

Was the EU really trying to help Mrs May with its change of view?

Yesterday's well briefed stories in pro EU UK papers told us the EU is willing now to admit that the Northern Ireland border issues can of course be resolved by technology and checks away from the borders. Just as the Eurosceptics have always claimed, and as the UK government argued at the beginning of the Brexit process, there is no need for new barriers at the border and long delays whilst goods are checked at a border post. In this electronic age the issues of Excise, VAT and safety of product are already sorted out by electronic manifests and checks where needed away from the border. Most does not need physical inspection, as regulated operators file the necessary information so the authorities can do what they need to do without troubling the lorry driver. The authorities only need to do a few random inspections to keep the system honest, or to inspect where there is evidence of possible fraud, as they do today whilst we are still in the EU.

There was a suggestion this was designed to help Theresa May. I did not quite understand that part of the story. Mrs May has been arguing that it is because there is a problem with the Irish border – a problem many of us say does not in reality exist – that she needs to dream up the elaborate fix of Chequers. The imposition of the EU rule book for goods and the offer to collect EU tariffs for them was designed to remove the need for these things to happen at the Irish border. If the EU now rightly says there is no such problem it is difficult to see why we would need Chequers at all.

If we lift the nonsense that there is a problem with the Irish border, then a Canada plus plus trade deal is easy to do if both sides wish. The EU said they were up for a Canada style deal but wished to exclude Northern Ireland, leaving that in their customs union. That was clearly impossible for the UK. If this is no longer their view, then why not just agree a Free Trade Deal. It is easy to do technically, unlike most FTAs, because we start from a position of having no tariffs and having common standards.

What is strange is the PM is ploughing on with her very unpopular Chequers proposals, just at the point where it seems there is no need for them for the reason originally set out. It may be she knows the stories yesterday were false of course, though they looked well briefed and went to EU friendly papers. The alternative explanation is she wants to keep us in the common market for goods for reasons other than the Irish border. If so we need to know why. I see no good reason to make any such proposal.

Meanwhile the IMF is back with bad forecasts for what might happen if we leave with No Deal. Once again it appears a major forecasting outfit fails to understand the positives from leaving without signing the Withdrawal Agreement. There is that £39bn to spend, and then there is the up to £13bn of tariff revenue on EU imports into the UK that can be given back to business and consumers as tax cuts. Any discounted cashflow calculation of the money shows the UK is clearly better off without signing the Withdrawal Agreement.

Why do they always leave that bit out, and go for silly models showing big falls in trade that are unlikely to happen?

Trafalgar eve event

On Saturday 20 th October at 7pm Wokingham Conservatives are holding supper evening at Victory Hall, Church Road, Farley Hill.

I will give an illustrated talk on the battle of Trafalgar, asking how England managed to win against such long odds, what the wider significance of the battle was, and what it tells us about leadership.

Everyone knows that England defeated France thanks to the inspired leadership of Admiral Nelson, who died in the battle. Fewer realise how long the odds were or how comprehensive the win. The English engaged with a fleet that was almost a quarter more powerful. Each English ship as the attackers sailed slowly in very light winds towards the enemy exposing themselves to heavy raking fire for around half an hour before each English ship could get into position to use its own guns back.

Tickets are available through Bob Hamer dbobhamer@btinternet.com or 01189 733422

Deutschebank

Deutschebank reported today as moving assets out of London announced last year it was signing a new 25 year lease on 469,000 square feet of office space in Moorgate London.

The WTO option is clearly better than Chequers

There are several options for our departure, but if the Prime Minister says the choice has to be Chequers or just leaving, just leaving is best. The trouble with Chequers is it offers us a detailed and unattractive

Withdrawal Agreement followed by 21 more months in the EU with more uncertainty. Many MPs have no wish to pay the EU £39 bn for that.

End austerity

People are rightly tired of austerity politics on the continent, where it is an integral part of the Euro scheme which has led to deep cuts in pay and jobs in many of the participating countries. It is important the UK uses its freedom outside the Euro to follow a policy that promotes more jobs and higher pay. The good news is that the last eight years have been good years for jobs growth here, but we could do better on the pay front. We have not had to suffer the cash cuts in pay in the public sector seen in some Euro countries.

The UK economy has been deliberately slowed by policy since March 2017 when I first started highlighting the actions being taken. Tax hikes on homes and cars allied with a marked tightening of credit and money did slow the growth rate, led to a sharp decline in car sales, a big fall in buy to let activity and to a big drop in turnover in parts of the housing market. The policies were designed to do just this and they succeeded. We were told this was necessary for a combination of reasons, including the need to be more prudent and the wish to accelerate electric car sales at the expense of diesel and petrol before there were sufficient good value and attractive electric cars to buy.

The government should now relax policy a bit. Take home pay should be lifted by tax cuts, as the current tax take from employee earnings is too big. Stamp duties should be lowered to make homes a bit more affordable. Sensible rate reductions will also boost tax revenue which has been reduced by penal rates. Vehicle Excise duties should be put back to pre 2017 levels, and car loans to buy new vehicles freed up a bit. Business rates, particularly on shop premises, should be reduced.

The public services including schools, defence, the police and social care are in need of more money. They should be asked to submit bids for what extra service they could supply for increased funding, with payments made for good plans for improvement.

The tax cuts and spending increases should be financed from the EU savings, as I have explained before.