

Big business and government

The government should not want to bail out big business or take share stakes in large companies. It should be helping and encouraging them to get more money from customers so they do not need bail outs. The policy is meant to be getting many more people back to work, preferably working from home. Taxpayers do not want shares in companies that are losing so much money they cannot finance themselves commercially from banks and the markets.

It is rumoured that Jaguar Land Rover might need government money. Yet this is a company with good products, that needs to sell more cars to generate the cash it needs. The government should be asking any car business that thinks it might want taxpayer aid the following questions:

Will its dealerships soon be open to sell cars observing social distancing assuming that gets the go ahead?

Meanwhile is the sales force available during normal business hours to sell on line and through email and Zoom/Teams meetings with customers?

Have they tried contacting their customer and customer enquiry lists to see if people will buy a new vehicle? Are they offering any special promotions to get the market moving again? Given the reported growing interest in people buying cheaper second hand cars as an alternative to public transport to get to work, isn't this a good time to encourage switching to a newer vehicle for people who are already owners?

The Bank of England and the commercial banks are making plenty of money available to those who need a car loan to buy or upgrade a vehicle.

The Treasury were right to offer short term generous assistance for the lock down period. Now we need to move on and find ways to get people back to work safely and wean companies off government life support.