

My Question about strengthening UK Courts that should not be answerable to Foreign courts

Rt Hon Sir John Redwood MP (Wokingham) (Con): This Parliament is the main guarantor of our rights and liberties; it created them in battles over many centuries for the benefit of us all. Would not this great role be strengthened if our Supreme Court were indeed supreme and not answerable to foreign courts that do not understand the mood of the British people and what they expect of their legislators?

Dominic Raab, Deputy Prime Minister, The Lord Chancellor and Secretary of State for Justice: My right hon. Friend is absolutely correct. I know that when he gets a chance to peruse the proposals, he will find those principles and that spirit reflected in the Bill of Rights, and I look forward to discussing these matters with him further.

My Question on advancing UK prosperity post-Brexit

Rt Hon Sir John Redwood MP (Wokingham) (Con): I thank my right hon. Friend for all that he is doing to advance UK prosperity and growth, including this Bill. The common fisheries policy sunk many of our fishing boats. Can we have a policy to replace that fleet? The EU policy ripped up many of our orchards with grants. Can we have some UK money and a policy to replant our trees? The EU imposed VAT on us and has left us with a burden on our energy. Now surely is the time to use our freedoms and cut VAT.

Jacob Rees Mogg, Minister for Brexit Opportunities and Government Efficiency: My right hon. Friend is right: it is one of our freedoms. In his spring statement, the Chancellor announced some amelioration of VAT. I will ensure that my right hon. Friend's suggestion is passed on to the Chancellor.

Treasury austerity

The Treasury tell us that imposing a windfall tax and raising taxes to tackle

a budget deficit is exactly what Mrs Thatcher did, so they should do the same again. What they do not go on tell you is Mrs Thatcher only followed that Treasury advice for the first two years. It is true she inherited inflation that was far too high and very weak state finances from a spendthrift Labour government. When she took the Treasury measures it helped put the UK into recession, took the Conservatives to 23% in the polls and needed a change of policy to sort the economy out.

She and the Chancellor shifted policy to relax the squeeze and then embarked on a series of cuts to Income tax, taking it down from 30% to 25%. Various smaller taxes were abolished. The economy started to grow again, which was much needed both to bring the deficit down as revenues picked up, and to cut unemployment which had been far too high in the 1970s.

The latest figures show that Treasury austerity has badly slowed the economy this year compared to the world leading growth of last. Just as last year faster growth meant the borrowing kept on undershooting Treasury/OBR forecasts by a large margin, so now we see borrowing in excess of their forecasts. Let me try and explain again. The amount of borrowing, the gap between spending and tax revenue, is very sensitive to the growth rate. If you grow faster you get more tax revenue in and have less money going out on benefits to the unemployed and low paid. If you sandbag growth there will be less tax revenue coming in and more people need financial support.

So Treasury, give us a growth strategy, not more austerity.

Inflation and recession

We have the inflation. It is important to avoid the recession. It looks as if we will see peak inflation this autumn as the official forecasts now concede. The delayed increases in domestic heating bills will adversely affect the inflation numbers then and hit people's budgets again at the next increase.

Next year inflation should come down. It is difficult to believe the prices of the basics could go up again by the magnitudes of the increases this year. Money policy this year is a lot tighter, whereas it was too loose last year. The economy is being slowed by the Bank's policy and their higher interest rates, and by the big hit to real incomes caused by soaring fuel and food prices. Many people are responding by having to cut back on some discretionary spending to afford the basics. The reduction in demand from these measures will help cool prices.

It does not need a wide range of tax rises on top of the forces slowing the economy. VAT cuts on energy would be helpful, both by cutting the prices of some of the dearest items in budgets, and by returning a bit of cash to people who otherwise have to pass the money to the fuel companies, suppliers and government energy taxes.

My intervention to the Transport Secretary about taxpayer subsidies to the Railways and how Managers could try to keep services running on a strike day

Rt Hon Sir John Redwood MP (Wokingham) (Con): What has been the monthly rate of taxpayer subsidy to the railways so far this year? What additional flexibilities could managers use to try to get a bigger proportion of services running even on a strike day?

Grant Shapps, Secretary of State for Transport: My right hon. Friend is right to discuss the subsidy, which has been £16 billion as a whole through covid—or £16 billion committed, which means that we do not have the exact number yet for the amount of that which is still going towards the operations this year. One thing I can say to him is that without that support the railways simply would not have been able to operate. It is the equivalent of £160,000 per individual rail worker. To turn around and call these strikes is a heck of a way to thank taxpayers. We have lost around a fifth of the income from rail. I hear Mick Lynch, the leader of the RMT, claim that the Government are cutting the money that is going to the railways, but that is a fundamental misunderstanding on his part. The money that is missing is the £2 billion of passenger fares that are not being paid because people are not travelling.