A new programme for a new government.

Today is Queen’s speech day. It is the day to discuss where we want to take our country and what should be the priorities for public policy.

To those who want this site to write about Brexit every day I have just two things to say. The first is I do not change my views on the advantages of Brexit or on the need to get out on 31 October, so I do not need to keep reaffirming them.

I have set out my advice to the government on how best to do it on many occasions. The second is I see no point in responding to every rumour, leak and piece of misinformation about the talks and the possible outcomes. Meanwhile there are crucial issues that matter that we do as a country need to debate and tackle.

My main priority for the government is to confirm the action it will be taking to stimulate our economy and to distance ourselves from the German recession and the advanced slowdown on the continent. I want to see additional good measures to promote growth, following a couple of years of fiscal and monetary squeeze from the UK authorities.

I wish to see a defined programme of good investment, public and private, in transport, broadband, water and energy. We need more capacity in each of these areas. I want to hear of the tax cuts we can now afford so net take home pay is higher and businesses and entrepreneurs keep more of their profits to allow reinvestment.

I see from briefings that we can expect legislation and or administrative changes to alter the way we own and run our railways. I will write more about this as we await conclusions from the latest review of our system.

The government does need to review its tax and regulatory policy towards cars given the worldwide impact EU and various countries’ policies are now having on motor manufacturing. It also needs to talk about the way the move of the EU to zero tariffs on Japanese cars over the next few years may impact the balance of Japanese manufacturing as between Japan and the EU as a whole.

I am glad the government has confirmed the higher sums for state schools for next year, which will be welcome in low funded areas like Wokingham and West Berkshire. The new money going into the NHS needs to be wisely spent, with Ministers telling us what improvements we will be buying with the cash.

Farming for the future

One of the big wins from Brexit can be a new agrarian revolution in the UK. We should develop policies to rebuild our self sufficiency in temperate food, as we virtually enjoyed before joining the Common Agricultural Policy. We should also look at other ways of increasing the use we make of our farmland to increase farm incomes.

Cutting food miles should be part of the aim. Investing in better farming methods should be the means of achieving the improvements. UK farms could do with more capital and successful farmers need access to more land to farm.

The UK has not invested as much in market gardening to produce vegetables and salads in the way the Netherlands has done. Our climates are very similar, but the Netherlands have gone much further in putting in glass houses and other protective systems to extend growing seasons and raise crop output.

We need improved funding of tenant and farm owner capital from both the commercial sector and from government as part of its financial support. In many cases forward contracts from leading retailers will make it possible to finance this type of expansion.

In the dairy sector more joint working with the leading food manufacturers and retailers could create more milk demand for conversion to value added products like cheese and yoghurt.

Landowners and tenant farmers can also add other incomes from making land available for solar arrays, battery storage and other green energy activities. We also need to stimulate more tree planting. Our growing conditions are often better than Scandinavia and Canada yet we import most of our wood.

With a massive £20 bn food deficit with huge EU there is plenty of scope for new farming expansion here at home.

Deal/No deal – a false description

The choice before us is not leaving with or without a deal. The choice is simple. We either leave without signing the Withdrawal Agreement or we stay in for an indeterminate transition period with no agreement on what we are trying to transit to.

Were we to sign a version of the misnamed Withdrawal Agreement we stay in for 21 to 45 months more under full EU legal control and making large payments to them. This time is available to try and negotiate an exit. Who can doubt throughout such a time Remain would be urging more delay in exit? And why should the EU rush to offer us good terms for exit when they had secured everything they wanted in the deliciously misnamed Withdrawal Treaty? They would have the UK's money and compliance without facing our voice, vote and veto as they develop their centralising plans further.

What Mrs May and her officials probably had in mind for the eventual Future Partnership Treaty was a beefed up EU Turkey or EU Ukraine Association Agreement, locking us in in Perpetuity to many of the features of the EU we wanted to leave. Mr Johnson has made clear he just wants a Free Trade Agreement, which is greatly preferable. In which case the best course is to short cut these things and find out now if the EU will sit down and negotiate one or not. Either way we can then leave on 31October.

The Fed joins in with more monetary loosening

As the world manufacturing downturn intensifies the Fed has joined the Bank of Japan and the European central Bank in trying to ease the situation. The Fed has decided to create money and expand its balance sheet to ease the obvious shortage of cash in the short term lending markets between banks. This is welcome and necessary.

All the main Central Banks of the world with the exception of the Bank of England are now taking belated action to ease, to try to turn round the manufacturing slowdown created by past policy tightness , by other tax and regulatory policies targeting vehicle manufacture in particular, and the impact of new and additional tariffs. I must ask again why is the Bank of England standing out against this trend? Who doesn't it share the analysis and conclusions of other Central Banks?

The Bank of Japan is creating as much money as it takes to buy in government bonds to keep interest rates at zero for 10 year money, and negative rates for shorter terms. The ECB is keeping the official short rate at zero, with negative rates for many government bonds for longer terms. To do so it is now buying in Euro 20bn a month of bonds. The Fed is putting $75bn overnight into money markets to keep the repo or short interbank rate down in line with official rates. The official rate has been cut twice recently and is probably about to be cut again.

Central banks in India, Turkey, Brazil, Australia, New Zealand and elsewhere have been cutting official rates. All this is seeking to offset the negative impacts of higher taxes, tariffs and tighter lending conditions. So far the actions have not turned the corner for manufacturing, though they have prevented a even faster and deeper slump.

As highlighted here before, the UK not only refuses to join in with a general move to assist manufacturing, but the authorities are considering a further restriction on car loans which lies at the heart of part of the problem of insufficient demand for new vehicles. The latest GDP figures which suggest there will be no recession in the second and third quarters of the year continue to show a very weak vehicle manufacturing sector for the reasons forecast here.

The Bank's new £20 note shows the great Turner painting of the Temeraire on the back. It's a curious choice for an institution so concerned about our relations with the EU.

Trade wars

Part of the problem facing the world economy and assisting the global manufacturing recession is the outbreak of tariff and trade wars.

The largest is in the headlines regularly as China and the USA battle out a new basis for trade between them. There are others. There is the South Korea/Japan trade war over historic conflicts and grievances. There is the interruption to trade created in Kashmir by the clash between Pakistan and India. There are the tariffs the US has imposed on the EU following the adverse finding over Airbus subsidies. There is the US attempt to get Iran to change her approach to Middle Eastern politics by imposing a wide range of sanctions on trade with Iran, and now seeking to prevent payments for exports to Iran through the western banking system.

None of these is helpful to world growth, jobs and output. Many of them individually are not significant in their impact on the world economy, but cumulatively they are now having a measurable impact. More importantly they are also damaging confidence, which leads to cancelled investment programmes, less demand and a further slowdown in economic activity.

The US has escalated its dispute with China to include criticisms of China's approach to the Hong Kong protests, and to encompass bans on the sale of US items to Chinese technology firms . The US is critical of China's approach to intellectual property and concerned about the potential use of certain technologies for strategic and political purposes.

The UK's recent tweaking of its proposed tariff schedule for post Brexit trade is a welcome example of an attempt to go the other way. Tariffs will be removed from certain items altogether, so 88% of our trade is tariff free once out of the EU. Economic analysis suggests removing all tariffs would boost consumers more and would benefit the economy over all but would come at a potentially high cost to sectors at risk, mainly in agriculture.

The government has sought to find a balance,. offering some tariff protection to UK farmers but otherwise opting for a freer system. IT is a pity the world as a whole cannot move on from this period of tariff wars, which are adding more downward pressures on growth to the monetary policy and economic policy mistakes of the major players .