

May day

Yesterday Mrs May at last admitted she could not win the vote. She had to accept the Withdrawal Agreement was disliked by far too many MPs.

It was therefore a curious decision to spend the first half of the campaign rushing round the UK as if appealing to voters in a General Election, and to spend most of the last week-end wooing businesses as if they had some kind of bloc vote.

The Prime Minister did not once approach me about my intentions. Maybe she accepted my view and realised she could not change it. Her Chief of Staff told me I would be invited to a one to one meeting with her which never materialised. Several other MPs I have talked to were also left alone, when the government needed every Conservative to vote with it to give it any chance of winning. They had already lost the support of the DUP.

Stirring the country up did help generate a lot of constituency and nationwide correspondence. I received more messages to oppose her Agreement than to support, and many positive messages about the approach I took in the Parliamentary debate. It also shifted opinion against the Agreement. One recent poll says 62% wanted the Agreement voted down and only 25% support it.

Mrs May implied she can get some reassurances about the Irish backstop and then try again to get it voted through the Commons. That is very unlikely, given the magnitude of the opposition to it. There should be no doubt that this is a completely unacceptable surrender of powers and money by the UK for no good reason. This is allied to the very worrying treatment of Northern Ireland as some new country called UK (NI), to be treated differently for customs purposes and with different legislation to the rest of the UK. Even if the whole backstop was removed completely I would not vote for this one sided and unfair Agreement, and nor would a good many other Conservative MPs. What bargaining power would we have left for a better Future Partnership after signing away powers over laws, borders and money?

Only a large defeat will send a clear message to the EU that a few cosmetic changes to the Agreement will not be sufficient to get Parliament to change its mind, and to get them to understand we will be leaving with no Withdrawal Agreement unless they radically change their approach. The Prime Minister's decision not to press the vote means there would have been a big defeat.

I have given Mrs May and her team plenty of advice to avoid this outcome which they have ignored. This Agreement is Mrs May's Agreement, and this latest Project Fear campaign was her campaign. The more they run Project Fear and the more extreme they make it, the more most of the public shrugs its shoulders and scorns politicians who mouth such nonsense. Mrs May was unclear when she would bring this Agreement back for a vote, and unclear over whether it was even feasible to get changes to the legally binding text of the Withdrawal Agreement as opposed to the less important text of the vague Political Declaration.

Many MPs are asking why Ministers were made to go out and assert that the vote would definitely take place today, and why they had to maintain the fiction they would win. This has removed confidence in Mrs May from some more MPs who used to support her.

Wokingham Borough Council announces free car parking in its car parks in the three Saturdays leading up to Christmas

I am pleased that Wokingham Borough Council will be offering free parking in council owned town and village centre car parks all day on Saturday 8th, 15th and 22nd December. This will be welcomed by shoppers and businesses alike.

NEWS RELEASE



**WOKINGHAM
BOROUGH COUNCIL**

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FREE SATURDAY PARKING DURING FESTIVE PERIOD

Shoppers are set to get an early Christmas car parking present from Wokingham Borough Council as it announces free parking in its car parks on the three Saturdays leading up to Christmas. Council-owned town and village centre car parks will be offering free parking all day on Saturday 8, 15 and 22 December 2018

For the last few years, car parking on the three Saturdays before Christmas has been free to encourage people to make use of their local shopping areas. The move has proved very popular with both traders and the public.

Car parks included in this festive offer are shown below:

- Polehampton Close, Twyford
- School Lane, Wargrave
- Council offices car park at Shute End, Wokingham
- Denmark Street, Wokingham (**council-managed section only***)
- Easthampstead Road (East and West), Wokingham
- Cockpit Path, Wokingham
- Headley Road, Woodley
- Crockhamwell Road, Woodley
- Lytham Road (East and West), Woodley
- Former M&S car park, Rose Street, Wokingham
- Carnival Pool Multi Storey car park, Wokingham

- MORE -

Cllr Anthony Pollock, executive member for highways and transport, said: "I am pleased to announce that we will be offering free parking for the three weekends running up to Christmas once again. I hope that this can give people a good incentive to visit the array of wonderful shops during the festive period here in Wokingham Borough."

Although parking will be free on the three Saturdays before Christmas, maximum stay limits and disabled parking bays will still be enforced and any vehicles breaching these regulations will be subject to the usual Penalty Charge Notices being issued. The free parking offer only applies to council car parks which are town centre related (not associated with train stations), and does not apply to privately managed car parks.

- ENDS -

Further information:

1. More from Cllr Anthony Pollock, executive member for highways and transport, email: anthony.pollock@wokingham.gov.uk
2. *Anyone parking for free at Denmark Street car park should ensure they are in the COUNCIL-OWNED SECTION (behind Anvil Court and next to Wokingham Library), **NOT THE EURO CAR PARKS SECTION (BEHIND THE POLICE STATION).**

Wokingham Borough Carol service

It was wonderful to hear the massed choirs of Wokingham primary schools, to the accompaniment of the very professional Berkshire Maestro Orchestra. It is an important part of the early Christmas season for me, and this year lived up to expectation. It is good to see many supportive parents proud of their children, and to see the musical talent on display. The solo orchestra pieces were played to a high standard, with a Christmas merriment and verve in them. This year we were in a new venue, at Greenfields in Arborfield. I am grateful to those who laid on the hospitality and made us all feel welcome.

The economics of leaving on March 29, 2019 with no Withdrawal Agreement

The economic gains and problems with 29 March 2019 departure from the EU

Gains:

Fiscal stimulus

Positive second round effects of affordable tax cuts

Advantages from extra public spending

Lower tariffs on non EU trade

Confidence boost from ending Brexit uncertainty

Substitution effect for home production as a result of tariffs on EU sales into UK

Losses:

Friction at borders?

Non co-operation by some continental authorities?

Loss of confidence?

Why several scare stories are untrue

- Planes will fly
- EU companies will still be exporting food and medicines to the UK
- UK port authorities do not need to create new checks and delays
- Where paperwork is incomplete trade will continue – as with the EU's failure to lodge a compliant schedule with the WTO

Fiscal stimulus

- Spend most of the £39bn cost of the Withdrawal Agreement in the first two years
- This will provide a 1.8% stimulus to GDP, or 0.9% a year

Second round effect of tax cuts

- Take VED back to pre 2017 levels and drop special diesel taxes. This should lead to a 15% gain in car sales and domestic output.
- Take Stamp Duties where currently higher back to pre 2016 levels. This should provide a stimulus to transactions in the housing market.
- Cut Income Tax to 18%, providing a general boost to take home pay and consumption.
- Estimated second round effects 0.2% of GDP

Public service improvement

- Extra recruitment into NHS, education and police
- Additional investment money into transport

Estimated little additional boost above fiscal stimulus counted above

Tariffs

If we adopted the EU tariff schedule for all EU as well as non EU items we would collect an additional £13bn of annual revenue. This should be given back as tax cuts for the consumers.

Better to cut the average EU tariff when imposing it as our tariff on the whole world.

1. Remove all tariffs from intermediate goods needed for UK manufacturing
2. Remove all tariffs that collect little revenue, or are at low rates
3. Cut or remove all food tariffs on food items we cannot grow for ourselves
4. Reduce food tariffs on non EU food that we can grow to a more realistic level when imposing it globally

Confidence effects

Business claims the uncertainty over what our future trading arrangements and tariffs will look like is holding back investment.

Early resolution should bring forward delayed investment. The extent of this has been exaggerated, but let us estimate a modest 0.2% gain to GDP from this source.

Trade friction on imports

- Imports are two thirds of our EU trade
- Trucks arrive at Dover full of goods – about half of these make the return crossing to Calais empty
- There is no need to place new inspections or complex customs arrangements on our borders in our ports, as we control these entrances to the UK.
- In the first instance, the UK can continue importing EU products as today, with an inspection regime at the factory or packing house of the originator, and inspection at the customer facility on arrival
- If the UK does want more port inspection in due course, this can be introduced with sufficient capacity to avoid long extra delays

- Cross channel traffic by ferry or tunnel could have new inspections in transit on board the train or ferry
- Exporters to the UK are not threatening to cancel supply on 30 March
- Most have contractual obligations to continue supplying after 29 March which are legally enforceable. It is difficult to see why this should cause extra costs to the UK.

JIT Delays

- JIT systems regularly deal with delays or long journey times
- Were transit times to go up the supplier would just be told to send it earlier
- There need to be no extra delays at UK ports importing the goods
- JIT is more susceptible to disruption through strikes / bad weather / crashes on main motorways / disruption to ferries or trains. This hits trade from within the EU as well as from outside whether we are members of the EU or not.

Export friction or loss

- The base case is continental customers will want UK exports on 30 March as on 29 March, and many are contracted to carry on buying them
- Tariffs will make mainly UK food and cars dearer, but they will make EU cars and food dearer into the UK
- Over half our EU trade will be tariff free on the EU's schedule
- The high food tariff and car tariff is likely to reduce imports more than exports given the large imbalance in trade in these two categories
- It will lead to more domestic production for the home market
- On a worse case there could be loss of 0.6% per annum of GDP from less exports, partially compensated by a gain of say 0.3% of GDP from more home substitution for imports

Sterling

- The pound fell against the dollar and the Euro in the eighteen months before the referendum, and was marked down on the result
- Its future from here will be more determined by relative money policy and interest rates than by Brexit news. It has been relatively stable in the last few weeks when the odds of no Withdrawal Agreement have risen.
- The UK still has a competitive advantage from the lower values of the pound since 2015.
- The balance of payments will get a good boost from ending EU contributions which will help the pound.

Summary of Effects

Annual as a percentage of GDP, years 1 and 2 after Brexit on 29 March 2019

Fiscal stimulus +0.9

Secondary benefits of tax cuts +0.2

Confidence effects from ending uncertainty +0.2%

Worst case export loss -0.6%

Import substitution offset +0.3%

Total net gains +1.0% per annum

A reply to the Minister on the World at One

The Minister defending the government's line said on the World at One that Conservative MPs who planned to vote against the Agreement did not understand it and had not thought it through.

Let me reassure him that I and my colleagues have read and thought about it in great detail, and have thought through the ramifications of signing this dreadful deal, and of not signing. It is not a good idea to pretend that we have idly decided to vote against a government we usually support. That will not make us want to vote for it. It is the absence of detailed government explanations and answers to our deep reservations that lead us to vote against. I do not make these remarks personal to the Minister, as I assume he was asked to take this line.

The Minister also wanted to know if they got some kind of tweak to the Irish backstop if then we would vote for the Agreement. It appears the Minister does not understand the reasons I and some others have given repeatedly and in public for rejecting this deal. Of course we would not suddenly support if there was a tweak to the backstop. Let me repeat for the Minister's benefit I oppose

1. Signing away more than £39bn of our money for nothing in return
2. Signing a Withdrawal Agreement without having a legally binding text of a Future Partnership Agreement, despite the Manifesto promise that the two would be progressed together
3. Putting our country into a very weak bargaining position for 21 months or much longer, to try to get a future trade deal, having given away most of what the EU wants in advance!
- 4 Making us accept all existing and new rules from the EU for an indeterminate period, as they could then legislate without us present and do us harm if they wish

Any tweak to the Political declaration is irrelevant. What is needed is a dropping or complete re write of the legally binding Withdrawal Agreement.

The Minister also said I and my friends had to set out the detail of how our trade would work if we vote no. I suggest he reads the WTO rules and especially the 2017 WTO Agreement on non tariff barriers, and my submission to the Department of International Trade on the a customs schedule we should set with lower tariffs than the current EU one. In particular they should make it clear the UK will not impose any tariffs on components coming into UK

factories. He might also like to tell me when under the government's approach he thinks they might be able to tell us how we will trade with the EU after the end of the so called Transition period, as of course the Political declaration is both vague and contradictory on these matters.