

# A new vision for Conservatism – the party of higher pay and lower taxes

This will be part of what I say today at the Politeia meeting at Conference:

As we leave the EU it falls to the Conservative party to set out a new vision for our country.

We voted leave to belong to a confident outward looking UK, trading with the whole world, with friends in all continents.

We voted leave to spend our own money on our priorities. The £39bn we save if we just leave in March 2019 can provide a great boost to our public services, and to take home pay from suitable tax cuts

We voted leave to limit the numbers coming to our country, to create more better paid jobs for those already settled here

We voted leave to take back control of our fishing grounds and our farms, so we can produce more of our own food, cutting food miles and the import bills

We voted leave to make our own laws, so we can have high standards in areas like employment where that matters, and business friendly approaches where we need to boost enterprise and encourage more small businesses

The Conservative government needs to set out an agenda to modernise government. Applying new technology can raise standards of service and cut costs. Buying the best from the UK when we no longer have to apply EU procurement rules can lead to partnerships between government and business at home that are mutually beneficial. Pursuing the agenda of educational reform to raise standards and widen opportunity is crucial.

The Conservative party should be the party of higher pay and lower taxes.

Higher pay comes from working smarter. That requires more training, more support and more career progression for the many.

Our educational revolution has to equip and energise people to set up their own businesses or to promote the best interests of the customers of the company they work for.

Higher pay comes from harnessing modern technology, excellence in customer service, and high performance from well trained people supported by excellent machinery and artificial intelligence back up.

All this is so much easier if we take back control next March and free our budget to get on with stimulating our economy.

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# The problems with socialism

Some socialists start with the best of intentions.

They say, let's pass a law to cut the prices of basics so people can be better off.

If they do it too much businesses stop providing the goods and supermarket shelves empty.

They say, let's tax the rich more to give money to the poor.

If they do that too much the rich take their money and their businesses, their jobs and their ideas, to a country which taxes less.

They say let's take over profitable businesses, so we can use the profits to pay for public services

Once they've taken them over they usually starve them of investment and talent, driving great industries into loss and sacking employees to balance the books

They say let's just print some money to give more to the poor

That way leads to more inflation, often leaving the very people they wanted to help worse off, unable to afford the basics.

This is something we can learn from our history books

Labour's great nationalised industries sacked hundreds of thousands of people, lumbered taxpayers with huge losses and failed to serve the customer well.

Labour's big spending sprees led to too much borrowing, to sterling crises and to high inflation

The final ignominy came when their policy meant the UK had to beg for a loan from the IMF, an organisation designed to help poor countries, as the country struggled from recession to recession

Labour's tax assault on success led to the brain drain, as energetic and able people moved abroad.

This is also something we can learn again today by looking at poor Venezuela.

Mr Corbyn heralded the government of Venezuela as a new way, an alternative to the capitalism he hates in free western societies.

Thanks to laws cutting prices, to nationalisation, printing money, high taxes

and state control, the economy is in collapse.

The rich and the not so rich are rushing across the border to get away from the regime that torments them

The nationalised oil industry produces precious little oil despite the huge size of the reserves, starved of capital and good management

Supermarket shelves are largely empty, with companies unwilling to make and trade in such a damaged economy

The poor have been given large increases in benefits, only to end up worse off as inflation soars to make their money almost valueless

The state keeps spending money it does not have, so inflation surges making trading almost impossible.

The UK must say No to such a dreadful diet of policies.

We can offer a much better alternative.

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## [It's not just in time for the customer](#)

For the last forty years I have bought UK manufactured cars, ordering a new one to replace an older vehicle at regular intervals. I have always found plenty of choice and usually liked the products I have bought.

I do, however, find the UK based industry's continued arguments about Just in time bizarre. As I have pointed out, the government has no plans to create additional delays at ports for imported components. There is an even more curious thing about the industry's belief in Just in time. It does not extend to the customer.

In April I contacted my local car showroom to ask when I needed to place an order for a new replacement car for September delivery. The last time it had taken six months. They told me I was too early so I asked them to contact me when they needed the order. On June 1<sup>st</sup> I was invited in to sign up and pay the deposit. The deposit was taken in good time to help their cash flow, well before they committed any cash to the build. I was then told that the car would not be available until November, as they had misjudged their future production schedules. In July I was advised that the car would be available in the second half of October, and in early September I was advised it would be available mid October.

One of the advantages of Just in Time systems is the factory should be able to plan its output well in advance and plan exactly when it will build any individual car, yet I have experienced variation over more than a month of time in their forecast of build date.

All this reminds us that the absolute precision some now expect in Just in Time supply chains is not a reality within the single market. Just in Time is miles off extending to customers, and factories flex their production with delays of a month or more for the customer. The customer has to pay a deposit well in advance, and is left wondering exactly when they will get delivery of the new vehicle. I am not suggesting this is some hardship for the customer, merely pointing out that people are exaggerating massively the timeliness of current production of vehicles within the EU single market. The fact that a component may spend a few more hours in a traffic jam on the A34 is clearly not mission critical when the customer has been told to wait another month. And that is something they have to deal with whilst we are still in the EU. Some components today come in from outside the EU and come on a long sea journey, but planning still allows them to fit into a JIT system. All JIT systems have to hold buffer stocks for contingencies or "events". A current EU/UK supply chain damaged by French strike action at the ports for example, may have to turn to the expensive Plan B of flying components in.

So here are a few questions for the Just in Time worriers

1. Why cant Just in Time systems deliver cars at a specified date for a customer that is quite soon after order placement?
2. How do you currently cope with traffic jams, lorry delays, port hold ups today, and why do you think it will be any worse after we have left?
3. What new barriers to entry are you expecting at Dover or Southampton, given the government has not proposed any?
4. Don't you have to allow plenty of time for the difficulties of road or sea transport today on complex supply chains?
5. How do all those Chinese goods get into the UK in good time to meet UK customer orders, given that China is not a member of the EU?
6. Why is the UK car industry having difficulty meeting customer orders in a timely way whilst we are still in the EU and when UK car demand has been hit by UK government tax policy?

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## Just in time production

Let me remind people about Just in time (JIT). I have run JIT systems for a UK factory. Our complex supply chain included components coming in from non EU sources as well as from EU sources. There were no special problems with the non EU components. The supply chain included components coming long distance by sea. Every JIT supply chain manager makes allowance for transport problems, and builds in usual delays that can come from traffic jams, bad weather at sea, delayed flights and the rest. The UK supply chain from the continent is more prone to delays from traffic congestion and road accidents than from port delays. The government should do more to improve transport capacity on our road system to assist Just in Time manufacturing. If we leave with no deal and impose customs duties these can be collected electronically

without extra delay at the port. As Next has made clear in its recent Brexit statement, currently in the EU exporters selling more than £250,000 into the rest of the EU a year and importers buying more than £1.5m a year from the EU already have to complete a full Intrastat form, which is very similar to the detail needed for a customs form, so when we leave if we leave with customs dues these can draw electronically on the same information without added time and cost. All Authorised Economic Operators importing and exporting can and do settle customs electronically away from the border, as they settle VAT today on trade within the EU.

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## **Will the government confirm it is not planning new barriers at the ports to delay components coming in?**

The Business Secretary should reassure Toyota and others there are no plans for new delays at our ports once we have left the EU. The UK should want to continue to offer every help to get imported parts in to meet production schedules.