

KARL M^CCARTNEY MP

Putting Lincoln First

Maiden Speech: House of Commons – Finance Bill

Check against delivery

12th July 2010

Thank you Mr. Hoyle, in your role as Chairman of Ways and Means as the House sits in Committee and considers the Finance Bill, for allowing me this opportunity to rise to make my first speech in this House.

I intend to comment on two matters of importance today. The Finance Bill that is before this House this afternoon, and Lincoln, the constituency that I have been elected to represent.

Before either of these matters though, I would like to pause to pay tribute to my parents, John and Brenda M^CCartney, who are here in the gallery along with my wonderful wife Cordelia, who I am very pleased is still here as I am indebted to her for so much, not least our sons Henry and Freddie.

Capital Gains Tax

Let me now turn to the Finance Bill. I think the thing that concerns me most is the current lack of support for long-term share ownership. This is evidently displayed by the current Capital Gains Tax regime - which ironically seems to be now based on principles at odds with how we are to treat 'banker bonuses'- where, with an increasing proportion of their compensation being compulsorily taken in the shares of their employing parent company, this has the quite admirable aim of encouraging actions that have at their centre the long term interest of the companies they work for. This is commendable.

Less commendable is the loss of taper relief which encourages long term share ownership and investment – surely many on all sides of this house would see the retention of taper relief as desirable? Also less commendable is the loss of indexation relief where, following a change introduced by the previous Government, payers of capital gains tax will continue to be taxed on illusory gains.

A simple example might help explain my concern. Let us say that an average price for a pint of beer is £2.50. Now, instead of buying a pint you could invest that £2.50. If inflation averages 7% pa for 5 years and your investment keeps pace, the beer will have risen in price to £3.50, as will the value of your investment, which you would expect therefore to still buy you a pint. Except that it will not! because you will have to pay 28% CGT so your investment will only be worth £2.50 net of tax. This is clearly inequitable.

Given the widespread acceptance that short-termism by investors is a problem faced by businesses up and down the country trying to attract capital, for start-up funding, for working capital, and for expansion, surely this is short sighted? Enabling the measures I have mentioned would also have the merit of discriminating against individuals who seek to benefit from Capital Gains Tax rates being lower than the income tax rates by converting income into short term capital gains.

This is a matter that I know is important to a number of the people who are both resident and work in the City of Lincoln. My fellow constituents are industrious, they are hard working, and a good many of them either own their own business, or want to start up their own business, or work for a small family owned business. They know the importance of access to capital, as either an owner, manager or an employee. Enabling measures that encourage investment is surely what this House should be about. What we have in place now enjoys the invidious merit of achieving the exact opposite in my opinion and I do hope my senior colleagues may well have a rethink on these issues at the earliest opportunity. I know we are where we are because of the utter mess bequeathed to us by Labour in the last Government, so I hope that as soon as we have rebalanced the nation's finances we can reverse these measures, if not at the current time.

Lincoln's history

Let me now say a few things about Lincoln. I will mention the history of the City, some of the main issues affecting the constituency today and summarise my thoughts and areas of interest, as well as detailing my predecessors and the military links we enjoy.

I can say for the record that it is a privilege and an honour to represent the constituency of Lincoln. When I first embarked on the long and arduous 'B' road to selection, re-selection and election I did not imagine that I would have the privilege of representing such an ancient, traditional and famous constituency as Lincoln. I aim to show my constituents that they 'chose wisely' as a Jedi might say.

Lincoln is not just another name in the list of 650 constituencies, it is a city that plays, and will continue to play, a pivotal role in our nation's democratic tradition. Naturally, I am proud to represent Lincoln and as honourable Members may know, it has one of the oldest constituencies in the country. The Romans quartered a legion in the city and Edward III presided over a Parliament in our cathedral, and this cathedral, which is one of the glories of English architecture, dominates the City and a large swathe of Lincolnshire. It is still as impressive today as when it stood as the tallest building in the world for 238 years, the only building in the UK to have ever held this title. And if my Government ever feels the need I am sure Lincoln would be willing to again host a meeting of Parliament, or the cabinet, at a date of their choosing. Although not a historian at all, I can safely reveal to honourable members that the historical evidence for

Parliaments before 1295 is patchy. Lincoln and York head the list of towns summoned to send Members in 1265, and with the splitting of the City of York recently into two seats, it would seem that Worcester and Exeter appear alongside Lincoln as having a claim possibly to being the oldest continuously existing borough constituency.

Lincoln of course has so much more to commend it as a destination and as a place of history and worship than perhaps its two equally ancient constituencies. The Cathedral is stunning, and has proved a welcome sight and landmark for many travellers over the centuries and our brave Airmen in Bomber Command during the Second World War. Lincoln is also the home to one of only three existing original copies of the Magna Carta, the foundation stone of British, and therefore, world democracy. With my new Government's plans for a Great Repeal Bill, we can see the relevance that the Magna Carta still has today, nearly 800 years after it was originally signed.

The city's MP's have included the redoubtable Dick Taverne who continues to sit in the other house, The Rt. Honourable Member for South Derbyshire, originally Miss Margaret Jackson when in Lincoln, eventually Mrs. Beckett. And more recently, I am honoured to follow in the footsteps of the last Conservative Member for Lincoln Sir Kenneth Carlisle who served happily between 1979 and 1997 and for whom there is mutual deep affection for and from the City of Lincoln and its people. And my direct predecessor Gillian Merron who worked hard for her constituents and was incredibly photogenic, appearing in our currently daily paper with regularity, something I fear I will not be able to emulate, not least as many of my friends say I have the perfect face for radio.

Lincoln and the Armed Forces

The people of Lincoln and Lincolnshire are proud to be yellowbellies, a hark back to the original Lincolnshire Poachers Regiment, now amalgamated and part of the 3rd Anglian Regiment, who I will be meeting later today. They serve us well abroad and in many fields of conflict and I know that the people of Lincoln are immensely proud of their, and all the military services association with our City such as links with the RAF and Grenadier Guards.

As well as the City, my constituency covers the lovely villages of Skellingthorpe, Bracebridge Heath and Waddington where the RAF are based. RAF Waddington is one of the busiest and most varied operational airbases in the United Kingdom, as well as being one of our country's longest established air bases, and it has played an important role in the defence of this country and in supporting and servicing our armed forces. Soon Waddington is due to become home to the Red Arrows, another well loved and appreciated aspect of Lincoln life as we are often treated to their practice sessions in the skies above our City.

Addressing Lincoln's Transport Problems

Despite its wealth of attractions, both historic and current, Lincoln has poor transport links which have worsened over recent years. There is now only a post election promise of one direct rail link to London and there are inadequate connections to other places. The A46, is soon to be dualled from Nottingham to Newark and the knock-on effect maybe that the A46 single carriageway and roundabouts that plague our western, and only, bypass, may cope even less than they do presently, with the only other route being through the centre of our City using the single carriageway A15 or negotiating our High Street with its famous Level Crossing.

I would say at this point that I am not aware of any other cities in our country who are being held to ransom by Network Rail who are currently threatening the City with the closure of this level crossing for up to 40 minutes in the hour throughout the day to enable freight trains, which are of no benefit to Lincoln, to pass through. Lincoln needs investment in its transport system which will provide a vital benefit to the long-term prosperity of both the City and the whole County, like the East-West link road currently proposed. On all these transport issues the Secretary of State and his ministers can expect continual representations by both myself and my fellow Lincolnshire MPs I am sure.

Putting Lincoln First

Many experiences, people and types of employment have shaped my life so far and I am a great believer in being the owner of one's destiny. If you feel the world owes you a living, it doesn't, but if you are willing to believe in your own self-determination, there are no limits to what an individual can do – many individuals from all sides of this House are testament to that philosophy. I now have the opportunity and ability to help make decisions that affect our nation and to question and challenge them properly in this House with, I hope, the important addition of compassion. It is a privilege to have that opportunity to do this, in tandem with serving the kind and generous people of Lincoln who did me such a great service in electing me to represent them in this traditional and great place. Doing my best for our City will be a major pre-occupation of mine for as long or as short that the people of Lincoln allow me the privilege of representing them in this House.

Mr Hoyle thank you for your and the House's indulgence in allowing me to speak today.

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