

The EU/UK volte face on diesels

EU/UK policy of many years was to encourage the diesel car as part of the solution to excess CO₂. Diesels are more fuel efficient so less CO₂ is generated per mile travelled than a petrol vehicle. The UK was particularly keen on this policy, and successful at attracting substantial new investment in diesel car engine manufacture and diesel car assembly. Jaguar Land Rover, for example, moved to producing a range of vehicles where two thirds sold were diesel. The UK became a centre for excellence and research in passenger car diesel technology.

More recently the EU has discovered that its emissions tests were not stringent enough to prevent higher levels of Sox and Nox from diesels, and that these gases do create problems in the air we breathe. The EU has now set more severe standards and tougher tests to enforce them, so the modern Euro 6 diesel car engine is around the same as a petrol engine car when it comes to unpleasant exhaust gas and particulates, with both types of engine now hitting high standards of cleanliness.

During this major switch of approach the passenger car diesel engine has moved from environmental poster product to environmental problem. The politicians who were keen to encourage diesels, are now keen to stop them even though they have now set much tougher standards for diesel engines which they think are fine. There is a competition to see which town or city can be more severe on diesel vehicles by imposing bans or extra taxes. The UK Treasury decided to impose much higher Vehicle Excise Duty on new diesels, especially for expensive vehicles, as part of its attempts to get more people to buy an electric car.

The result of this change at EU and UK government level is entirely predictable, and was indeed forecast here. There has been a collapse in the sale of new diesel cars, with more motorists deciding to put off buying new until a new more stable legislative approach to car engines has settled down, and other motorists unable to afford the tax rises placed on new vehicles.

In the UK it is especially perverse. The government claims to want a bigger and more vibrant motor industry here in the UK, and is very worried by any possible threat to it. Yet at the same time its policy has done serial damage to the diesel car sector, the very sector they had most praised and had done most to build up in previous years.

Nissan drew attention to these issues in its recent decision not to go ahead with new assembly and extra capacity for a diesel vehicle at Sunderland. It will make what it needs in Japan instead. Car makers experiencing a big fall in diesel car sales are shorter of cash, profit and sales than they wished, so of course they are going to cut their investment plans. The problem for the UK is government action which has been so successful in building a diesel car industry is now leading the attack on it.

Sleeping rough

Most people agree we need to do better when it comes to helping people to have a bed for the night and a roof over their heads. There has been a rise in rough sleeping in recent years. The government agrees, has provided more money and announced new initiatives to get the numbers down.

The state can provide hostel spaces. It can do more to provide temporary housing for people whose lives have run into difficulties, whilst they get themselves back into work or a better routine for living on benefit whilst they seek employment. The problem it encounters is that so often rough sleeping is not just an issue of someone short of cash or temporarily out of a job, of someone who has fallen out with their family or suffered from the cancellation of a tenancy. It is often a deeper seated problem to do with drugs, drink, or mental health issues.

Where the person understands the problems they are in sufficiently to want help it is easier for the state to offer that helping hand, and a scandal if it does not. Where a person fears the state hostel because it would require them to volunteer to get off drink or drugs, or to conform to rules they do not like, the state has to decide how far to go in requiring people to leave the pavement bed.

The state has powers if the person is mentally ill and can be sectioned. It has powers if there is any suggestion of disorder or criminal offences. Each time there is a difficult judgement to be made about someone who is vulnerable and living in a way which the rest of the world worries about.

These complex cases are beyond most of us who are concerned and would like to help, which is why we expect the state to use its considerable resources and legal powers to act instead of us. Many people do find accommodation or could find accommodation within their own network of family and friends. There we can all help when need arises. When a member of my family lost their job and home together, I provided them free board and lodging in my spare bedroom at home whilst they found another job. After a few months they were able to take on the financial commitment of a new home. Many families do the same. Most people sleeping rough are someone's son, brother, nephew, father (or daughter, sister, niece, mother) whose families might be able to help. Most families or networks of friends have someone in them with a spare room.

Where the person's problems are such they cannot get along with any former family member or friend then the state needs to step in as the last resort with the powers that might be needed.

Any family that has an estranged family member sleeping out could at least help the state help them, if they can no longer help them within the family. More knowledge of the circumstances and problems of the person must be helpful to those trying to decide what measures are needed to persuade that person to go back to a life which includes a bed and bedroom.

The UK should lead freer trade worldwide

I have made two consistent requests of the UK government whilst I have watched the negotiators reach an Agreement Parliament could not possibly accept. I have asked that the UK tables a comprehensive free trade agreement with the EU and says we should negotiate it once we have left, allowing both sides to avoid any new barriers or tariffs whilst we negotiate it. I have also asked that the UK tables its own schedule of tariffs for April 2019 assuming the EU refuses all co-operation. These tariffs should be lower than those imposed by the EU on the rest of the world, thereby cutting our tariffs on the bulk of our trade whilst imposing them on EU trade for the first time as we have to under WTO rules.

There are two advantages of tabling a draft Free Trade Agreement. The first is the EU has indicated that would be easier to agree with the UK than a half in half out arrangement of the kind the present UK negotiators seem to want. The EU has free trade agreements with various smaller countries already and has just managed one with Japan. Our draft should be based on the best of the EU/ Canada and Japan agreements, so we can say to them we are only asking for what they have already granted to others. They and we might then want to add some more to that. The second is we could then under Article 24 of Gatt/WTO agree to no new barriers pending agreement. This would be especially advantageous to the rest of the EU given their huge surplus with us in food and cars, where tariffs would otherwise be imposed.

The ERG is working with experts to produce a full legal text draft. I look forward to its early publication, as then the government could just table that one if they still have not drafted one of their own. The government could itself produce a scissors and paste version of the EU/Canada or EU/Japan treaties to get the conversation started.

I have also repeatedly asked for publication of our own tariff schedule. I think EU tariffs are in some cases too high. I would want us to remove all tariffs from imported components so we can say to industrialists based here it will be cheaper to make things once we have left. I would like us to remove tariffs on food we cannot grow for ourselves. I would suggest lowering other food tariffs a bit. It is an important judgement to balance consumer interests in no tariffs with farmers interest in some tariff protection, which would for the first time extend to protection against EU as well as non EU produce.

The publication is essential for two reasons. The first is we may well leave with no Withdrawal and future partnership agreement in March, so farmers and traders need to know what the tariff regime will look like when they decide what to grow and what to buy from world markets. It would also be a timely

reminder to the big food exporting industries of the rest of the EU that they will face tariff barriers in default of a Free Trade Agreement, which might make them keener on a Free Trade Agreement.

The government should also tell us how it will spend all the extra tariff revenue it could collect. A mixture of spending increases and tax cuts would provide a welcome boost to the economy, jobs and wages.

Another round of Project fear

It is strange to read stories coming from people in or close to the government telling us leaving without a deal will be bad, saying the government has not done all it needs to do to leave on March 29, and playing up any bad economic or business news that comes along. Normally governments are guilty of putting too optimistic a spin on events. Not this one, who often seem to prefer the EU spin line against us.

Most of it is Project Fear reheated. It was that very Project Fear replete with precise and wildly wrong forecasts for jobs, house prices, growth and business for 2016-17 that did much to lose the vote for Remain. Most of us want sensible optimism not remorseless and inaccurate pessimism.

The Prime Minister and government has had 2 years 7 months to get everything ready to leave on March 29. They have told us officially they can do that, though there are plenty of leaks, hints, statements of individual off message Ministerial opinion saying the opposite. The PM has always been consistent in saying we will leave on 29 March with or without a deal. She has always said you cannot take no deal off the table as it is important to the negotiation, and has always said we can just leave if necessary. She of course would much prefer a deal, but has difficulty persuading MPs her Withdrawal Agreement is acceptable. It is of an expensive invitation to another 21 months of talks about a future relationship. This prolongs the uncertainty for business and delays an economic boost from spending our former EU contributions on our priorities.

It is clear the planes will fly, the trucks will pass through Calais and Dover in good time and there will be no food or drug shortages. I am not going to stockpile anything. It looks as if the pressure for a second referendum has abated, which anyway cannot be held before 29 March now. The Remain forces in Parliament now want delay. They have failed to say what we could agree after March that we have been unable to agree in the 2 years 9 months since the vote, and failed to spell out why the EU would let us have a delay to renegotiate and on what terms. The UK has no plans to offer candidates for the European parliament so will not be part of the full governance arrangements of the EU from that date. We need to get on with leaving. I am still pressing the UK government to offer a free trade agreement and use of Article 24 of the GATT to avoid tariffs and other new

barriers when we leave in March

Working throughout February

I had no plans to take a holiday and was intending to work as normal when Parliament planned a February recess. I am very willing to attend Parliament to do anything to ensure a smooth exit from the EU on 29 March on any dates between now and then.