MONTHLY NEWSLETTER Christmas 2018

NORTH HEREFORDSHIRE CONSERVATIVE ASSOCIATION

ON BEHALF OF THE NORTH HEREFORDSHIRE CONSERVATIVE ASSOCIATION MAY WE WISH ALL OUR PATRONS AND MEMBERS A JOLLY CHRISTMAS AND A PROSPEROUS 2019.

SAVE THE DATE. North Herefordshire Conservative Association Annual Dinner.

A black tie dinner with guest of honour Jacob Rees-Mogg.

When; Friday 1st March 2019. **Time** - 7.00pm; **Where** – Pudleston Court. Nr Leominster. **Tickets** £65 each.

To **reserve and pay for tickets** and for further details please contact the office on 01568-612565 or e-mail office@nhca.org.uk

100 Club.

- **November draw**; £200 super-bonus prize Mike & Anne Allen. 2nd prize; Donald & Elsie Boughton.
- **December monthly draw**. First prize of £50 Leslie Morgan. Runner up: Barry Gandy.

BREXIT update from Bill Wiggin. Firstly, I commend the Prime Minister's determination, fortitude and persistence in her negotiations with the European Union, and in her repeated public statements and addresses to the House of Commons. I have studied the Withdrawal Agreement and the Political Declaration, and there are some welcome aspects. The political declaration, which contains the details of our future relationship with the EU, is ambitious and wide-ranging. The Withdrawal Agreement, however, contains an enormous problem. The Northern Ireland Protocol, known as the backstop, contains provisions for an extension to the Customs Union which would keep the United Kingdom in the Customs Union and some aspects of the Single Market of the European Union. **The backstop has no unilateral exit mechanism, and so we cannot leave the Customs Union without the permission of the EU. Ironically, the lack of a unilateral exit mechanism means that leaving the backstop and the Customs Union could be more difficult than exiting the European Union.** Brexit, for me, was about democracy and taking back control, and this arrangement actually leaves us less in control of our own customs arrangements than we were whilst a member of the EU. However, there are several other factors to take into account including the two weeks in which the Prime Minister may try to make changes to the Treaty which would enable me to support it.

An example of such a change would be the removal of the backstop arrangement, or the introduction of a unilateral mechanism to exit the backstop, or indeed the retention of our £39 billion 'divorce bill' until a future trade agreement has been signed. I am not scared of leaving on World Trade Organisation (WTO) terms, but unfortunately I am not certain that the Government will allow this to happen

Bill's position. I have carefully set out what I currently believe will be the likely course of action over the coming weeks. I write to share with you that I do not currently support the Prime Minister's Deal, but that with alterations that remove the power of the backstop (which traps us in the EU until they give us permission to leave), then I would be happy to support it. Indeed, given the likely course of events after voting down the Deal, it is still possible that it may be better than risking losing Brexit altogether. We want to be independent of the EU and the backstop prevents that.

We do not want to be trapped in the Customs Union until we sign a punitive trade deal. I must take this decision balancing the threat to Brexit with the restrictions the backstop would create. Much may change before the meaningful vote and I thank everyone who has taken the time to write to me, from all sides of the political divide. I have read and taken into account all correspondence, and will always continue to do so.

NHCA's position. The NHCA as an official Conservative Party body does not take a view and remains neutral. However, a number of Management Committee members have made it clear that in a personal capacity they are in dismay and could not support any "draft deal" with a "backstop" that further reduces our sovereignty and removes any statutory means of leaving the EU Customs Union – a plight which risks reducing the UK to an EU "rule taker" in perpetuity – described as the "no voice, no veto no vote" option. If the EU can really afford to live without huge net funding from the UK - its second largest net contributor – good; the money can be better spent at home.

For many our sovereignty trumps all other considerations. Many who voted to leave the EU are fed up with being patronised by the so-called liberal "elite" and remoaner TV media "experts", as dim, thick, naive, uneducated and geriatric country bumpkins unable to understand what they were voting for and who didn't understand the consequences etc etc. What utter condescending and moronic rubbish; many voted to leave the institutions and orbit of the EU. Full stop.

We are the 5th largest global economy – an economy that is larger than that of the smallest 16 countries in the EU COMBINED – and more than able to take our place at the global top table. As Trump said – the deal "sounds like a great deal for the EU" but could prevent any free-trade deal with the US – the UK's biggest single country market. Or note Macron's comment – the "backstop" provides a lever to prise access for French fisherman to British territorial fishing waters – a sentiment that has not be lost on Belgium, Holland, Spain, Denmark and Portugal which are reported "cross" that the EU has not "demanded" access to British waters as part of the withdrawal agreement..... nor on Spain over Gibraltar.

It is perhaps worth reminding ourselves of the unambiguous inscription to be found in the EU visitor centre in Brussels................the final goal could not be clearer......and the text is included, in full, below......

"....National sovereignty is the root cause of the most crying evils of our time and of the steady march of humanity back to tragic disaster and barbarism.....the only final remedy for this supreme and catastrophic evil of our time is a federal union of peoples."

On the economic front the UK economy continues to perform well.

- **Inflation (CPIH) reduced to 2.2%** and much below forecast; pressure for the increasingly politicised Bank of England to raise interest rates reduced.
- **Wage rates rising by 3.3%** - well ahead of the inflation rate and a decade high reflecting continuing economic growth.
- **Inward investment.** The UK remains Europe's top destination for inward investment. Last year the UK attracted 6% more foreign direct investment (FDI) projects than the previous year, according to figures compiled by EY in a survey of 450 global investors. Belgian drug company UCB has committed in the last month to a ~£1bn UK investment as part of its plans to build a new research centre in Berkshire.
- **3rd. quarter economic growth ahead of forecast** at 1.5% year on year up from 1.2% in the previous period. It was the strongest pace of expansion since the 3rd quarter of 2017 driven mainly by higher household consumption and exports. In contrast the German economy shrunk by 0.2% quarter-on-quarter, the first time it has contracted since the first quarter of 2015. Looks like Germany needs the UK export market more than ever – a market where it has hoovered up a £55bn trade surplus. Whilst the French economy grew at its fastest rate for 12 months in the same period – the growth rate was less than in the UK – as the BBC would say – despite Brexit.
- **Unemployment rate down yet again** to 4.1% – a 43-year "low" and down from 4.3% a year ago.
- **Job vacancies at record highs;** 848,000 job vacancies end-November - 10,000 more than in August 2018 and 40,000 more than a year earlier.
- **A record 32.48m in work,** 79,000 more than in July 2018 and 396,000 more than a year earlier. The employment rate has risen to 75.7% versus 75.1% a year earlier and the highest level since estimates began in 1971.
- **NEETS numbers collapse...** the number of young Brits **N**ot in **E**mployment, **E**ducation or **T**raining has fallen to a record low (*ONS*). Surely a vindication of Conservative welfare reforms and moves to incentivise work. In absolute numbers the decline since 2010 has been from 1.25m to just 760,000 now. Of this latter figure only one third are looking for work implying an adjusted "youth unemployment rate" of 4% - compared with 21% in France.
- **Manufacturing data ahead of forecast**; UK Manufacturing PMIs rose to a growthier 53.1 in November from 51.1 in October (50 is neutral), well ahead of gloomy forecasts. The data showed output and new orders strengthening amidst new product launches and client stock-building.
- **Factory orders up**. CBI monthly data showed industrial orders rose strongly and positively in November – a result well above market expectations. The latest data pointed to an improvement in the manufacturing sector thanks to an increase in export order books, output growth expectations and stocks of finished goods. According to *Trading Economics* UK competitiveness has increased whilst

both steel production and car production have risen. Hardly the hallmark of a failing economy. Interestingly when we joined the Common Market manufacturing accounted for ~30% of the UK economy; after ~45 years of membership, manufacturing now only represents just ~10-12% of the economy. Arguably Common Market / EU membership and open door markets have not been kind to the UK manufacturing sector.

- **Mortgage Approvals rise to** a 4-month "high" according to the trade association. The *EY Item Club* expects house price to rise by 1.5% this year and 2% in 2019.
- **Starting salaries bounce....** the number of "new hires" has hit record rates with numbers placed into permanent jobs rising at "a sharp and accelerating rate" according to the recruitment trade body; temp placings rose at the fastest rate for 6 months. Starting salaries rose at the fastest pace since 2015.

UK economic growth in perspective. Fed up with the naysayers down-playing UK economic performance for puerile political ends? Some facts.....But firstly..What do independent economists say....."*Recent data show the economy grew strongly in the 3rd. quarter, supported by private consumption, public spending and net exports. Moreover, real earnings growth accelerated notably, as the tight labour market fed wage pressures. On the fiscal front, the government recently presented an expansionary budget, which should support growth next year thanks to higher spending and tax cuts."*

.....But how has the UK performed relative to its peer group in the last 5 years?

% annual growth	2013	2014	2015	2016	2017	5-yr average	2018 Est	2019 Est	7-yr average
UK	1.2	2.1	2.3	2.4	1.8	**2.0**	1.3	1.6	**1.8**
Germany	0.6	0.6	1.7	1.9	2.2	**1.4**	1.6	1.6	**1.5**
France	0.2	0.6	1.1	0.8	1.8	**0.9**	1.6	1.6	**1.1**
Italy	-2.8	-1.7	1.0	0.9	1.5	**-0.2**	1.0	1.9	**0.3**
Spain	-2.6	-1.7	3.4	3.1	3.0	**1.0**	2.6	2.2	**1.4**
Japan	1.7	2.0	1.4	0.9	1.7	**1.5**	0.9	1.0	**1.4**
US	2.2	1.7	2.9	1.5	2.3	**2.1**	2.9	2.7	**2.3**
China	7.7	7.8	6.9	6.7	6.9	**7.2**	**6.6**	**6.3**	**7.0**
India	5.6	6.4	8.2	7.1	6.7	**6.8**	**7.5**	**7.3**	**7.0**

Shock horror....in the last 5 years (2013-2017) UK economic growth has bettered Germany, France, Spain, Japan and of course Italy where the economy sustained a 5-year decline. Of major markets in the developed world only the less regulated US did better. Moreover, despite a near term slowdown, on a 7 year view the UK is forecast to outperform its peer group – again except the US. Data for China and India however show where the real motors of global growth exist – both of course outside the low growth EU - and the obvious focus for a boost in UK trade.

Pray for a mild winter; according to *The Times*, a European Court has banned the UK's "capacity market" scheme, which pays power station owners to guarantee capacity to generate reliable electricity power all year round; a subsidy in effect to ensure back-up supplies at peak times. City bank *Jeffries* calculates this could take 20 gigawatts of capacity out of the grid and "create serious security of supplies issues". The consultancy *Cornwall Insight* sees developers halting or cancelling construction of new capacity, leaving the system without the necessary capacity. Thanks pals......stock up on candles.

La Belle France. Fancy a winter break in Paris? The chance to relive live action-replays of French history; the overthrow of the reactionary Charles X in 1830, the insurrection of the Paris Communards in 1871, the student revolt of 1968 and not least the fall and decapitation of Louis XVI and Marie Antoinette in 1792/3. Warm your hands at the barricades... sing the Marsellaise.... *Aux armes, citoyens ! Formez vos bataillons ! Marchons ! Marchons !* See the *gilets jaunes* march in protest at high taxes, high fuel duties and the delusions of the Parisian "liberal metropolitan elite". Less let them eat cake – more impose the highest tax burden in Europe (as a percentage of GDP) on non-metropolitan France. Imperial President Macron (who's approval ratings have plunged to record lows), looks as imperilled as Charles X. If he bends the knee further to the *gilets jaune* – having already caved in on the latest fuel price rise - France could be in danger of breaching EU-determined public debt deficit targets: if so, risking a high profile rap over the knuckles from Brussels HQ, wrecked fiscal credibility and destroyed efforts to portray Emmanuel as the EU's Emperor – sorry leader. It looks like the French end of the Franco-German ruling EU axis could be about to crumble, and like the enfeebled Frau Merkel open the door to the despised "populists". Surely an example of why the politically correct snow-flakesque metropolitan elite needs to leave dreamland, jettison its fantasies and both wake up and sign up to the real world. For the record the French tax burden equates with 46.2% of GDP compared with 31% and 32% in Japan and Canada.

What the BBC might not broadcast.....

- **A new phobia is born...**Never one to miss a new "phobia" trend – "awareness" of veganphobia has raised its head. A researcher at Swansea University believes much of our English language highlights animal cruelty and the effect of demand for meat on climate change in a "class" context. *PETA* argues that certain "...phrases may seem harmless, (but) they carry meaning and can send mixed signals to students about the relationship between humans and animals that can normalise abuse". No longer shall you "bring home the bacon", "open a can of worms", "be a guinea pig", "flog a dead horse" or "kill two birds with one stone. You shall certainly not suggest "there is more than one way to kill a cat" nor be as happy as "a dog with two tails" - an animal surely a victim of experimentation and vivisection.
- **Victimhood.** Pity Amanda Spielman of Ofsted**;** this "off-message" lady had the temerity to suggest that "parents were to blame for many of the problems facing teachers including obesity and children starting school in nappies....adding potty training should not be left to schools... whilst parents should....start teaching their children how to grow up properly". Needless to say such comments have attracted criticism from Parentkind and others who wallow in victimhood.
- **Fountains before police**. The cries of anguish from Labour London mayor Sadiq Khan are legendary; no money for policing whilst other worthy causes suffer. No little surprise then when £1.7m is conjured up for spending on water fountains and bottle re-filling stations. Surely as essential as the £200,000 spend on a 6-week beach party featuring screenings of classic films. Allied with the £9m of increased staffing spending, Susan Hall, a London Conservative Assembly member pointed out that this cash could have funded 150 more police officers. Forget knife crime – let them drink water !
- **Franco-Italian fisticuffs.** Tit-for tat.... Macron slams Rome for its refusal to take in more illegal immigrants (10% of the Italian population was born outside Italy) so....Rome "reconsiders" lending works by Leonardo da Vinci to the French 500th Leonardo anniversary at the Louvre. Gloves off.
- **Dyson takes EU to court ...and wins.** Dyson has won a key legal battle with the EU arguing that the EU label "flagrantly discriminated against a specific technology – Dyson's Patented cyclone": courts agreed with Dyson that EU officials "gave in" (The Times reports) to German lobbying over a European product testing regime that gave a false reading of energy efficiency – benefiting – guess who – German manufacturers. Diesel-gate mark II?
- **Google goes gender-free....**in order not to risk that predictive text "might guess someone's sex or gender incorrectly and cause distress". Two student groups in London are to replace the word "women" with "womxn" on the basis this "avoids the patriarchal inclusion of *men* and is supposed to be more inclusive of trans women".
- **National lunacy**...The National Trust is covering up paintings and sculptures of men at its Cragside property as "part of a celebration of the role of women" (or was that womxn). Statues were covered in white bags. Unsurprisingly this increasingly weird organisation has been branded ridiculous by members and been inundated with complaints.
- **NHS tears up prescriptions for silk undies**....... as part of a cost cutting drive (Times 28-11-18) to save £1.2m annually – as the NHS attempts to demonstrate to the Government "that it will not waste the extra £20bn in new funding".
- **Tears at Labour HQ** after Corbyn's son Sebastian's role as Marxist McDonnell's side-kick (on £40,000 per year) has been "downgraded" as harder left lefties have joined this Marxist cell. An insider noted "that's another reason why John and Jeremy fell out". Keep up the uncivil war - please.
- **Blair cost.** Pity poor Tony & Cherie....the former reduced to claiming over £1m in tax payer's cash without having to provide a single receipt for public scrutiny (*The Times*) – through the public duty cost allowance. Unlike other former PM's, Blair's claims are not in the public domain (according to *The Times*). Press reports put Blair family wealth at a staggering £22-60m – so a proven need for just a little extra. One hopes that tax planning is in place to shield this wealth from punitive death duty rates when the grim reaper calls.
- **Charity pays.** David Milliband must be so pleased not to be Labour leader. Apart from not having to deal with the Trots, associated Marxists and other loonies that run the Labour party – his US earnings at the International Rescue Committee (IRC) charity have risen to £680,000 per year. Well done him – but some mean spirited souls note the IRC has received millions of pounds in aid from the UK Department for International Development and suggested this pay grade has "tarnished the charity sector when it is struggling from unrelated scandals at Oxfam and Save the Children".

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