

# The revolt of the motorists

The French gilets jaune movement has in part been a protest against the attempts of the elite to limit people's uses of cars and vans. The movement began with demands to cut the taxes on petrol and diesel, and to resist more moves to make motoring ever dearer. Some of the protesters then went on to damage or obscure the cameras checking car speeds on French highways, rapidly taking a majority of them out of use.

The car to many is not merely an important symbol of personal freedom, but a vital means of getting to work, going to the shops, taking children to school and enjoying leisure time away from home. Many people want to learn to drive and acquire a car as soon as they are able, recognising how much more scope they will have to do as they wish in their lives if they have their own transport. The establishments of Europe see the car instead as an enemy of their vision of the future. They impose high taxes to reduce use of vehicles and to price people on lower incomes off the road altogether. They impose tougher regulations to limit the use of certain vehicles in certain places and at certain times. They are now threatening the whole car park of diesel and petrol cars, wanting to push people into owning an electric vehicle or giving up on personal transport altogether. They seem to think people can and should take the bus or train even when they live in rural areas with little or no access to such services.

Of course governments need to impose some rules on car drivers to ensure safer roads. It is sensible to have a testing regime for drivers and vehicles, and sensible to have road markings and road rules to avoid collisions. No-one disagrees with good measures to keep us safe. The problem comes when the rules and requirements multiply to the point where they can be a distraction or a problem for the safe driver, and where the whole exercise is one large attempt to take more money off the motorist with tax placed on tax to drive, own, buy and operate a vehicle.

The intervention in the market by the EU and member state governments to get more people to buy diesel cars worked well, only for the EU then to change its mind and tell us we had been wrong to follow their advice. Now they wish us to believe that if we take on an electric car we will in future be subsidised or taxed a lot less. People are very sceptical, fearing that if electric cars become popular then the subsidies will end and new taxes will be imposed as governments will want to replace the huge lost revenue from taxes on diesel and petrol. They also worry lest some unseen environmental problem with batteries emerges as emission issues arose late in the day with diesels.

In this vexed area of policy the car and van using public see hypocrisy from those who govern them. They seem to have plenty of access to prestigious cars without a thought for the cost as they are provided by the state. If cars are good enough for Mr Macron to get around in, aren't they also necessary for French men and women as they go about their work?

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## 67 days to Independence Day

Let's countdown to Independence and get ready to celebrate our exit.

There are only 36 days left when Parliament is in session and able to try to mess up or delay our passage to Independence.

Write to your MP today if they are showing signs of wanting to stop Brexit and remind them of their Manifesto promises and the result of the referendum and General Election.

The government should be discussing how we commemorate one of the great days of UK history, the day we restore an independent self governing democracy to these islands.

The government should also be publishing our tariff schedule, getting its Brexit bonus budget ready for March, taking back control of our fishing grounds and setting out a food and farming policy that is good for the UK.

When we joined the EEC there were commemorative stamps and coins. There were more coins for the 25th anniversary of our membership. What should we do for March 29 2019?

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## Getting growth back worldwide

Whilst the UK has been preoccupied by Brexit a far more important struggle for our prosperity has been going on globally about growth in the world economy. Markets have been signalling that Central banks are tightening money too much, and governments are still too wedded to austerity outside the USA.

The Euro economy has suffered most, with German national income and output falling in the third quarter of 2018 and still weak in the fourth quarter. Car output in particular has been hit by the Chinese slowdown, by regulatory change from the EU and by the pace of technical and regulatory change worldwide. The UK economy has performed better despite both a monetary and fiscal tightening last year of some severity.

The world's two giant economies, USA and China, have both followed tight money policies which have slowed them down. Interest rate sensitive areas like homes and cars have seen sales hit by dearer and scarcer credit. The Chinese stock market fell to half its elevated high of 2016, and Wall Street had a sharp sell off in November and December. It now looks as if both these leading economies will abate the severity a bit, which is necessary to

sustain growth. China has announced lower reserve ratio requirements for banks, and the Fed has backed off full support for a more aggressive set of rate rises in 2019.

The Eurozone will have to announce no rate rises for the foreseeable future and no move to Quantitative tightening if it wants to avoid recession. It may end up allowing a little bit of fiscal relaxation as France struggles to respond to the gilet jaunes and as Italy's government insists on just a little less austerity. The problem is that without proper transfers within the Eurozone from taxpayers in rich countries to the poor in lower income countries they do need to keep up a stricter discipline. This bites more on the poorer areas in the zone, causing political tension and fuelling populist movements. With the AFD doing better in polls, the German government will need to get even tougher about budget controls on weaker Eurozone members, and reaffirm a no new grants or bail outs policy.

There is no great inflation problem the Central banks need to pre-empt or control. There is a shortage of demand and slow real wage growth which sensible economic policies need to combat. The UK economy needs the £39 bn to spend over the next two years on a mixture of public service improvements and real wage boosting tax cuts.

There does need to be a better policy response in the UK to the collapse of car sales. The UK has made the general global situation worse at home by its big hike in Vehicle Excise duties and the uncertainty over future tax and regulatory policy towards diesels. With so much change in the air over future engine styles, autonomous vehicles and extent of urban controls over cars the traditional car makers are struggling. On both sides of the Atlantic monetary policy is also affecting the price and availability of car purchase loans.

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## [Coalitions in the Commons?](#)

To win a majority and sustain a government you need to be able to count. A majority in the Commons is 321 supporting MPs, when allowing for the Speaker and Sinn Fein who do not vote.

The natural majority is therefore Conservative 317 plus DUP 10, giving 327. The Conservatives could also form a majority with the SNP or Lib Dems on numbers, but there is clearly no wish on either side to do so, and huge differences of policy and attitude over Scottish independence, second referendum on the EU and other matters.

Labour would only form a majority coalition if it consolidated every party bar the Conservatives, which is also a political impossibility given the attitude of Labour to Northern Ireland and the DUP.

Some say as parties are split there could be a new coalition of the willing to put through a second referendum, or a Norway solution, or to cancel Brexit altogether. There simply are not the numbers to do that, all the time the two

main parties oppose a second referendum and say we must leave.

We now know there are 71 Labour MPs willing to defy Mr Corbyn to speak out for a second referendum. With 35 SNP MPs and 12 Liberal democrats, also wanting a second vote, that makes a total of 108. In the unlikely event of Mrs May changing her mind over the desirability of a second vote, there would still be no majority for it, as at least the 110 Conservative anti Agreement MPs and the DUP would oppose it, a more numerous force than the 108 on the opposition benches. Mrs May does not want a second referendum. She presumably does not want to split the Conservative party on the issue. She must understand on current numbers a second referendum cannot pass. It is also very likely more than 110 Conservative MPs would defy any suggestion they voted for one.

We cannot be sure how many MPs want the so called Norway option. It is not official Labour policy and seems to have fewer Labour supporters than a second referendum, so similar considerations apply as with the second referendum. It has a couple of additional major problems. It would require the consent of the EU to a delay in Brexit, which would probably leave the EU saying the UK would still have to accept the Withdrawal Agreement and use the 21 month negotiating period in that to set it up if possible. It would also require the consent of existing EFTA members, and EU consent which would come if at all at a price. It would need the government to adopt that to carry out the negotiations.

There is then the official Labour policy, somewhat vaguely and erratically expressed, of staying in a customs union. This is sometimes linked with also being able to negotiate our own trade agreements, which would be incompatible with customs union membership. It is difficult to see how a majority would coalesce around this unless the government also made it official Conservative policy, which would detach more than 110 Conservative MPs from supporting the government and make much of the Department of International Trade redundant. It is unlikely the EU would ever consent to the UK being in the customs union, having its own different trade arrangements with others, and not having to observe the laws and freedoms of the single market and make financial contributions at the same time.

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## **The German establishment wants the UK to stay in the EU – of course they do**

There should be no surprise that senior German government figures want the UK to stay in the EU. They show their scorn for democracy by asking for that and take us for fools. They want the UK to keep on paying huge sums of money to help with the costs of their political and monetary union which we have never wanted to join. They want the EU to write our laws for us to help their

commercial interests. They want to keep UK tariffs high on cars and food from the rest of the world to ensure they run a huge trade surplus with us at the expense of UK consumers. If I were a German politician I would be desperate for the UK to sign the Withdrawal Agreement or cancel Article 50 as that would be great for Germany. It would also mean the UK looking stupid in the eyes of the rest of the world as we dithered and then climbed down over our future, saying we cannot manage to be independent and govern ourselves.