

Walls in a troubled world

In the 1980s the West rejoiced at helping pull down the Berlin Wall. That wall which divided a German city was constructed by the USSR to keep people in. Knowing how far their living standards and freedoms had fallen below the West, the USSR denied most of their people any access to western media or to the West itself. People were shot if they tried to cross into another part of their city.

It was the visible evidence of the lengths communists went to to detain their citizens that turned me against communism in my youth. My first political and economic writings were about the failures of the communist system, and the cruelties communist states imposed on people.

In recent years countries on both sides of the Atlantic have put up walls and fences to keep people out. Mr Trump's wall added to Mr Clinton's. The Anglo French fence in Calais is a small example of border fences that are common along the miles of EU border, especially to the south and east. The aim is to deter illegal migrants, drawn by the relative prosperity, the freedoms, jobs and benefits of living in an advanced western society.

There are signs of a cyber curtain coming down across the world. As the USA challenges China over alleged theft of Intellectual property, and seeks reassurances that its own systems will be safe from cyber attack, the world moves towards two systems and two alliance patterns. Countries are having to answer the US question, are you with us or against us? It will prove increasingly difficult to mix Chinese and US components and services within technology products and services.

The EEC, EU and the economy

The Remain case for staying in the EU is always based on the unproven economic advantages. These are said to be important and are often argued around alleged problems which would hit us if we dared to leave. One of the ironies is those who claim to hold the highest regard for the EU usually suggest the EU will behave particularly badly if we just leave, ignoring the EU Treaties which require friendly pro trade relations with neighbours.

When we first entered the EEC the sudden shock of removing all tariff protection for our industry helped weaken key sectors badly. In the first ten years of our membership car output halved. The steel industry suffered bad declines, leading to closures of large modern plants. Textiles also suffered closures and bad job losses. There was no offsetting liberalisation of services where the UK was a strong competitor.

In the second decade of our membership the UK accepted the need to enter the European Exchange Rate Mechanism. This policy had the predictable effect of ending in a major recession for the UK, with huge losses on enforced foreign exchange trading. This accelerated damaging decline in UK industry.

In the fourth decade of our membership the UK suffered from the western banking crisis, making similar policy errors to the ECB and Fed. On the EU side of the Atlantic recovery was much slower thanks to the Maastricht debt and deficit guidelines which the UK included in policy as well as the Eurozone and to other features of shared economic and business policy. Our greater involvement with the poorly performing Eurozone also slowed our recovery.

The UK has run a large trade deficit with the EU for most of our time in it. Meanwhile we have a good surplus with the rest of the world, in spite of EU tariffs and by trading with no free trade agreements with the main countries.

The sovereignty of the people, and the battle of government and the Judges

It would be completely unacceptable if the UK's decision to stay for longer in the EU or to leave on the due date of October 31st fell to be decided by a few Judges. The people are sovereign. We exercised our sovereign right to decide between Leave and Remain. We accepted the promises of the main parties in Parliament that they would implement our decision. The ballot paper did not qualify leave, or suggest we could only leave if there was a deal the Establishment liked. Electors followed up the referendum by electing a Parliament dominated by two parties promising to implement the vote. The public put the Lib Dems in a weak third place on their proposal of a second referendum because they did not like the result of the first.

The sovereign people delegate their sovereignty to an elected government and Parliament to exercise for them between elections. The power of the people is restored at election time when we can change as many MPs as displease. Between elections the force of public opinion seeks to keep the MPs and government honest, loyal to its promises and keen to serve the public.

The relative power of Parliament and government has long been fought over in the courts and in Parliament. The law courts have usually accepted that matters of high policy and politics are matters for Parliament alone. They have also respected Parliamentary privilege which allows Parliament to talk freely about all matters, save the details of an individual's actions which are the subject of a live court case. Parliament respects the sole right of the courts to determine the guilt or innocence of people under the criminal law, and their right to determine civil cases without Ministerial interference. Ministers may of course intervene or undertake an action in a

civil case by submitting a government view to the Judge for decision.

Government has been given powers to negotiate treaties, propose budgets and submit draft laws to Parliament for approval. Government controls the timetable of Parliament but by convention allows regular days for the Opposition to specify the subjects that most concern to them and to debate them. It does not provide Opposition legislation time. It is based on the assumption that government commands a majority of the House. If government no longer commands such a majority then there must be a General election so the public can choose a government who can.

There are currently some MPs who are determined to break this constitutional settlement. They wish to assert Parliament above the government so that government can no longer function. They want to strip government of its powers to control the timetable, propose the budgets and the laws. They wish to irresponsibly spend money the government has not provided and pass laws the government does not accept, without themselves having the votes or ability to take the responsibilities of government on themselves. Worse still, when the government challenges them to an election so the sovereign people can decide whether they want the government's approach or do want to change to that of the Opposition, they block any such move.

The final irony is that an anti government alliance in the Commons uses its temporary power to propose a law to put through an Act of Parliament to make the PM do what he does not want to do, placing all these huge issues under the courts. So far from making Parliament sovereign as they claim, by usurping the power of the people in the referendum and denying an election, they want to submit Parliament to the power of the law courts. How can they seriously suggest that through this Act of Parliament our departure from the EU should fall to be decided by Judges, who will be invited to slap down the Prime Minister to do so? What Judge would want to overrule the decision of the people in a referendum?

Last of the summer whine

Some Remain advocates are using David Cameron's memoirs as an opportunity for another whine about the referendum.

I write to praise David Cameron. His decision to hold a referendum and to let the people decide was a good one. I am glad to read that he defends it in his new book. He should be proud that he decided to trust the people to make this important decision.

I must now give David some advice. He should also be proud of the decision the voters made. He and the government he led was unequivocal. They told us they would implement whatever we decided. That implied he rightly thought the UK could have a good future either way. I am very proud of the UK people

voting as we did. We showed confidence in ourselves and our country. We saw that things can be better if we leave. As a man who led our country and studied public opinion closely for six years, he should welcome the clarity the voters gave him on this troubling issue.

I don't like to think of David still worrying about the consequences of what he put in train. He should remember that the Lib Dems called for a referendum on In or Out of Europe . Labour supported the legislation he put forward to give us a referendum. 544 MPs voted for the actual referendum we held. The main parties at one time or another have all favoured a referendum, understanding that the mighty Treaties we have signed between our original membership and today did need to be put to the UK electorate directly.

I would also argue that we show ourselves to be good Europeans by voting to leave. The EU project today is to seek the full political union that the large currency, economic and monetary union requires to make it successful. As the UK under governments of all three main parties has refused to join the Euro, we need to get out of the way to let all those who do want a much fuller union to complete their construction. Out of the EU we can spend our own money, make our own laws and be truly global in our outlook and reach. The sooner we do so the better.

David tells us he would like the country to pull together more. He can help it do so by using his book launch to urge all his friends to get behind Brexit and help us make it a success.

Pension flexibility for NHS Clinicians

I have received the enclosed update from the Secretary of State for Health and Social Care about pension flexibility for NHS Clinicians:

Dear John

PENSION FLEXIBILITY FOR NHS CLINICIANS

I'm writing to update you on the urgent steps that the Government is taking to resolve the pension tax issue that is affecting delivery of frontline NHS care for patients. Yesterday I published a consultation on a new package of pension flexibilities for senior NHS clinicians who face annual allowance tax charges, including consultants, GPs and top nurses.

The NHS Pension Scheme is a highly valuable part of the package of pay, terms and conditions for NHS staff, which continues to compare very favourably with schemes in other sectors. It provides hard working and dedicated staff with security in retirement after decades of public service and patient care.

The Government provides tax incentives to encourage pension saving across

society. Pension scheme contributions can therefore be made tax-free. However, the cost of providing this tax incentive is very substantial so there are restrictions on the amount of pension saving that receives tax relief.

The relative generosity of the NHS Pension Scheme means that for some staff, largely senior doctors, changes to the way that these restrictions operate has resulted in their pension growing to a level beyond their tax-free allowance. A tax charge is levied on the value of pension growth that exceeds the tax-free allowance. This is causing significant financial concerns to senior clinicians, with many now looking closely at whether it is in their financial interest to do extra work for the NHS.

The Government recognises that in response to concerns about annual allowance tax charges, some clinicians are seeking to control their income and pension growth by limiting or even reducing their NHS work to avoid breaching their annual allowance for tax-free pension saving.

Discussions with the medical profession and employers have highlighted the need for clinicians to have wide-ranging pension flexibility to control the amount of tax-free pension saving they build up in the NHS Pension Scheme and so manage their annual allowance tax liability without reducing their workload.

Accordingly, the consultation proposes giving senior clinicians the option to:

- Choose a personalised pension growth level at the start of each tax year (1 April) and pay correspondingly lower contributions. The level chosen would be a percentage of the normal scheme contribution in 10% increments. For example, 50%, 30%, or 70% of the full accrual level.
- Fine-tune their pension growth towards the end of the tax year when they are clearer on total earnings. This will allow them to 'top-up' their pensions to the maximum amount without hitting their tapered annual allowance limit.

This flexibility will allow clinicians to tailor the level of growth in their NHS pension so they can maximise their contribution to patient care without sudden annual allowance tax penalties and whilst sustaining growth in their pensions.

The Government is committed to ensuring that hard-working clinicians who provide additional care for NHS patients do not find themselves considering reducing their work commitments, as a result of the interaction between their pay, their pension and the tax regime that surrounds this. The consultation therefore seeks views on how new important flexibilities in the way the NHS Pension Scheme operates can ensure that senior clinicians are rewarded properly for additional work whilst managing the impact on their pension and their tax liabilities in a fairer manner.

It's vital that we get this right, so we want NHS staff and employers to contribute their views to the consultation so that we get these changes

right. The consultation is open until 1 November 2019 and I ask you to encourage interested constituents to have their say. Subject to the consultation outcome and amendment of NHS Pension Scheme regulations, the new flexibilities would be in place ready for the next tax year.

The Government also recognises need for urgent action to help retain and maximise the contribution of our highly-skilled clinical workforce. NHS Employers last week published guidance on possible local approaches that employers can consider taking immediately to mitigate the impact of pension tax on their workforce this tax year.

Taken together, I believe these actions are a clear statement of intent by Government to find an urgent and comprehensive solution to this issue and ensure hardworking NHS staff are not penalised for working overtime. It's all part of our commitment to the NHS.

Yours ever,

MATT HANCOCK