

Controlling noise at Heathrow

At Party Conference in Manchester I had a meeting with the Chief Executive of Heathrow to get up to date on tackling noise nuisance from the airport.

They have now launched their Fly quieter, Fly cleaner programme and publish how different airlines are doing. This is a way to spread better practice and to get airlines with noisy planes to see how they can improve. Actions include avoiding abrupt turns or changes of level, not deploying the undercarriage too early, and staying higher for longer.

They are encouraging faster climb for the noisy Airbus A 380 planes, to reduce noise contours in our area.

They are seeking fewer night flights.

They will soon announce a consultation on the Compton Gate route arrangements. It was changes to this without proper consultation which triggered additional noise for residents of the Wokingham constituency. I will keep people posted, as we need to respond to this document when it issues.

Heathrow is accepting more responsibility in a system where blame can be shunted between airport, airlines, regulators and government.

I will continue to press for more work to cut noise by better flying, limited hours, sensible routes, and getting planes higher sooner and keeping them higher for longer on descent.

No cliff edge

I have now read through all the submissions about what we need to prepare to have a smooth Brexit with No Deal.

Most of the worries are ones which have been argued over and discussed endlessly. In many cases I dealt with these worries on this blog before the referendum. Most are general in nature.

I will summarise my response to these old issues below:

What will happen about passported products in financial services?

The most common is the UCIT Investment fund. As these are all registered companies in countries that will remain EU members there is no problem. The UK will retain the contracts to help manage them, whilst the funds will continue to be available throughout the EU. The UK will be happy to allow UK

nationals to continue to buy and hold these funds. Other passported products resident in the UK will be able to continue under the doctrine of regulatory equivalence.

What happens about the future of the City if there is No Deal?

We will be able to trade as do other non EU members, using the doctrine of equivalence and world trade rules.

Will derivative contracts still work?

They should. The market has plenty of advance warning of our departure on 29 March 2019. Markets adjusted easily and rapidly to the abolition of the DM and the introduction of the Euro in 2000 which was bigger set of changes. As the markets start to offer contracts that go beyond exit date they will reflect this in the contract small print.

Will there be more red tape to export?

No Deal will entail customs filings for tariff based goods for No Deal. This can be an additional line in an electronic filing. Importers and exporters already need paperwork or electronic files to handle product specs, safety and a wide range of compliance matters, which can remain the same.

How can there be a smooth Irish border?

The UK government has issued a paper on this setting out how. If the EU does not like the UK proposal it needs to make a counter proposal, as its member state the Republic of Ireland is keen on a smooth border continuing, as is the UK.

Will universities suffer?

No. The government has made clear there will be plenty of visas for students and faculty members coming from the EU as there are today for non EU. EU funding will be replaced by UK money. The UK may negotiate to continue to contribute to and belong to various European schemes.

Will we reassert our territorial limits and set out a UK fishing policy

That is the current plan

Commiserations to Catalonia

Today I am proud to be British and to be leaving the EU. When the UK state and government saw there was considerable pressure for Scottish independence it organised a legal referendum and let the people decide democratically. As someone who wanted Scotland to stay in I always recognised their right to

self determination. If they had decided to go I would have wished them well and urged Parliament to a quick settlement.

The lack of reaction by the EU to the dreadful scenes in Catalonia shows their lack of understanding of democracy. The Spanish state is right to say democrats need to accept the rule of law. They are wrong to deny Catalans a vote and voice when they think the constitutional settlement behind that rule of law is wrong. The irony is that polls suggest the Spanish state had a good chance of winning a referendum for the status quo if it had held one in good time with a good grace. Now a legal referendum is more needed, and less easy for the Spanish state to win. Democracy about the rule of law, but it is also about responding to the mood of voters. Leaders of countries need to retain consent to the system for making decisions.

I thought the EU wanted to promote democracy. It has wanted to promote regional identity and encouraged the regions against nations. It has sent regions money over the heads of the states. It is now reaping a bitter harvest. Lets get on with rebuilding our own democracy by taking back control

Lower taxes are popular

Many politicians think the way to win elections is to offer more and more public service and public spending. They seek to build a coalition of people who will benefit from the enlarged and new programmes they offer. If you look, however, at winning campaigns it is often the tax cut that proves more popular. More people want to take responsibility for their own lives, and wish to look after themselves and their families out of their own incomes.

The Conservative governments of the 1980s drove income tax rates down and abolished whole taxes in successive budgets. This was one of the main props to their election winning run.

Labour discovered this in the 1990s, and won office in 1997 on the firm pledge to keep the lower tax rates that the Conservatives had introduced. They kept their word on Income tax rates until the financial crash. They put the rates up at the end which went alongside the other problems they had created to lead to their defeat.

George Osborne promised a tax cut prior to the 2010 election, which proved popular. In office the Coalition was only able to agree on cutting the Income Tax threshold. This was sufficiently popular for both coalition parties to want to claim credit for it.

In the 2017 election Mr Corbyn seemed to offer to repay all the debts of former students who took out student loans. This appeared to be an offer of a £40,000-£50,000 gift for some people. It proved very popular and drove a surge in the younger vote for Labour. We subsequently learned from Mr Corbyn

that he did not mean to offer to repay all these debts, though he only clarified this after the vote.

Mr Hammond began the 2017 election by appearing to hint that higher taxes might be needed. The rest of the Conservative leadership had to deny this. Fears of tax hits to the self employed damaged Conservative popularity though these plans were rightly dropped. These followed the tax attacks on Buy to Let Investment and on home ownership through higher Stamp Duties which were also unpopular.

One of the main reasons Mr Trump did well in the US election was the promise of major tax cuts for individuals and businesses.

I look forward to Conservatives offering and delivering tax cuts in the future. The sooner the we stop sending large sums to the EU the better, as that will increase our budget flexibility on both spending and taxation. In the meantime we should be cutting the tax rates where to do so will increase the revenue.

Mr Macron's EU vision

In a long speech the French President sought to wrestle the EU agenda his way at the moment of maximum weakness for Germany following her election.

His speech was very like that of the President of the EU Commission. He seeks an EU budget, Finance Minister and much more integration. He wants a stronger EU foreign policy backed by EU forces. The speech was well received in Brussels.

The problem he still faces is this vision will only happen on German terms. Mrs Merkel is weakened by her election losses. If she survives as head of a wobbly three party coalition there will be severe limits on her room to move the German position in the direction France wants. Like Mr Macron she is happy to move to political union. Unlike Mr Macron she will need to concentrate on common economic policies as a discipline on the Eurozone. She will not be able to offer a proper transfer union channelling German money to the poorer EU regions on a bigger scale. She will not want a proper common budget, as Germany would be the main paymaster of that.

The traditional German position is they want more European control of national budgets and more EU pressures for structural reform in the deficit countries. That is very much the view of the Free Democrats that Mrs Merkel now needs as supporters. She will also have to trim over migrant numbers, where her old coalition partners the CSU have strong views and were badly bruised by her policies in the election.

So Mr Macron will get more EU power but not more EU money. Money after all

is going to be short assuming the UK leaves without paying the future bills. Meanwhile Mrs Merkel has to get used to having just 200 MPs in her party in a Parliament of 709. Even with the CSU who are now unhappy allies, she only has 246. Germany will be weaker, but that does make Germany more compliant to France, given the direction France wants to go in. Without the UK helping pay the bills Germany will become more of a budget hawk. The rest of the EU will soon run out of German money to spend, which will limit their integrationist ambitions a bit.