

Swallowfield village store and new housing

I officially opened the modernised and improved Post Office and Village stores in Swallowfield today. I also was invited in to see one of the new and renovated houses and one of the remodelled flats. They are delightful new homes finished to a good standard.

Swallowfield Parish Council has taken advantage of a government initiative to allow local communities to undertake projects for themselves that improve community amenities and environments. The Localism Act 2011 granted these additional powers. Swallowfield Parish owned land called Fieldfare in the middle of the village. Using the enhanced powers under the Act they have redeveloped the site to provide additional rental accommodation and an improved shop and Post Office.

I thanked all involved and agreed that the development and refurbishment has greatly improved the appearance and facilities of this central part of the village. I was pleased so many people turned out for the opening, and urged them to make good use of the shop. These popular local facilities do need regular custom to survive and flourish.

Reply to a letter from the Prime Minister

Along with the rest of the Conservative party I have received a letter from the Prime Minister about her Chequers proposal for a deal between the UK with the EU.

I agree with much of the content of her letter. In it she assured me "We will take back control of our money, our laws, and borders, and begin an exciting new chapter in our nation's history"... "We will leave the EU on 29 March next year" "I remain clear that no deal is better than a bad deal – and we are stepping up our no deal preparation" "The two options on offer from the EU (for a future partnership) at the moment are not acceptable to me, or to the UK".

So far so good. Unfortunately the letter then seeks to persuade me that those fine principles and aims as stated often by the PM are reflected in the draft Chequers proposal and in the detailed clauses of the draft EU Withdrawal Agreement that the government has said it is happy with if all else is agreed. It appears the PM has been misled by her advisers, as the Withdrawal Agreement as so far drafted, the transitional period and the Chequers ideas

for the future relationship do not in any way reflect those aims and principles.

The transitional period so called means we do not leave the EU on 29 March 2019 as promised. Instead she will ask Parliament to amend the Withdrawal Act we have just passed to give many powers back to the EU.

The proposed settlement on people means we live with a new version of freedom of movement.

It delays taking back control of our fishing grounds and agriculture.

It leaves us accepting large swathes of EU law in perpetuity, in return for the privilege of being able to import their goods and food!

It enslaves us to making payments to the EU for many years distant, not just for the final two years of our departure, when there is no legal requirement for us to pay anything after March 29 next year when we leave.

The draft Agreement and the proposed future relationship does not achieve the PM's aims as stated in the second paragraph of the letter, aims I agree with wholeheartedly. She needs to press on with the WTO option so we can get all our money back from March 2019 onwards,

[The government should not sign the draft Withdrawal Agreement with the EU](#)

I have advised the government not to sign a one sided Withdrawal Agreement. They have always confirmed they will not sign it unless and until it is balanced by a good Future Partnership Agreement, which is still nowhere to be seen. I need to remind them why the present draft Withdrawal Agreement is thoroughly unsuitable for the UK anyway.

The UK voted to leave the EU and its complex binding legal Treaty architecture. We will do so thanks to Parliament passing the Notification of Withdrawal Act and the EU Withdrawal Act. We did not vote to recreate much of the legal structure by immediately signing a new binding Treaty with some of the characteristics of the one we are quitting. The long and complex document is mainly written for the benefit of the EU, to lock the UK into continuing financial and legal obligations that are not appropriate to an independent country.

Several clauses assert the supremacy of European law and the ECJ. The EU side believes any such Agreement is ultimately a matter for the ECJ to interpret. Article 4 requires the UK and UK courts to follow ECJ decisions when taking cases under the Agreement. The Joint Committee to be established to police

the Agreement can refer matters to the ECJ for adjudication where the two parties disagree, and the EU side thinks they should have the right to do this even where the UK does not want the ECJ involved!

Extensive rights are to be granted under the Agreement to EU nationals who come to the UK after we have left but are still in transition, and family members qualify after we have left even though they have not come to the UK prior to departure. In other words the UK does not have the right to decide its own borders policy after departure for many EU citizens.

The draft Agreement also seeks to restrict the UK's freedom to run its own benefits policy after March 2019.

The Agreement is wide ranging, seeking to bind us in to elements of the common Home and defence policies, trade and goods regulation, public contracts and various regulatory bodies.

It offers comprehensive immunities and exemption from UK taxes to a wide range of senior EU officials, and provides for secrecy over various EU matters.

The financial provisions are particularly detailed and onerous. Clauses 133-6 provide for continuing budget contributions and pension payments long after we have left, with prolonged exposure to the European Investment Bank risks without access to any new loans.

We voted to leave intimidating legal restrictions and Agreements like this one, not to volunteer for another.

[Tax rises do economic and political damage](#)

Let me have another go at persuading this government to turn away from raising tax rates and finding new things to tax. Their own record should tell them that such proposals are usually unpopular with many voters. Where they have gone for higher taxes they have proved to be economically damaging.

Even the government now sees that the higher Stamp Duty rates imposed by Mr Osborne have hit the amount of revenue. Coupled with other adverse tax changes they have cut the flow of buy to let property investment, led to a substantial decline in turnover in various types of residential property, and reduced other tax revenues from the hit to the property market.

The Higher Vehicle Excise Duties imposed on dearer cars in the 2016 budget, coupled with the threat of new and additional taxes on diesel and maybe on petrol cars to come, led to a sharp decline in new car sales and to some

decline in UK car industry output. That too cut various tax revenues that the government would otherwise have enjoyed.

The proposal in the Conservative Manifesto that people would need to make a larger financial contribution to their care when living in their own homes was greeted with a hostile response and was seen as a new tax. It had to be dropped, after it damaged the chances of a Conservative outright victory in the General Election. The government says it is looking again at how to pay for social care. It needs to be careful. There is little support for a new death tax.

The Treasury is always threatening some group or other with the possibility of new or higher taxes. There is little support for the bad idea of making the self employed pay more National Insurance. We need to be making it easier for people to work for themselves, not dearer.

Some want to tax technology more because it is popular and fast growing. Why not sit back and enjoy the higher revenues that will come as its growth takes place, rather than try to get more of the high tech success stories to go offshore altogether.

The way to get more tax revenue in is to cut rates and promote growth. In a very free and competitive world the USA has just got a lot more competitive thanks to the Administration's tax cuts. The UK needs to go the same way to succeed.

Iran and a conflict of laws

The US President brought sanctions against Iran into effect on 7 August, with more to come in November. UK and EU companies are warned that they need to comply with the bans on automotive, oil trading and other goods with Iran being introduced in two phases. The US Executive Order takes powers to enforce this against foreign companies by warning them that if they do not comply their assets and income in the USA can be distrained to pay fines and penalties, actions can be taken against their executives on landing in the USA, and they will find they cannot use US banks to facilitate their trade and business anywhere in the world. Many EU and UK companies have accepted this extra territorial assertion of power and are cutting their Iran trade in order to keep the far bigger US and global trade that could be damaged otherwise.

The EU acting for the member states argues against accepting these US sanctions. It has rushed out a reprise of the EU Blocking Statute of 1996 which was designed then to deal with US sanctions against Cuba, a legal instrument which was never used. It has added to this document provisions to cover trade with modern Iran, and seeks to impose a ban on EU companies complying with the US sanctions. Were this to be effective legally it would

mean a double jeopardy for EU companies, facing legal actions against them and their US business if they bust the sanctions imposed by the US, and facing EU legal actions if they comply with the sanctions.

The form of the EU legal document is unclear. There is to be a committee of member states to supervise its actions. Member states themselves are invited to put in a penalties regime for companies breaking the Blocking Statute requirements. Bringing a case where a company simply decides against doing business in Iran could be difficult if the member states do put in place the necessary legal enforcement, though it would be easier if an EU company had broken an existing contract for fear of US retaliation.

This development of a further trade spat between the USA and the EU is unhelpful. Meanwhile we await the talks between the EU and the US over car tariffs and other matters.