

## Mr Barnier should tell us EU proposals for their border

As the EU has previously said they think technology works well without new physical barriers at the border, why don't they just drop their misplaced and unhelpful interventions about the Irish border? The UK will make its own border arrangements and has made clear it doesn't plan new barriers.

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## Taxes and threats of taxes hammer diesel car sales in UK

The UK car market was doing well before the Brexit vote, and continued to grow after the vote. September 2016 with the new registration letters was a very strong month at 469,696 newly registered cars. July and August had also been good compared to previous years.

September 2017 was a much weaker month, at 426,170. July and August had also been considerably weaker than a year earlier. The sales and output figures show that the car market fell off a tax cliff in April 2017 of the UK Treasury's own making. April 2016 saw 189,505 new cars registered. April 2017 saw this drop away to 152,076. The new high rates of Vehicle Excise duty for dearer cars, the general attack on diesels, and the threat of further future tax and regulatory action against diesels led to a sharp fall in diesel car sales. Over the year to date this year diesel sales are 28.7% down on the same period in 2017 which included three good months before the new taxes.

I was sorry to learn that as a result Jaguar are putting some people onto three day working at Castle Bromwich for the balance of this year. Jaguar Land Rover have a very high proportion of diesel cars in their sales mix, so they have been particularly badly affected by these tax changes and anti diesel policies. The government should think again about its vehicle policies. It spent a lot of time getting investors into the UK to make diesel car engines and whole vehicles, and into regulating diesels to make sure modern diesels meet high standards over exhaust gases and particulates. This appears to be a tax rise too far, as it is now doing damage to jobs and car making in the UK.

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## Let's reassure BMW

Once the UK runs its own borders there is no need for the government to impose new checks and delays at our ports to impede motor components. I trust the UK government will reassure BMW and others that it has no plans to delay imported components. It could go further and say the UK place will not place any tariff on motor car components from anywhere in the world, making it easier for manufacturers here. That's the advantage of running our own trade policy and customs.

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## Was the EU really trying to help Mrs May with its change of view?

Yesterday's well briefed stories in pro EU UK papers told us the EU is willing now to admit that the Northern Ireland border issues can of course be resolved by technology and checks away from the borders. Just as the Eurosceptics have always claimed, and as the UK government argued at the beginning of the Brexit process, there is no need for new barriers at the border and long delays whilst goods are checked at a border post. In this electronic age the issues of Excise, VAT and safety of product are already sorted out by electronic manifests and checks where needed away from the border. Most does not need physical inspection, as regulated operators file the necessary information so the authorities can do what they need to do without troubling the lorry driver. The authorities only need to do a few random inspections to keep the system honest, or to inspect where there is evidence of possible fraud, as they do today whilst we are still in the EU.

There was a suggestion this was designed to help Theresa May. I did not quite understand that part of the story. Mrs May has been arguing that it is because there is a problem with the Irish border – a problem many of us say does not in reality exist – that she needs to dream up the elaborate fix of Chequers. The imposition of the EU rule book for goods and the offer to collect EU tariffs for them was designed to remove the need for these things to happen at the Irish border. If the EU now rightly says there is no such problem it is difficult to see why we would need Chequers at all.

If we lift the nonsense that there is a problem with the Irish border, then a Canada plus plus trade deal is easy to do if both sides wish. The EU said they were up for a Canada style deal but wished to exclude Northern Ireland, leaving that in their customs union. That was clearly impossible for the UK. If this is no longer their view, then why not just agree a Free Trade Deal. It is easy to do technically, unlike most FTAs, because we start from a position of having no tariffs and having common standards.

What is strange is the PM is ploughing on with her very unpopular Chequers proposals, just at the point where it seems there is no need for them for the reason originally set out. It may be she knows the stories yesterday were false of course, though they looked well briefed and went to EU friendly papers. The alternative explanation is she wants to keep us in the common market for goods for reasons other than the Irish border. If so we need to know why. I see no good reason to make any such proposal.

Meanwhile the IMF is back with bad forecasts for what might happen if we leave with No Deal. Once again it appears a major forecasting outfit fails to understand the positives from leaving without signing the Withdrawal Agreement. There is that £39bn to spend, and then there is the up to £13bn of tariff revenue on EU imports into the UK that can be given back to business and consumers as tax cuts. Any discounted cashflow calculation of the money shows the UK is clearly better off without signing the Withdrawal Agreement. Why do they always leave that bit out, and go for silly models showing big falls in trade that are unlikely to happen?

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## Trafalgar eve event

On Saturday 20 th October at 7pm Wokingham Conservatives are holding supper evening at Victory Hall, Church Road, Farley Hill.

I will give an illustrated talk on the battle of Trafalgar, asking how England managed to win against such long odds, what the wider significance of the battle was, and what it tells us about leadership.

Everyone knows that England defeated France thanks to the inspired leadership of Admiral Nelson, who died in the battle. Fewer realise how long the odds were or how comprehensive the win. The English engaged with a fleet that was almost a quarter more powerful. Each English ship as the attackers sailed slowly in very light winds towards the enemy exposing themselves to heavy raking fire for around half an hour before each English ship could get into position to use its own guns back.

Tickets are available through Bob Hamer [dbobhamer@btinternet.com](mailto:dbobhamer@btinternet.com) or 01189 733422