

# Mr Macron's concentric circles

Mr Macron was misinterpreted by some this week who strain to discern an agreement between the EU and the UK in what he said. When Mr Macron stated he wanted reform of the EU he went back to the old idea of accelerated union and integration for an inner group. He then wants the UK to fit into an outer circle, where doubtless he thinks we should be rule takers. We would be grouped alongside eastern European countries who may want fuller integration but are not welcomed or thought to be ready by the elite countries to join the core of the Euro.

Mr Macron thinks France, Germany, the Netherlands, Belgium and Luxembourg, five of the original six founders of the EU, and maybe Spain, are ready to move to a single budget, a single Finance Minister and a joint foreign and security policy. Italy would probably be told if they want to be part of this inner core they have to forget all their wishes to change the budget strategy and to bin their request to toughen migration and border controls. There would be no room for dissenters in the core. The UK will of course be "offered" a security and defence partnership, because the UK provides more already to European defence than our GDP share would imply. The EU would like access to our two carrier groups and to the squadrons of F 35 fighter bombers, as well as to our Intelligence services. The EU has in mind some kind of Association Agreement with the UK, which is a watered down version of the EU Treaty without the voting rights and place at the table to complain in person about bad laws and bad policies.

Mr Macron's vision is backward looking and out of time. Mrs Merkel is finding it very difficult to hold her coalition together, and will be in no position to offer a joint budget and common Finance Minister given the antipathy of German electors to the idea of Germany paying more and sponsoring a so called transfer union. As transfer unions are central to most countries with their own currencies this remains a major stumbling block for the Euro. Mrs Merkel's traditional coalition partners, the CSU, face a difficult election in Bavaria in October, where they could lose control of their Lander Parliament thanks to AFD candidates. This means Mrs Merkel has to pose as tough on matters European and migratory for the next two months.

Mr Macron will also alienate many of the keen members of the EU that are excluded from his inner core. The countries to the south – or their governments – believe in the Euro scheme and were expecting a bit more financial and budget leeway. Instead Mr Macron seems to envisage more budget flex only for the chosen few that have passed the austerity test and joined the core. He will also continue to annoy the Hungarians and Poles who are the new naughty boys of the bloc, wanting the whole institution to adopt anti migrant policies.

It is going to prove a problematic few months for the EU, with Macron and Merkel in disagreement and with Italy pressing hard for changes to both migration and budget policies. Mrs Merkel usually gives in to pressure, so expect German policy to move to a more anti migrant stance.

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## Chancellor's policy to hit the car market works

The Chancellor must have expected to see car output down by 11% this July compared to last July. He and his colleagues wanted to put people off buying diesels, and many have heeded his warnings. His higher VED hit the top end of the car market, and the threats of more taxes to come on both diesels and petrol vehicles has put people off buying. Reining in car loans was also part of the successful plan.

Over the year to date UK car output is down by 4.4%, with production for the home market down a massive 16% within that. Looking at new car registrations in the UK we see diesel sales down 30% year to date compared to last year. This of course has nothing to do with Brexit, as all the alleged advantages of the EU trading system are still fully in place. This has been a car market collapse whilst still in the EU, created by domestic policies designed to cut demand for new cars.

The Motor manufacturers trade body says they need the continuation of "beneficial" EU trading arrangements to ensure growth in the future, without properly explaining why they have experienced such a big fall whilst enjoying these self same arrangements over the last year. They should instead be pressing for greater clarity on future car tax policies, and asking for some improvement in the present policy mix so UK people can afford to buy home produced vehicles in larger numbers again.

Encouraging more new cars and allowing more people to afford new cars should be good for the environment and for the economy. Modern cars are more fuel efficient with cleaner exhausts than most older cars. Governments usually want the car industry to do well.

I also see the latest consumer credit figures show a slowing there following authority's instruction to rein in credit to slow the economy.

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## GDPR and Doctors

I have had a complaint from a local medical practice about the way the new EU General Data Regulation is working. Under its terms the surgery can no longer charge the administrative costs of supplying information to insurance companies or legal firms wishing to pursue claims against the NHS. As a result I am told the number of such requests has gone up, and the GPs are having to spend more of their time on this work and therefore less on

treating patients. I have agreed to take this up with the government.

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## Let's create higher environmental standards

I am grateful to Owen Paterson for pointing out in recent speeches that the EU's environmental policy which we have to adopt has in several crucial ways let us down badly. It is a myth that the EU has created high environmental standards that we would not have created for ourselves, and a myth that all the EU's environmental decisions have raised those standards.

Indeed, the UK was a pioneer of higher environmental standards before joining the EU, and an author and enthusiast of some of the better environmental measures the EU did introduce. The UK was early into the crucial business of cleaning up the water courses and containing and processing sewage, with large Victorian schemes to segregate fluids and to eliminate disease carrying water from our tanks and taps.

In more recent years the UK pioneered clean air acts to reduce the burden of dirty smoke, particulates and harmful chemicals coming from factories and commercial premises, and from the domestic fireplace.

The UK pre the EU was good at public open spaces, parks and National Parks to preserve some of the rural landscape in or near to built up areas.

The EU has forced us into environmental damage in several important respects. It has decided that burning biomass – wood to you and me – is good because it lowers CO2 output and recommends it for power stations. That leaves us with a problem with the smoke and particulates.

It pushed diesel cars as another good answer to CO2 issues. Now people are worried about the impact so many older diesel cars have on Nox and Sox and particulates in the air around our busier roads.

It now pushes electric vehicles without exploring the full impact of battery production and disposal on the environment, or considering the ways in which the electricity will be generated to sustain this extra demand. In a country like Germany present policies rely on burning a lot of coal in power stations.

Out of the EU we can have a more positive environmental policy. It might include concreting over fewer acres of countryside for houses, once we have in place a new migration policy. It would definitely include a fishing policy that lands all fish caught, instead of returning many of them dead to the ocean.

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## Getting Wokingham on the move

Over this summer of road closures and temporary traffic lights Councillors have assured me that the plan is to get the works finished during the school holidays so people can get around more easily again when they both have to take children to school and get themselves to work in the morning and to get home in the late afternoon. I have just written again to the Council asking them to remove temporary lights and take blocks away from closed traffic lanes in good time for the return to school wherever they can. We have experienced troubles with prominent junctions like the Winnersh Crossroads, the Finchampstead/Wellington Road roundabout and with the closure of Denmark Street and Broad Street in Wokingham, town centre.