

As “problems” go, being told you are on a very long waiting list to buy an expensive Rolex, is up there as The Foremost, of First World “frustrations”.

Well, we need keep the Rolex Problem in mind when considering the “**problem**” of Trump’s tariffs hurting the UK automotive industry. For be in no doubt demand is not the constraint to those making Rollers, Bentley’s, Astons, Lotuses, Land Rovers, Jags, or no less iconic Mini’s.

What has most been frustrating the managements of these esteemed brands, is a combination of two things. One, having to retool and retrain towards electric production, quickly enough, to meet eco-tool Millipedes maddeningly time truncated targets. The other is having to deal with the frustration of knowing dealers far and wide, want to buy lots more of what you are making, than you are making. And please make no mistake, the premium car brands MADE IN THE UK (YES, I KNOW THEY ARE MOSTLY OWNED BY “FOREIGNERS”) SUFFER big from THE Rolex Problem; demand for their output, most often from those a long way away, way exceeds supply. To be clear, not all American’s will choose to cancel the order they have made for a prestige British-branded motor. Many will use extremely malleable US tax laws, to write-off the higher tariffed cost, as a “business expense”.

There will of course be those Septic’s who do decide to waive their order FOR a BRAND-NEW BRITISH MOTOR, now that OUR prestige brands have been hit hard by Trump’s tariffs. Well, these waverers will find the PREMIUM Veblen Good car they so wanted & long WAITED FOR, will go to a buyer elsewhere across the rapidly emerging world. A keen buyer who will be grateful to Trump for bumping him up the waiting list. I wonder how they’ll express thanks to him. Well, given they are getting a British made car much earlier than they had hoped, then by rights they should employ the traditional British Victory salute, and waive a two-fingered V.

Let me close with the whole notion of tariffs being a terrible thing. Well, for the most part they are based on poor economics. For rather than protecting “precious” industries from cheap inferior competition, they make the protected economy sclerotic, inflationary and poorer. So then, who on earth could possibly argue with the claim that Trump’s tariffs are based on poor economics that will backfire and cause the US economy to stagnate. Well, here’s the deal, before Trump’s tariff hokey cokey started, such artificial barriers to trade were long-established far and wide. And few placed have erected higher ramparts to imports more than Japan and the EU. What follows is sure to raise the ire of some, and to those I say, stop reading, and make yourself known because we are on different wavelengths so best turn off all transmissions.

To be clear, in the EU Plebiscite, the VAST majority of Britons who voted Leave, didn’t do so because they objected to FREE TRADE with the bloc; any suggestion otherwise is SIMPLY ABSURD. Precisely why the majority – yes it was a single digit percentage of those who turned out in very large numbers – wanted the UK out of the EU, isn’t relevant. Let me please repeat. The BULK OF THE plebs who voted for Brexit DID NOT do so to end free-trade and seamless travel. And yet, in the wake of the shock vote, rather than let bygones be gone, the EU chose to erect barriers against the UK. Build barriers against **A UK ECONOMY THAT HAS PERSISTENTLY RECORDED A TRADE DEFICIT WITH IT, AND FROM WHENCE TOURISTS FLOCK TO IT, AND SPEND GENEROUSLY**. To be clear, the EU has DEEP AND EXTENSIVE FREE-TRADE AGREEMENT WITH NORWAY, even though it sits outside the EU, and in which its plebs have voted twice NOT TO JOIN. As instances of self-defeating HUBRIS go, Trump is a rank amateur compared to the EU; it’s worth noting that the pound’s shock decline was more than enough to offset the EU’s tariffs. And to be clear, Japan too has made exporting to its as tough as possible.

What of China then? Sure, it has a HUGE trade surplus with the US. To facilitate this, Beijing has long vendor-financed the US with cheap money to buy what it makes and exports. If Trump wishes to waive away cheap Chinese imports, he will also waive away the cheap capital that comes with them. Please be in no doubt, if Beijing dumps dollars, as it surely will, Trump will realise the meaning of “be careful of what you wish for”.

As for China being an arch protectionist in its own way, well, to repeat its an amateur compared to many other nations and blocs that have been arm waving against the IMPOSITION OF TARIFFS AGAINST THEMSELVES. Let me close with a word on Hong Kong. I have long argued its strict peg to the US dollar was unsustainable. Well, LIKE IT OR NOT, IT WILL GO THIS YEAR, AND WHEN IT DOES, boy will IT SHOCK FAR AND WIDE.

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