

## No renegotiation in prospect with EU

Mr Barnier has warned Conservative leadership hopefuls there will be no re-opening of the Withdrawal Treaty. He says the choice is sign that Treaty or leave without it.

It confirms my view that MPs should not vote for leadership candidates who offer a renegotiation to seek an amended and less damaging version of the Withdrawal Treaty whilst ruling out or disliking simply leaving. The EU has said they would be wasting their time. They need to re think their prospectus to MPs.

Several of the long list of possible candidates are struggling to get 8 MPs to support their Nomination as now required, so there is likely to be a shorter list of candidates following close of Nominations on Monday.

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## Mrs May in government

Yesterday Mrs May's tenure as Leader of the Conservative party ended, though she remains as acting leader and Prime Minister until her successor is appointed. As her neighbour and friend I have sought to help her and give her positive advice in office. I wish her a good future however she wishes to develop her life as she stands down from the biggest political job in the country. She has given a lot of energy and determination to the job of PM, and has a strong sense of public service and duty.

Her tenure as Home Secretary from 2010 to 2016 was long lived, demonstrating her ability to avoid some of the pitfalls of life in the Home Office that had tripped up previous Home Secretaries who lasted for shorter periods of time there. The main promise she made that was an important part of the Conservative 2010 Manifesto was the promise to cut net migration from the high levels of the later Labour years to 100,000 or below, still double the typical figure under John Major. She never got anywhere near hitting this target. She stuck with it, recognising the importance of it to some Conservative voters. Her efforts to do so were hampered by membership of the EU at a time when freedom of movement rules required us to welcome a large number of migrants from eastern Europe. She did not, however, manage to control non EU migration as promised either. She did good work on highlighting and curbing modern slavery and on opposing discrimination against people on grounds of race and sex.

In 2016 after Mr Cameron's resignation she won the leadership when the second placed candidate from the MP ballot decided not to pursue her challenge through a ballot of the wider party membership. She commanded a clear majority of the MPs. Her tenure as PM began well, with all the party

including those of us who had not voted for her willing her to succeed. With Nick Timothy as her adviser she listened to those of us who had backed Leave. We worked together well to craft the legal framework needed to get us out of the EU. This successful collaboration saw the government pass the EU Withdrawal Notification Act to send the letter of notice to the EU with big majorities. We went on to help her get through the EU Withdrawal Act itself, to take us out in UK law. Though we faced a united opposition from all other parties in the Commons apart from the DUP, and although there were some rebel Remain Conservatives, the co-operation worked and the government carried the Bill.

As soon as the Bill was passed Mrs May ceased co-operating with the large Leave group of Conservatives and adopted in secret what became the Chequers plan. She made a series of damaging concessions to the EU in the negotiations and trusted a few politicians and civil service advisers who shared her view that the UK needed a comprehensive partnership with the EU after leaving, and needed to accept a very disadvantageous Withdrawal Treaty. This entailed breaking the Manifesto promise to negotiate any withdrawal issues in parallel with the future relationship.

I and others urged her not to adopt or to pursue the Chequers proposals, and not to attempt to agree or put through the draft Withdrawal Treaty. At crucial moments we urged her to refuse more concessions to the EU and to make more demands for the UK, but she did not want to. As we warned her, the draft treaty went down to a calamitous huge defeat. She also suffered an unprecedented run of Ministerial resignations over the same single policy. Instead of heeding the warnings and telling the EU the draft Treaty was unacceptable she spent her last months in a futile series of attempts to get it through the Commons. When she decided to delay our exit and fight the European elections she reached the tipping point where a majority of the Parliamentary Conservative party no longer had confidence in her approach and she had to resign. More importantly she lost the confidence of a large section of the Leave voting electorate, with dire consequences for the Conservative party in recent elections.

Tomorrow I will look at other parts of her legacy.

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## **[IEA event Tuesday June 10th](#)**

On Tuesday at 6pm I will be talking about the main themes from "We don't believe you", my latest book. I will bring the book up to date for the European elections and the Peterborough by election. I have been busy updating the text for the next printing to include this latest news.

The IEA still has a few tickets left if you wish to come. They are at 2 Lord North Street London SW1 on 0207 799 3745.

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## The collapse of traditional cars

The decision of Ford to cease engine production at Bridgend is sad, but part of their long term retreat from manufacture in the UK. Their market share has shrunk dramatically from the high levels in the 1960s and 1970s . It is also part of the story of loss of sales and big financial losses in Europe as a whole. Just like Honda they have found it difficult to stay sufficiently competitive.

The immediate background to the closures both here and in Germany is the sharp decline in the world car market over the last year. In part this is the result of monetary squeezes here and on the continent. In part it is the result of the savage increase in VED taxes in the UK in 2017 with the limits on car loans, the increase in Chinese car sales taxes, and the rising interest rates in the USA. There is a world car downturn based on more tax and less credit.

The other big change is the sudden shift of the UK and EU governments against diesel cars and their insistence that people buy electric vehicles. The public have not warmed to these electric vehicles and the industry is still struggling to produce ones that are good value, with a big range and fast recharging. The public has held off from buying, as in many other countries told to go in the same direction. China has made faster progress with electric vehicles.

It is strange to watch the UK and other governments do this much damage to their car industry. It would be more normal to give the industry more time to develop new products with electric propulsion, and to make sure there are products people want to buy. In the meantime to avoid more closures in the UK as a matter of urgency the government should cut its tax rates on new cars, and loosen new car loans availability.

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## All change in the leadership election.

The decision of the 1922 Committee Executive to change the rules of the leadership election has changed its dynamics. We have gone from having a wide range of choices with more candidates likely to come forward, to a narrowing with more candidates likely to drop out even before Nominations close on June 10th. Putting in rising requirements for MP support for Nomination and the first two rounds makes it much more difficult for an outsider or different candidate to start from a small base and grow their support over the early rounds. There has been a mini rush for more MPs to declare for a

candidate, creating a premier league of four, Boris Johnson, Jeremy Hunt, Michael Gove and Dominic Raab. Two candidates, Kit Malthouse and James Cleverly have already stepped down, with pressure on other candidates to do the same for want of more support. This is now a more traditional election, with growing camps for the main candidates trying to hoover up more votes and pledges by demonstrating momentum for their candidate.

Nominations close on June 10th. The first round ballot is on 13 June, the second round on 18 June, the third round on 19 June and rounds four and five if needed on 20 June. That would allow for a seven candidate race with just one dropping out at each stage and two winners to go on to the contest amongst the membership or for a more numerous field if more than one drops out between rounds owing to the new thresholds or candidate choice. It is likely we will not need rounds beyond June 20th. It would be worrying if we got to a last two only for the second placed candidate to do a deal to prevent a membership run off. Under the rules the race in the country can be eliminated by candidates colluding or changing their minds, as with the last leadership election.

I have now seen and heard a range of views from members of the Wokingham constituency. 50 came to a reception and others have emailed or spoken to me. There is no one stand out candidate commanding great support, with many members saying they do not know a number of the candidates and do not therefore wish to commit to one particular one at this early stage. Boris Johnson is the best known and attracted the most mentions wanting him on the ballot paper, but his numbers were still in single figures with most do not know.

I have now had the opportunity to talk to Dominic Raab, one of the two candidates in the front runners list who resigned from the government over the Brexit policy being pursued by Mrs May. He took the job of Brexit Secretary knowing the PM's commitment to the Withdrawal Treaty. He voted for the Withdrawal Agreement on the third vote despite having strong reservations about it. He states clearly that as PM he would get us out by October 31 with or without an Agreement. He also says he has a preference for an Agreement and thinks it should be possible to renegotiate it with the EU despite their repeated statements to the contrary. He wants changes to the backstop and some other matters, but seems willing to countenance a two year delay in exit and making further substantial payments to the EU. These views make it difficult for me to vote for him.

Michael Gove has repeated his support for the Withdrawal Agreement, and said he would countenance a further delay in our exit to try to get a better deal. He seems to think he might be able to renegotiate the Treaty, and seems to imply the only really bad feature of it is the Irish backstop which he would like to time limit. These views make it impossible for me to vote for him. Both these candidates have interesting views of a range of other topics, but if we cannot get out of the EU promptly and cleanly the policies we follow post Brexit will be drowned out by disappointment and continuing rows over Brexit. The general view of most of the candidates is in favour of relaxing austerity, with some tax cuts and some spending increases, as recommended regularly on this site.