

## Better facilities at Wokingham station?

I have received a follow up letter today from First Rail, who start the new South West train franchise in August. I held a meeting with them last month to discuss improvements for travellers using Wokingham Station.

They say they do wish to introduce a click and collect facility at the Station for people to pick up goods they have bought on line on their way home. This is subject to reaching commercial agreement on how to do it.

They also say they want to introduce automatic number plate recognition for car parking at the Station. This would enable travellers to register their Debit card for automatic payment. They will also allow on line purchasing of car park season tickets. The aim is to make it quicker and easier to park with these additional choices.

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## Manufacturing PMI speeds up

The worriers about UK prospects often like to highlight the opinion polls of economic facts, the PMI figures giving an indication of how orders and confidence is trending in business.

Today's figures show an acceleration in manufacturing orders and output prospects, with the Index surging to 57.4 where anything over 50 means growth. There is also a slowing of input price inflation. This is not surprising given the levelling off in oil prices and the fall in some other raw materials. China has also stopped raising her prices in recent week after a period of substantial rises in manufactured goods costs.

This is all positive for the second quarter output figures in due course.

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## An agricultural revolution?

One of the drivers of growth and prosperity in eighteenth century England was agricultural advance. Farmers threw capital and technology at the problem of farming. Larger farms were created. Threshing, hoeing and seed drilling were done by newly developed machines. Crop rotations and selective breeding led to big advances in agricultural output.

Today we stand on the threshold of another possible agrarian revolution. The coming of the intelligent tractor with wide arms for spraying, and capabilities for ploughing, preparing, seeding and tending the crop is transforming quality of output as well as changing the demand for labour. Drones offer less intrusive ways of watering and spraying selectively as problems and shortages are detected in parts of a field or crop. Raising animals is becoming more science based, with better information about their health and well being informing choices for their care.

The UK has a great opportunity to grow its agriculture as we come out of the CAP. The main parties are all ready to continue with subsidy. The government has promised to carry on with the subsidies farmers were expecting from Brussels this decade.

Some argue the main aim of subsidy should be to remunerate farmers for their role as landscape gardeners on a grand scale. Much of the EU system now is designed to reward environmental work, giving subsidy for keeping land fallow or for nurturing certain types of landscape or nature reserve on or near farmland. The Swiss system out of the EU is about keeping the unique Swiss mountain landscapes, as an adjunct to tourism and hospitality which feed off the views.

Some argue the main aim should be about food production. Farmers could be rewarded for cutting imports and producing more of the types of food we need and can grow at home. The EU system used to be more completely based on such an approach.. The policy was born of post war angst in memory of the dreadful shortages of food that occurred during and in the aftermath of the 2nd world war. Later the EU system evolved to take environmental considerations much more into account.

Do we think current EU policy is well judged? How do farmers want the UK government to develop its own agriculture policy, safe in the knowledge that there is no present threat to the subsidies farmers receive? There is a big opportunity to grow more at home for the home market, and to invest more in the new husbandry that will raise productivity.

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## May day

On 1 May 1707 the Act of Union between England and Scotland came into affect. Today, 310 years on, what is the state of the Union?

It feels from the polling that Scotland is happy with the way she made up her mind in the recent referendum to stay in the union of the UK. The polls to remain have been fairly steady ever since the vote.

The case for Independence floundered on three main worries. The first was what currency would an "independent" Scotland use? Those in favour of

independence strangely wanted to stay dependent on the Bank of England and retain access to the liquidity and credit lines of that central Bank, when the rest of us said if you leave the Union clearly you can no longer be an inside member of the Bank of England system with full facilities for all your banks. There was a marked reluctance to accept the Euro and no fervour for an independent currency to make Scotland properly independent.

The second problem was the financial arithmetic on spending, taxing and borrowing. The referendum took place against a background of oil over \$100 a barrel. Even at those prices the fast run off in the volumes of oil thanks to the maturity of the Scottish oil province meant a strain to afford all the present spending levels. Since the vote the price of oil has halved, meaning there are no oil revenues to take back from the Union. This would leave Scotland with high increasing borrowings and or in need of tax rises on some scale.

The third problem was quite a lot of the SNP seemed in reality to be in favour of Devo max, more control over law making and spending in Scotland whilst remaining a member of the UK. Their idea of Devo Max went beyond what any of the Union parties thought feasible or sensible.

Many Scots have now decided they are Unionists. Others have decided now is not the time to cut loose. They see there are no plans they believe on currency and finance that make sense.

We may discover the state of the Union is healthier than the SNP wish. It is interesting how the SNP attempt to use the EU referendum result to shift opinion does not seem to have worked. It has also left them arguing both that leaving the EU is economically damaging, but leaving the UK is not, which is quite a contortion to bring off.

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## [The EU mellows its negotiating position a bit](#)

The formal statement from the EU 27 after their Brexit discussions this week had some sensible and positive points in it. They talk of their "wish to have the UK as a close partner in the future". They ask for a single financial settlement but do not put any figures in it. They wish this to include sorting out the shareholdings we have in the European Investment Bank and the ECB which must be our credits. They say they are ready "to initiate an agreement on trade, to be finalised and concluded once the UK is no longer a member state". They want agreements that go wider than trade, to include security. They seem to accept in principle reciprocal rights for EU citizens in the UK and UK citizens in the EU.

They make much of how unified the EU is and will be over their negotiating

position. The UK is not trying to cause division, as we are well aware that it is easier if there is one negotiator for them and they will all sign up to anything the central team agree. They seem unsure that they can hold it together as single voice and view, so they tell the other member states that they are not to talk Brexit with the UK individually. This seems both petty and unenforceable. A willingness to talk to partners is important, but does not mean the EU position will automatically fall apart. It might just be better informed and better reflect its member states views.

There are still some less helpful statements from the EU point of view in the official words. We are told at the beginning "Citizens who have built their lives on the basis of rights flowing from the British membership of the EU face the prospect of losing their rights". It is difficult to see how this can be true, as the UK has made clear it wishes to ensure full rights to stay and work in the UK for all EU citizens who have legally done so, as long as UK citizens get the same treatment. Further down the document it implies that will be the EU's view. We are told a trade agreement cannot be discussed until the leaving agreement has been hammered out, yet they also say there can be talks about it in parallel to the second phase of the leaving Agreement. They also say nothing is agreed until all is agreed, so the UK could require preliminary agreement on trade or countries in the EU at risk of high farm tariffs might want the EU to sort that out. Clearly the EU wants to run the risk of damaging its exports to the UK by tariffs.

The language on Ireland, Cyprus and Gibraltar is not as inflammatory as some reports or interested parties seem to suggest.

All in all it seems to me to be a working document that the UK can respond to. Both sides accept the UK will be leaving the EU, its internal market and customs union. Of course the UK should pay its bills on leaving, but no-one has set out any bill with financial and legal credibility that goes beyond our regular contributions up to withdrawal date.