. 22% of it came from household items, where Council tax rises and dearer electricity were two of the big movers. Motor fuel prices fell a little, after being the dominant cause of inflation for the last year.

There are no signs of a wage/price spiral developing as it used to do in the last century. There is not much evidence of companies pushing through price rises to offset the fall in sterling that has taken place over the last two years, though where they can companies seek a small rise as some compensation for general cost pressures. It is interesting that on both sides of the Atlantic with differing patterns of currency performance, the rise in inflation has been so similar. It mainly reflects energy and commodity prices, with some price pressures from China on her exports. Later this year unless there is another oil and commodity price surge, inflation might fall back a little.

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[Labour goes for the full Corbyn](#)

Labour's Manifesto was even more socialist than the leaked version. Nationalised water companies were added to the purchase list, alongside a nationalised Post Office, new nationalised regional banks, regional public sector energy companies, the gradual renationalisation of the Grid and nationalised train companies. This large programme of changing ownership is not costed.

The Manifesto aims to raise £48.6bn in tax and to spend it on other items. Companies would face a big tax hike on their profits, new taxes on highly paid employees, taxes on buying assets and derivatives. The better off would face a 45% tax charge at £80,000 a year and a 50% tax charge at £123,000. Public debt would be likely to go up much more rapidly than under current government plans to pay for investment, nationalisation, and any shortfall in revenues.

The problem with the arithmetic is it assumes very rich people and companies will stay and pay. It assumes rich people with flexibility will still work and invest as hard, and that companies will still build up more profitable business in the UK when other countries offer them a lower tax background to expand. Given the strong growth in corporation tax receipts seen in recent years in the UK as the rate has been lowered, it is dubious to think there would be further major growth in revenues if the rate were raised so much. Given the good growth in the amount paid, and the increase in the proportion

of income tax paid by the better off with a reduction in the top rate from 50% to 45%, it is again questionable that Labour's plan would work on Income tax either.

There are even bigger numbers on capital account. A £25bn a year investment programme is specified, though much of this is projects already underway out of budgets already secured. Presumably on top of that is the wish to set up a National Investment Bank which in turn would be able to lend £250bn for suitable projects. The taxpayer would be standing behind the bank and the projects if they miscarried.

Labour say they "accept the referendum result" and say they will get on with legislating to get the UK out of the EU. They wish, however, to negotiate their way back into the customs union and many other features of the current EU scheme. They would guarantee the rights of all EU citizens in the UK before the EU made a similar reassurance for UK citizens living in the rest of the EU. They are silent in the Manifesto over UK payments to the EU, though elsewhere they have implied they think the UK does have to pay some bills the EU dreams up that have no legal base in the Treaties. None of this makes for a strong negotiating position designed to give both the UK and the rest of the EU a good Brexit. It is in the interests of both sides that we have a good future relationship. The UK being firm as well as friendly is crucial to delivering such an outcome.

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[National election, local matters \(for the Wokingham Borough part of the constituency\)](#)

The main issues that have dominated in Wokingham Borough in recent years are all related to one thing – the fast growth rate in new homes and in the numbers of people living in our community. Wokingham is a welcoming place to newcomers. Some growth is helpful to all. The problems occur if the growth is too sudden or too large.

It leads to strains on roads, public transport, NHS facilities, school places and other parts of our infrastructure.

The Council has difficult decisions to make about when and how to expand their local services. Put in school places too early, and the bills go up. Established schools lose pupils and money as the new schools open. Forest has lost pupil numbers thanks to the opening of the new Bohunt school. Leave it too late, and there are insufficient places. There is a scramble to find

somewhere in the area, with longer travel times for pupils and a strain on school resources.

We are short of space on the roads, and up against limits on some public transport. I worked away to get a new station at Wokingham. Reading station has now been given much needed extra train capacity. Crossrail will soon provide a better service into central and east London. The Council is building the Shinfield, Arborfield and Winnersh by passes, and putting in two new link roads and a new railway bridge in Wokingham. The sooner this is done the better. The roadworks themselves compound difficulties, and current capacity is far below what is needed.

The government is promising some control over the pace of welcoming new migrants to the UK in future. I wish to work with the Council to come up with a fairer number of new homes the area can take to persuade the government we need a sustainable and realistic growth figure. The Council and MP in the next Parliament also need to make common cause and to put enough investment in so the developments improve the provision of transport and public service.

We need to keep enough green spaces and areas to absorb water run off, as too much development increases flood risk and removes too many countryside areas. We also wish to keep green spaces and gaps between settlements to keep the best of our local landscape.

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