

# No delay to full exit at end of 2020

It is welcome and necessary for the government to rule out any further delay to our exit from the EU. The EU agreed to a Free Trade Agreement in principle. It is quite possible to produce one in time. If the EU thinks we will delay again they have an incentive not to agree anything.

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## A US/China trade deal?

Will they, won't they do a deal? The US side says there is a deal, it just needs to be written up fully. They suggest China will agree to buy more US food and goods, in return for the USA cancelling the threatened new tariffs this week and rolling back a little of the ones already imposed. China is not so sure.

The truth is since the tariff war began the arguments between China and the USA have broadened. There is the dispute about technology transfer and Intellectual property, the US Democrat led challenge to China on human rights, the issue of currency manipulation and the questions of state enterprises and unfair competition. None of these are easy to resolve, and all require trust and understanding that is difficult to conjure. The US needs to know how any new rules against IP theft or state subsidy would be enforced.

Mr Trump has highlighted the lack of symmetry or fairness in much of the world trading system. China is his main target, but he has also queried the higher tariffs on US cars in the EU than the other way round and has won a longstanding case in the WTO over subsidies to Airbus representing unfair competition to Boeing.

There are always some disputes going on around the world, but today tariffs and trade disagreements spring up in various places. There is the trade dispute between Korea and Japan with grievances going back to the last World War. There are trade frictions around Kashmir where they are related to the political tensions.

Freer trade is usually a good thing, but there are concealed within current so called free trade patterns injustices, subsidies and anti competitive practises. The present manufacturing downturn worldwide is often attributed to the so called trade war. In practice it is the widespread change of policy and attitudes towards diesels and partly to petrol vehicles that has done more to power the downturn than the imposition of new tariffs.

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## The Queens speech

Today I am giving you the opportunity to send in your ideas of what legislation the government should propose for the new Parliament

We know there will be priority for Brexit legislation , and the government has decided to bind itself in law to increases in NHS spending.

I would like to see a Constitutional Reform Bill. This would repeal the Fixed Terms Parliament Act which did so much damage in the last Parliament. An Act designed to keep elections to one every five years has instead allowed three in four years. It could legislate to reduce the number of MPs by 50 as promised before. It should limit the Speakers powers by requiring a government moved Money Resolution and Queens consent to legislation.

I would like a simpler and lower taxes bill to incorporate the various tax measures I have proposed.

I want to see better protection for armed services personnel against legal challenge, once cleared by an enquiry.

I favour new legislation on the BBC to decriminalise the licence fee.

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## Prosperity requires the right kind of government interventions

As soon as the Conservatives win a General election the pundits and the BBC are on telling us that government needs to adopt Labour's economic policies of a bigger state and more state intervention. If people thought that was the answer they could have voted for dollops of it given the Labour Manifesto.

What we need is intelligent government intervention where government can make a difference, and help or avoidance of harm for the competitive private sector who will generate many of the jobs and supply many of the goods and services. A Northern city may need better public investment in transport and education, but it also needs a surge of private sector led investment in the many new goods and services which power the modern economy.

To encourage a city outside London to perform more like London needs lower taxes and more freedoms to let people set up businesses and grow them We need more freeports and big enterprise zones. We need lower Income tax, fewer

capital taxes and transactions taxes on business, and better education and training to create clusters of excellence and competitive energy.

Of course the Transport department needs a bigger capital budget. It also needs better management of projects and better choice of projects to get more value for money. The railway needs accelerated investment in digital signalling to increase the capacity of existing lines. It needs new short sections of by pass track to allow express trains to keep to timetable on mixed train lines. The road system needs better junctions, more roundabouts in place of traffic lights, and more segregation of cycles from vehicles for safety and easier cycling.

London stays richer with higher incomes thanks to the talent and entrepreneurial energies of so many people. You go to London to set up a business because you find the good people, the specialist suppliers and above all the customers. Northern cities can be helped to be similar magnets.

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## An economic policy for the whole country

The first thing we need to spread growth and prosperity more widely around our country is a Central Bank in tune with current worldwide Central Bank thinking and concerned to promote growth.

From India to the USA, from Australia to Brazil, from Turkey to Mexico Central Banks have been cutting interest rates to stimulate more growth against a backdrop of world manufacturing recession.

In the last month the Fed has put \$150bn into markets to facilitate more productive bank lending, whilst the ECB is now creating Euro20bn extra each month to boost money growth. The Bank of Japan remains on full throttle Quantitative easing.

The UK has the slowest rate of money growth in the advanced world thanks to the Bank of England's do nothing policy. Time for the Bank to get with the mood of the country which wants more prosperity.