

The EU response to the pandemic

Despite the protestations of pro EU contributors that I should not be writing about the EU now we have left, I note that my recent post on the German Court and the Euro got a much bigger response than many other items I write about. I remain interested in our neighbours and wish them well. Today I need to consider the scale and nature of their possible response to the economic damage of the pandemic on the continent.

The Franco-German deal to propose raising Euro 500bn on the strength of the EU's total budget and to pass it on to member states to help with Covid 19 recovery has now been transposed into a Commission proposal. They recommend Euro 750 bn, two thirds for grants and one third for loans to member states to help them recover. As in the original idea the EU as a whole will borrow the money against the security of its budget. It will fall due for repayment sometime between 2028 and 2058.

In a new twist the Commission states that it will need to raise the overall level of EU taxation on member states and their citizens from 1.2% of GNI (total national incomes) to 2%, a tax hike of 66.6%. The tax rises will take the form of new emissions taxes, carbon border taxes, digital taxes and the like, to be determined in the future. Each of these taxes will need negotiation and legislation. The disbursement of the Euro 750 bn will take place over an unspecified period within the next seven year budget cycle.

The EU seven year budget from next year will of course have to deal with the loss of 15% of its income with the departure of the UK, and a further drop from the decline in the EU economy being experienced this year. If we put this at a modest 5% decline only, that means they are short of one fifth of the budget next year. The proposed rise in tax would therefore only deliver a 33% increase in revenues in the first year, even if all the new taxes were in place as early as that.

The document is silent over how the Euro 750 bn will be divided between countries. The largest heading for spending will be a Recovery and resilience facility, with rules to be designed. There are smaller sums to promote the existing budget agenda of support and subsidy for the green deal and for digitalisation.

This package will need unanimous support as it is a matter relating to the 7 year budget settlement. Each country will be able to pick away at the tax proposals to finance it, and at the distributional issues which are unclear over payments. If it is to be a first essay in solidarity, bringing German and Dutch taxpayers to assist Italian and Spanish businesses and people, it will need to find ways to route more money proportionately to these latter countries under the various headings of the funds and programmes.

This does not look like a major gamechanger. Though a large headline sum of money, it will be spread out over the years ahead. The tax rises may be damaging, and imply a more inward looking and protectionist EU as they find

ways to tax foreign digital success stories and overseas produced goods on grounds of their carbon content. It is good the U.K. should be free of the anti business and anti trade taxes about to be planned.

Has lock down worked?

On 23 rd March the UK was put into lockdown to reduce the number of Covid 19 cases, to reduce pressure on the NHS and to limit the deaths from the disease.

As the proposers of the policy thought, admissions to hospital with severe forms of the disease peaked 9 days later at 3121 cases on April 2nd. Peak use of NHS ventilator beds was hit a week later on April 10, which was also the day of peak deaths. I have taken these figures from the latest Downing Street briefing graphs. The method of counting has changed over the period, increasing the number of deaths recorded as time passed.

This implies limiting contact was the way to slow the progress of the virus, and did lead to an important reduction in serious cases and deaths. So far so good.

What does need more examination is why it has taken so long to secure faster and more dramatic declines in serious cases and deaths after success in changing the trend in early April. You would have expected the figures to come down quite quickly to low levels. After all we are advised that a person with the disease is clear after seven days, and a person getting it before symptoms show should be clear in 14 days. Thus we would expect a sharp fall off after the 14 day point from lockdown.

As we enter the test and trace era, it would be good to hear from the medical and scientific advisers why they think the diseases has lingered at relatively high levels for so long during lock down. Are all the cases now concentrated amongst the small proportion of the population that go to a physical place of work? Are hospitals and care homes now a main source of spreading the disease? Or is the disease somehow still spreading – at a slower rate – through the population that are staying at home? If so, how is it being transmitted?

These become important issues so that we know who to isolate and consider what other measures to take in the Test and Trace phase. Do we need better infection control in those health and care settings that do get the disease? Are there issues with deliveries to households? What more can be done to rid items and surfaces of the disease? Has the UK investigated the use of UV light machines to destroy the virus on surfaces? I will pursue these questions with the government.

Lock down rules

I have had many emails about the lock down over the last few weeks. Some have written to me to complain about their neighbours, alleging they have broken the law or the guidance. Others have written asking me to endorse a particular interpretation of the rules or guidance so they can do something they wish to do. Some have written seeking clarification without revealing their plans. More recently some have written complaining about Mr Cummings conduct, and a lesser number have written in supporting Mr Cummings.

I have sought to answer all of these consistently by explaining that MPs have no special powers to authorise conduct or to prosecute it. The aim of the law and advice is to limit the spread of the virus. Everyone has to exercise commonsense and remember the aim is to protect others from the virus. I have not rushed to judge others as they make their decisions about how to do this. I have favoured a light touch to policing, which requires consent. Only where someone breaks the rules with ill intent has it been right to prosecute. That has been the case of the tiny minority who have deliberately breathed or spat into the faces of police and others to threaten or harm them. Many people have made choices or judgements that others would not have made, but each person's circumstances are a bit different.

I did not condemn Stephen Kinnock when he travelled to see his father for his birthday, nor call for his sacking from the Labour front bench for a clear breach of the rules. Constituents have pointed out they would love to visit their parents but did not do so as they thought it wrong. I suggested a tolerant approach.

I understand the anger of some over Mr Cummings. I believe him when he says he did not go to see his parents and kept his distance from them as he did want to give them the disease. He is widely criticised for the journey to Barnard's Castle though no-one apparently came close to him and his family.

It has been clear for some days that the Prime Minister has investigated his actions and intends to keep him. His view is we must move on, tackling the next stage of defeating the virus and trying to rescue the economy. There are going to be more difficult judgements for people as we enter the world of Test and Trace, where co-operation of all is important to success. I am seeking more clarification of what the advice means by close recent contact.

Test and track

I am writing today to Matt Hancock, Health Secretary, to clarify how the Test and track system will work. It is in all our interests that it is used to keep us safe whilst allowing many more people to work and go about their daily lives more normally.

The idea of the system is people self isolate and get themselves tested if they develop new Covid 19 like symptoms. We are told that the testing may take 48 hours during which time no-one else has to self isolate. If the test confirms the presence of the virus then "recent close contacts" of the infected person should also self isolate and will be contacted by the system.

The government document does seek to define recent close contact. It says it includes spending more than 15 minutes within 2 metres of the infected person, and face to face contact of under 1 metre. The document tells us this could result from travelling even a short distance with someone in a car, or on a plane. It could also include people in the same school or workplace.

So I would like to have more guidance on

1. Travelling in a train or tube carriage with someone who is infected. How could contacts be discovered, and can this represent a threat to a traveller? What is government advice on train travel? If someone travels by train and another passenger notifies as having the virus do the other passengers have to self isolate?
2. How many people in a workplace or school would need to self isolate if one of their number is discovered with the disease? Would there be an assessment of who had come closer than 1 metre? Presumably it will not require all people at that location to self isolate?
3. Can we assume that after someone has self isolated for 7 days who has the virus, and for 14 days who might get it, they are no longer able to infect anyone else?
4. Why has the government decided to use the WHO guideline of 1 metre separation rather than the U.K. 2 metre? Have government advisers reconsidered the 2 m requirement given WHO advice of 1 metre and Germany's use of 1.5 metres?

The more knowledge of the transmission of the virus that can be shared with the public the more effective social distancing will be and the more co-operation there will be with the policy of Test and Trace.

An important month

The forces of Pessimism and defeat want the U.K. to seek an extension to the negotiating year with the EU. It is most important that the Prime Minister and Mr Frost refuse to countenance such a dreadful idea. There is nothing we could negotiate next year that we cannot negotiate this year. The U.K. made a mess of the negotiations under Mrs May who trusted the Official Civil service and liked advice that always meant the U.K. giving in on issue after issue.

The present government has so far been as clear as Mrs May was muddled over what the U.K wants. It has rightly refused to accept the EU's wish to settle fish first before anything else and make our fish a further payment to them. It has proposed a free trade agreement as the base of the future relationship but said no agreement would also work fine.

There is no point in negotiating through June unless the EU changes its approach and understands we are not giving away powers over our fish, our laws or our money. The EU pretends we want to stay in the single market and customs Union, which we voted to leave.

The U.K. just has to stay calm, be pleasant but show great resolve. We are not going to give in again and do not want some kind of Association Agreement putting us back under the EU Court and laws.