

My speech during the debate on the Finance Bill, 27 April 2020

John Redwood (Wokingham) (Con): I have declared my interests in the Register of Members' Financial Interests.

At the time of the Budget it was a very different world. The Government were forecasting a little bit of growth and recommended a modest stimulus.

I remember that I was able to welcome that stimulus in the Budget debate—I thought it was right that we boosted public spending a bit and borrowed a bit more—but with masterly understatement I said that I was a bit surprised by the magnitude of the stimulus: I thought that perhaps something more was needed.

In the six weeks that have elapsed since then, we have seen a blizzard of announcements that have made it clear that the Government recognise the magnitude of the downturn that now besets us and the world economy and are rightly moving swiftly to try to provide some compensation to the many businesses that cannot trade and the many people whose jobs are under threat or whose income is disappearing because of the lack of work.

The response is correct, so the Government should look again at the Finance Bill in the light of the fact that the events that led to its formation have been completely overtaken by the magnitude of this crisis, and because we will need quite soon a Finance Act that does everything in its power to promote recovery.

Tax rises are not a good idea at all. The Government, in this period of response to the crisis, have offered tax holidays, tax reductions and tax deferrals, which is the right response as the private sector and individuals cannot afford those taxes at the moment with their incomes so rudely interrupted.

The Government must also look at the groups of people they are targeting. I urge the Minister to think again about changing the rules on IR35. There are about 5 million self-employed people in this country who have been doing a magnificent job for us.

They provide flexibility, service and products that we need and they are very competitive. A number of them have been living under the shadow of those tax changes; some have lost contracts and work to overseas companies and competitors simply from that threat. I therefore urge the Minister to think again and recognise that we need to reward and encourage those people, not threaten them with a new tax. Above all they will offer a lot of the flexibility, hard work and energy that the recovery will need.

The Government are right to provide as much compensation as they can and the Bank of England is right to buy a lot of bonds and create money, but we all

know that that is not a sustainable model for the economy in the medium to longer term. I echo the comments of colleagues who rightly said that we need a way back to safe working as quickly as possible. The only way we can afford to pay for the NHS is to have more people at work paying taxes and earning decent incomes, and more companies generating turnover who can then afford company taxation.

Through the Finance Bill and all the other measures the Government can undertake, we must together ensure that we have as early a return to work, and as safe a return to work, as possible, and that means working away with business on better safety so that people have the clothing and equipment they need, automating where necessary and allowing proper social segregation while people are working in warehouses, offices and shops.

We need to develop those new business models, and the Government can provide a lead by showing how they can continue to administer their great services while looking after the safety of their employees to the best possible effect.

That requires reshaping the Finance Bill. I am delighted that the Minister is thinking of making amendments to the Bill during its passage through the House. I ask him above all to look at measures that could reward companies that go in for a new model, and reward employees and the self-employed who go that extra mile to work safely and create some restoration of service and activity in our economy.

No one in this House has seen anything on this scale or magnitude before. Never have we got to the point where a quarter or more of the companies in the country are not allowed to trade and millions of people are banned from doing their job because of public health and safety considerations.

In this situation, we need to offer them a Finance Bill with hope, a Finance Bill that will help them finance the recovery and a Finance Bill that will make it worthwhile for them to lead that recovery as soon as the time comes.

Dear Constituent

There is some good news to pass on. It looks as if the virus spread has peaked in our area. Hospital admissions are down, and the Royal Berks Hospital has plenty of capacity in both normal beds and Intensive Care beds should there be any relapse in progress. The first aim of policy to ensure the NHS can cope is so far working.

This also means the NHS has capacity for the other killers and serious conditions that people contract. Patients should not be deterred by the priority to the virus. There are additional hospital facilities in the private sector that the local NHS is using for cancer and other conditions.

The NHS wishes to provide a good service to anyone who is seriously ill.

I have continued to pass on contacts who can supply protective clothing to our public services, where there are shortages. West Berkshire and the Royal Berks Hospital report no problems, and Wokingham Social services is managing with help from national and regional stocks. The government is well aware of the need for more and is working with the national and overseas suppliers on schedules and deliveries.

More testing is becoming available. There are local test centres at Whiteknights in Reading and at the Community Hospital in Thatcham for NHS and care staff. The aim nationally is to extend the range of people eligible for tests as the supply increases.

I am urging a managed return to work for more people. Working practices will need to be adapted, but business shows every willingness to do so. There will be social distancing, more home working, more use of remote technology, more screens, more protective clothing and more automation. I am very conscious of the economic damage being done, and keen to promote more safer working as the obvious way to improve things.

I spoke in the debate on the economy yesterday using the video link from home as MPs were encouraged to do. It demonstrates there are ways to adapt and to do our jobs in these difficult times.

[Taking back control requires the restoration of sovereignty to the British people](#)

Let me go back to the Brexit discussions we were having before Covid 19 monopolised the agenda. Sir William Cash spoke to the Brexit conference about the clauses he helped the government produce to reassert UK sovereignty in the Withdrawal Agreement. They were essential, given some of the rest of the text.

The legislation makes clear that nothing in the Withdrawal Agreement “shall derogate from the sovereignty of the UK”. The Act allows Parliament to debate and vote against any measure the EU proposes during the so called Implementation period up to the end of December, when we finally leave all aspects of EU control. This is important to prevent the EU attempting to tie us into unacceptable and damaging measures before we are free.

The Act includes a method for the UK to reject unwanted legislation during the Implementation period should the EU try to damage us. The European Scrutiny Committee of the Commons can refer an EU proposal for a debate and

vote to determine whether it should become part of UK law or not.

I was pleased to see recently the Treasury is at last going to propose getting rid of the tampon tax, but only effective from next year. I want them to add getting rid of VAT on green products and domestic fuel at the same time. We need to show we have taken back control of our taxes by altering VAT, an EU tax and removing it from things we do not wish to tax.

It is also important that we become an independent coastal state with full control over our own fishing grounds this summer. We should ensure much more of the fish is landed in the UK, and where we need time to build up our fishing industry capacity we should allow a period of recuperation of fish stocks after the bruising impact of continental industrial trawlers.

The Current UK negotiating position is strong and needs to be kept up. We do not want any delay beyond December and wish any Agreement to be based around a Free Trade Agreement. We do not wish to perpetuate EU controls over our economy.

Getting the numbers right

I am glad to read today that the government is dropping the Chinese death figures from CV 19 from its deaths graph, as they cannot be sure about the basis on which they are compiled.

They might like to adjust the other country death figures to numbers per million of population to make them a bit more meaningful. There will still be differences in basis for regarding a death as a CV 19 death, and differences from density of population and other factors not related to disease management and healthcare.

I also read that London paramedic advice is being altered to ensure a higher proportion of Covid 19 cases are taken to hospital. If this is true, then the London figures for hospital admissions becomes a useless guide as recent figures will clearly be relatively higher than older figures.

The government needs consistent and accurate figures as a basis for decision making. Hospital admissions was the best series they showed, as I assume they have in place the right procedures for counting patients actually in hospital. They also said they tested the patients to see if they had CV 19.

No-one has any idea how many people in the community have or have had CV 19.

Silence over the collapse of the car industry

During the long debates about Brexit Remain MPs and campaigners centred much of their argument on the plight of the car industry in the UK. They falsely claimed Brexit would disrupt supply chains from the continent, ignoring the fact that substantial numbers and volumes of components come into UK auto factories today from non EU sources with no border issues.

They often alleged we would end up with EU tariffs against our cars whilst presumably imposing the same 10% tariff against theirs. That is the tariff the EU makes us impose today on EU vehicles. They wrongly said this would be very damaging, refusing to accept that were that to happen UK factories would sell more to UK customers whilst losing some sales to continental ones.

They wanted to create the impression that an important industry would lose sales heavily and suffer loss of investment and jobs as a result. Instead major motor manufacturers pledged their continuing support for making cars here.

Over the last year or so there has been a large collapse in car sales, especially of diesels. This is a big loss to the UK which has done much to improve the cleanliness of diesel engines. The UK is a major diesel engine producer. This sales drop has nothing to do with Brexit. It is the direct result of the EU/UK policy of trying to get diesel and petrol cars off the road as part of the decarbonisation policy, and to switch as many people as possible from personal transport to public transport. In the last few weeks the impact of anti virus policies has exacerbated this trend and further worsened the plight of the industry.

In the first quarter of 2020, mainly before the lock down, sales of diesel cars in the UK fell by 51% and of petrol by 36%. In March the trend grew worse with a fall of 62% for diesels and 50% for petrol vehicles. There was scarcely a word from all those Remain campaigners and MPs about this disastrous plunge in sales and output by the industry, yet it has been on a scale out of all proportion to their falsely pessimistic forecasts about Brexit. Why the silence? If they truly cared about the car industry why are they not demanding policy change?

The government increased new vehicle taxes in the 2017 budget which harmed the industry. The Bank of England tightened credit for car loans which harmed output. Government announcements about the need to move on from diesel and petrol put people off buying new ones. Isn't it time those who shed false tears over a Brexit impact that was never likely to happen, shed some genuine ones over the current situation? All our car factories are presently closed. There will be reduced working re-opening of some next month. The problem is not just the virus, but also the underlying policies towards modern petrol and diesel cars.