

February 2005 Newsletter

Dear West Londoner,

The last thing most people want to talk about in any depth is tax. But today, on the 31st January - the last day for filing a self-assessment form - perhaps it is timely after all. And as us Conservatives are placing the issue of taxation, Government spending and waste at the heart of our election campaign, I doubt you would expect me to avoid the subject in one of my monthly newsletters.

Nevertheless, I don't propose to spend too much time on the subject, as you will hear what the national Party think time and time again between now and May 5th - the probable General Election date. But I did think it worth illustrating just some of the points we are making, in a very local context. Please take the time to read on, because some of the statistics below really highlight the need for not just lower taxes, but fairer taxes as well. Because Labour has not increased income tax allowances quickly enough, we estimate 6,400 more people in Ealing, Acton and Shepherd's Bush on low incomes have now been dragged into the tax system, including part-time workers on the minimum wage, students working weekends to pay their tuition fees, and pensioners receiving just £60 a week from a personal pension.

On top of this, another 2,000 more people in the constituency are now paying top rates of income tax, including deputy head teachers, police inspectors, warrant officers in the Armed Forces, and many hospital staff.

Since 1997, the Inheritance Tax threshold has been increased by far less than the average rise in house prices. It currently kicks in at £263,000. The average property in Ealing Borough is worth £275,000; the average property in H&F Borough is worth a massive £405,000. Once a tax on just the very wealthy, inheritance tax is increasingly a tax on the homes of ordinary families.

The top rate of tax is an almost unbelievable 75% - you thought it was only 40%? You were wrong. And who pays it? The fat cats of industry, perhaps? Millionaires, Tony Blair's tennis partners? No - it is paid by the poorest 10% of pensioners in receipt only of the state pension and who still need to work in retirement. For every extra £1 they earn, the Government takes back 75p in tax and reduced benefits.

And the second highest tax rate? It is a disgusting 70%, paid for by single parent families in part-time employment with child care costs. For every extra £1 they earn, the Government takes back 70p in tax and reduced benefits.

Now I am not Oliver Letwin (our Shadow Chancellor), and I cannot speak for him or Michael Howard. However, I have heard enough from our Party's Central Office to know that we are looking seriously at some or all of the following reforms:

We might abolish inheritance tax altogether or lower the inheritance tax rate (currently 40%).

We might exempt people's principal residences from the inheritance tax or raise the threshold significantly from the current level of £263,000. That raise could then go on being increased in a way that was proportionate to increases in house prices.

We plan on having the ability to produce tax cuts in the next Parliament through cutting out Government waste. Those tax cuts will not just be aimed at those of you who already contribute most to the annual tax-take of the Exchequer. They will also be aimed at the lowest paid, in order to lift them out of a trap where the more work they do, the less money they end up with.

The independent Institute of Fiscal Studies revealed last week that taxes would go up by at least £11 billion under another Blair Government (IFS, Press Release, 26 January 2005). By the end of another Blair/Brown Government, more than one million more people would be paying top rate tax than today. Under Mr Blair's plans, Britain's national income will not have grown as slowly since the early 1980s, when the Conservatives had to increase taxes to sort out the financial chaos caused by Labour. The IFS also says that the tax burden would hit a 25-year high at the end of the decade.

And where is all this money being spent? The Parliamentary publication Hansard has revealed that:

The DTI spent over £121,000 on potted plants since 2001.

The Northern Ireland Office spent nearly £25,000 on plants in 2004-5 alone.

The Department of Health has spent nearly £23.5 million on first-class travel since 2000.

Conservatives want to reduce or abolish as many of these unfair taxes as we can - and by saving on Government waste and reforming the public services properly, we will not have to cut the money we spend on essential services.

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The new year has seen the election campaign begun already by all main parties. We have been delivering a constituency-wide newspaper all month - if you have not received your copy, please let me know and we will post a copy out.

We would like to invite you to join us for supper on Wednesday 2nd February, when our guest speaker will be Rt Hon John Redwood MP. Sorry for the late notice - please e-mail or call if you would like to attend.

For those of you with business interests, you may wish to know more about a business forum that has been established by a number of West London Conservative Associations. Known as "Business and Politics" it allows businessmen and politicians to share ideas and thoughts on topical issues. Let me know if you would like to hear more - our next meeting is in March with Archie Norman MP as guest speaker.

Finally I invite you to submit your answers to our online surveys on www.ealingconservatives.com The survey this month is on the CONGESTION CHARGE EXTENSION. I attended the rally against this proposal on Saturday 29th January where there was an impressive turnout. (For those of you who had to drive past Shepherd's Bush Green on Saturday morning, you will have got a good idea what it will be like for car, bus, bike and cycle travellers in Livingstone's nightmare future. Wood Lane and Uxbridge Road closed - traffic chaos. And this is without the Tram or the congestion charge rat-runners...)

I wish you an enjoyable month.

Best wishes,
Jonathan