

Better off out

I have always believed and argued that we can be better off economically once we leave the EU. As long as we have the right budget and follow pro growth policies on exit, the UK economy can speed up a bit from its current levels.

Whenever I argue this case the Remain establishment point to past official forecasts saying we will grow more slowly when we leave and ask who am I to gainsay such work. Let me remind you that I have disagreed with official forecasts on three main occasions in the past, and in each case have been right.

The first was the UK joining the European Exchange Rate Mechanism. The official forecasts said it would deliver lower inflation and steady growth. They dared call it a "golden scenario"! I said it would be destabilising, causing boom and bust. So it proved, bringing about a nasty recession.

The second was the banking crash. I with many others including the Opposition parties in Parliament warned against the excessive debts built up in both the private and public sectors in the UK under Labour from 2005-7. I went on to warn against the actions of government and Central Bank to tighten conditions too drastically in 2008-9 which were bound to undermine the banks and cause a recession. The official forecasts denied there would be a recession until its onset and said the banks had to be taught a lesson. We ended up with a big recession.

The third was during the UK referendum when the government issued official short term forecasts for the impact of a vote to leave. These said that in the two years after a Leave vote there would be a recession. unemployment would go up sharply and house prices would tumble. I said none of these things would happen. None of them did happen. Employment continued to grow, house prices showed small gains and the economy continued to grow.

Tomorrow I will examine why and how I think we can speed up our growth a bit once we leave the EU. We will have the policy flexibility to promote growth by monetary and fiscal action.