

It's Been A Good Year for the Roses

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Holidays are essential. After the tribulations of work and study, they're vital in ensuring we take a break from what's gone before and, of course, to prepare for autumn and winter.

However, what's fascinating is that the notion of taking a holiday away from home only became a feature for the masses is a relatively modern phenomenon. Prior to the industrial revolution, when the majority worked the land, and prior to the communication and transport links which opened the country up, people worked pretty much all year, though at a slower rate once winter set in, and never went away.

This was the life of my paternal grandparents. For them, the notion of going away would probably have seemed ludicrous. They only went as far away as the local town and never visited the capital. Going abroad would have seemed like going to the moon!

My parents, having moved to Birmingham, meant that we were dominated by what was the 'industrial shutdown'. Pretty much everyone we knew had a connection with manufacturing. As a consequence, in the 1970s, school holidays heralded a discernible change in the pace the city operated at.

Traffic across the city, then still a powerhouse of manufacturing with many factories providing valuable employment, lessened as families went away on holiday during the two week 'shutdown' which coincided with the beginning of the school holidays.

For many I went to school with, holidays involved going to the English coast, frequently at one of the many holiday camps run by Butlins, Pontins and Warners. However, as data shows, and a trip to many of the once vibrant holiday towns attests, their popularity steadily declined during the 1970s and early 1980s as a consequence of cheaper alternative of 'packages' of flights and accommodation to Europe, most particularly Spain.

After all, as the opening lines from 1978 hit single 'Airport' by English power pop/new wave band, The Motors, goes, "So many destination-faces going to so many places, Where the weather is much better, And the food is so much cheaper."

Going to Europe became the default option for most families who wanted to make the most of their holiday budget.

Following the UK's entry into the EEC (European Economic Community) in January 1973, going to Spain and other European countries for holidays became preferable to British seaside resorts.

Indeed, as many young people experienced during summers after 1973, travelling around Europe on interrail (frequently sleeping on trains), became a rite of passage to enjoy endless great weather and wonderfully different food and culture.

However, and though the student ritual of using the rail system to explore Europe is still possible, like so much else involving our relationships with EU (European Union) countries, there are now the added complications to travel.

Our departure from the EU means that because of the deal agreed by the, still, current PM, the Trade and Cooperation Agreement and national rules of member states, the rights of British citizens to freely travel and work in within the EU have been significantly undermined.

As a consequence, privileges enjoyed by any UK citizen whilst this country was a member of the EU ended at the expiration of the transition period on 31st December 2020. From the 1st January 2021, new rules applied to trade and to our ability to travel to EU countries. As UK in Changing Europe's by Joël Reland explains, "Under the new rules, short-term visitors with a UK passport may spend a maximum of 90 days in the EU in any 180-day period" (2021)."

Given what we've seen a few weeks ago at Dover and Folkestone, causing a "backlog of 200 miles of traffic" (Sky News, 2021), resulting in horrendous delays for UK citizens travelling to France, regardless of what some politicians may claim as to culpability, there should be little surprise this was going to happen.

As many commentators point out, being allowed to freely travel after the pandemic was always bound to test systems that had never been needed whilst we were members of the EU. The greatest change is that, because of the 90-day rule, French customs officials are now check every British person's passport and stamp it. Delays at ports were inevitable.

As is all too familiar with the current government, those best able to judge the impact were ignored.

Notably, Dover Port applied in 2020 for £33.6 million to create additional passport booths to cope with additional checks. This request was rejected and, instead, a mere £33,000 provided to deal with the most monumental change in customs in living memory (Watts, 2021).

Problems for holiday makers as well as a potential hit to the economy was, of course, not what was offered as 'Brexit benefits' during the lead up to the referendum. As Led by Donkeys website (see Thompson, 2022) shows, there were a wealth of ludicrous predictions of the uplift in the economy possible by leaving the EU.

As if things were not already bad enough, those going on holiday are being made aware that under rules which came into force at beginning of this year, British people travelling to Spain are now required to prove they can spend at least €100 per-day ((about £85) and have a minimum of €900 available for the whole trip (LBC News, 2022).

Additionally, UK citizens travelling to Spain must provide proof of accommodation bookings (or a letter of invitation if staying with friends or relatives) as well as onward travel tickets.

Failure to provide such information, will according to the Spanish Government's own website mean entry into Spanish territory will be "denied as established by law."

If those travelling to Europe over the summer feel they're being treated differently to what they previously experienced, they're correct. UK citizens are treated in pretty much the same way as any citizen from outside the EU.

Media outlets long supportive of the campaign to leave the EU tend not to tell the whole story. Any inconvenience experienced because of our 'third country' status is not accidental or, as suggested by some politicians, deliberately malicious. This is exactly what was negotiated under the current PM.

To her credit, the previous PM, Theresa May, recognised the perils of leaving the EU with 'no deal' and attempted to 'square the circle' by achieving terms that would involve as little disruption for people and businesses as possible. However, as critics including the man who successfully undermined and replaced her howled, this would be respect the outcome of the June 2016 referendum.

The stance of many, especially the notorious ERG (European Research Group) which used to be led by Jacob Rees Mogg – who's very close to Liz Truss – vehemently argued that anything less than cutting all ties with the EU represented capitulation. Any discomfort suffered by UK citizens, including loss of jobs in businesses affected by the new trade rules, was, though unfortunate a price worth paying for 'freedom'.

For many, going abroad this year may have exposed them to the consequences of leaving the EU.

Which brings us to the here and now.

The next PM will be elected by the estimated 150-160,000 members of the Conservative Party when the outcome of what's been an unedifying contest between Rishi Sunak and Liz Truss is announced on Monday September 5th.

It has to be said that regardless of whoever becomes the PM after 5th September, the immediate economic prospects look dreadful. auspicious.

Barring a phenomenal turnaround in the popularity of former chancellor Rishi Sunak, his opponent, who didn't resign from government because of the behaviour of Boris Johnson and continues to be foreign secretary, Liz Truss, will become PM.

Her stance, which she's not altered during the interminable hustings held over the last month, is that economic recovery will be possible by tax cuts (Chapman, 2022). However, as many economic commentators point out, this policy verges on a form of recklessness and can only be funded by savage reduction to public services budgets which, following the austerity years of David Cameron and his chancellor George Osborne, were already in pretty poor shape (Inman, 2022; Turner and Martin, 2022).

Truss seems to believe herself to be the modern embodiment of the leader of the Conservative Party who, having won the May 1979 general election, inherited a country which had, economically, experienced tumultuous years since the 'oil shock' earlier in the decade.

One thing that's universally agreed is that Thatcher, an avowed monetarist who believed that the rates of inflation the UK had endured in the 1970s, which briefly reached 25%, must be controlled. And though Thatcher passionately believed that tax cuts were needed to boost economic growth, this was secondary to the need to slash the curse of inflation which made Britain uncompetitive (Wallace, 2022).

The situation now is very different to 1979.

For starters, the economy which Truss will take control of in early September is unlike that which Thatcher inherited from Labour in May 1979. As research published by the House of Commons shows on the basis of latest data, the UK manufacturing sector accounts for 9.7% of total UK economic output (Gross Value Added) and 7.3% of jobs (2022).

Data published this week shows that output in British manufacturing is plummeting and causing a drag on economic growth because of a toxic combination of rising costs due to energy increases and labour shortages, reduced demand as well as continued supply problems following the pandemic (Elliott, 2022).

Though there had been a loss of manufacturing capacity and jobs even before Margaret Thatcher took office from 32% in 1973 to 28%, by 1993 it declined to 21% (BBC, 2013). Thatcher presided over an economy in which manufacturing was seen as much less important than it had hitherto been.

Graham K Wilson, professor of political science at Boston University and author of *Business & Politics* (2003), quoted by Strachan (2020), contends she created sectoral disparity which significantly disadvantaged manufacturing through her policies:

“One of the very controversial events was the ‘big bang’ of 1983 and the reorganisation of the City of London. You could argue that it was the big bang that cleared the way for 30 years of economic success for the UK financial sector. The British government stepped in and shook up the financial sector in a way that they failed to do for manufacturing, which was instead left to market forces to sort out.”

The UK economy has become when compared to international competition, especially within the EU, utterly lopsidedly skewed towards services and consumption. For all Truss’ talk of using tax cuts to ‘reboot’ the economy, she should be aware that Thatcher increased VAT from 8% to 15% which meant she didn’t break a manifesto commitment not to double the rate (Keegan, 2022).

The reality that will confront Truss and Brexiteers she’s reputed to be willing to appoint as ministers (Head, 2022; Payne, 2022), is that the economy is in a parlous state and underlying conditions are as bad, if not worse, than those Thatcher needed to deal with. Using tax cuts when, as genuine ‘national treasure’ *Money Saving Expert* Martin argues millions will, due to rising energy costs, face a ‘financial cataclysm’ this winter is the wrong solution (Wood, 2022).

Moreover, the language coming from Truss is that she will double down on the strident language and tough negotiation to deal with the EU which will undoubtedly sour relationships even more than they were under her predecessor. Her willingness, as Sunak stated he’d do, to press ahead with controversial legislation to, unilaterally, and illegally, alter the terms of the Northern Ireland protocol agreed with the EU only a couple of years ago will simply add ‘fuel to the fire’ and, at the risk of mixing metaphors, ‘burn any bridges’ which still exist between the UK and its former trade partners in the EU.

Accordingly, we can expect things to get much worse and as the Office for Budget Responsibility estimates, to see a continuation in the UK’s gross domestic product declining by up to 4% resulting in lost jobs and a colossal decline in tax revenues vital in the investment urgently needed as part of economic recovery and fabled ‘levelling up’ (Keegan, 2022a).

William Keegan, commenting in the *Observer* on the 24th August on the leadership campaigns of both Sunak and Truss (*ibid*) argues they should both be willing to accept what a colossal mistake leaving the single market was, a trading arrangement “championed by their putative heroine – er, one Margaret Thatcher” (*ibid*).

Unfortunately, that is extremely unlikely and, given the fact we face inflation of over 18% by next January (Schomberg and Milliken, 2022), millions may expect a pretty awful winter.

Given the weather this summer, as the 1971 country song by George Jones, covered by Elvis Costello in 1981, goes, “The only thing I know to say, It’s been a good year for the roses.”

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