

My contribution to the debate on the European Union (Notification of Withdrawal) Bill, 8 February 2017

John Redwood: I find myself in agreement with new clause 2, which makes perfectly sensible statements about what our negotiating aims should be. I have even better news for the Opposition Front-Bench team: it is a statement of the White Paper policy. Of course we wish to maintain a stable, sustainable, profitable and growing economy, which we have done ever since the Brexit vote. Of course we wish to preserve the peace in Northern Ireland, to have excellent trading arrangements with the European Union for goods and services free of tariff, to have lots of co-operative activities with EU member states and institutions in education, research and science and so forth, and to maintain the important rights and legal protections enshrined in European law. As I understand it, the Government have made it crystal clear in the White Paper and in many statements and answers to questions and responses to debates from the Front Bench that all those things are fundamental to the negotiating aims of the Government.

Having excited the Opposition with my agreement, I need to explain why I will not vote for this new clause. I have two main reasons, which I briefly wish to develop. First, I am happy to accept the promise and the statement of our Front-Bench team, and I advise the Opposition to do the same. Secondly, although the words do not explicitly say, "This is what has to be delivered", the fact that it is embedded in legislation implies that all these things must be delivered, and some of them are not in the gift of this Government or this Parliament. I return to the point that the Opposition never seem to grasp: we are all united in the aim of ensuring tariff-free trade, but it will be decided by the other 27 members, not by this Parliament or by Ministers.

Mr Harper: Given that the list in new clause 2 exactly matches some of the things in the White Paper, it is pointless. Is it not interesting that the two areas it does not mention are immigration and strengthening the United Kingdom? Those omissions are very significant.

John Redwood: That is a very powerful point. I could add others. It is a great pity that it does not mention the opportunity to have a decent fishing policy. It certainly does not talk about having a sensible immigration policy. The Opposition still do not understand that we have to remove the jurisdiction of the European Court of Justice if this Parliament is to be free to have a fishing policy that helps to restore the fishing grounds of Scotland and England, and to have a policy that makes sensible provision for people of skills, talent and interest to come into our country, but that ensures that we can have some limit on the numbers.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I heard the right hon. Gentleman's wish list at the beginning of his speech. Has he grasped the fact

that that wish list is actually encapsulated in two words: single market?

John Redwood: No, it clearly is not. The hon. Gentleman has not been listening to what I have been saying. The whole point about the single market is that it does not allow us to have a sensible fishing policy or a sensible borders policy, which are two notable omissions from the list, which, fortunately, were not absent from the White Paper or from the Government's thinking.

Joanna Cherry (Edinburgh South West) (SNP): Perhaps the right hon. Gentleman would like to reconsider what he just said. He said the whole point about the single market is that it does not allow us to have a sensible fishing policy, but Norway is in the single market in the European economic area, but not in the common fisheries policy. It controls its own fisheries policy, which he would know if he had read this excellent document, "Scotland's Place in Europe".

John Redwood: Well, why have we not had a sensible fishing policy for the past 40 years? It is because we have been a full member of the EU and its single market. What is agreed across this House—even by some members of the Scottish National party—is that we want maximum tariff-free, barrier-free access to the internal market. However, what is not on offer from the other 27 members is for us to stay in the single market, but not to comply with all the other things with which we have to comply as a member of the EU. There is no separate thing called the single market; it is a series of laws that go over all sorts of boundaries and barriers. If we withdraw from the EU, we withdraw from the single market.

Alex Salmond (Gordon) (SNP): The right hon. Gentleman's example was of fishing policy, so does he agree as a point of fact that Norway is in the single market but pursues its own independent fishing policy? Yes or no?

John Redwood: I agree that Norway decided to sacrifice control of her borders to get certain other things from a different kind of relationship with the EU, but we do not wish to join the EEA because we do not wish to sacrifice control over our borders. That is straightforward.

Helen Goodman (Bishop Auckland) (Lab): The right hon. Gentleman is absolutely wrong. Norway was part of the Nordic free movement area with Sweden, Finland and Denmark way before the European Union was even invented.

John Redwood: Norway is now part of a freedom of movement area far bigger than that, and that was part of its deal. It also has to pay in a lot of money that British voters clearly do not wish to pay, so why would we want to do that?

Mr Steve Baker (Wycombe) (Con): Does my right hon. Friend agree that if Opposition Members are serious about the flourishing of our economy, 80% of which is services, they should accept that we need to be able to do trade deals on services, which means that we have to leave the EEA so that we can negotiate about regulation?

John Redwood: That is quite right, and they also ignore the whole of the rest of the world. It so happens that we have a profitable, balanced trade with the rest of the world. We are often in surplus with the rest of the world overall and we are in massive deficit in goods with the EU alone. There is much more scope for growth in our trade with the rest of the world than there is with the EU, partly because the rest of the world is growing much faster overall than the EU and partly because we have the chance to have a much bigger proportion of the market there than we have, whereas we obviously have quite an advanced trade with the EU that is probably in decline because of the obvious economic problems in the euro area.

Sammy Wilson (East Antrim) (DUP): Does the right hon. Gentleman note that although the shadow Minister made no mention of the importance of controlling immigration, his new clause 2 mentions “preserving peace in Northern Ireland”, although he never mentioned one word of it? Does the right hon. Gentleman accept that the shadow Minister perhaps understands that Brexit has no implications for peace in Northern Ireland? It is not a cause of increased terrorism. Indeed, the terrorists never fought to stay in the EU; they fought to get out of Britain.

John Redwood: The hon. Gentleman has made his own point, and we all wish Northern Ireland well.

Mr Kenneth Clarke (Rushcliffe) (Con): First, let me congratulate my right hon. Friend on recognising that there is nothing in new clause 2 that is remotely objectionable to either leavers or remainers as an objective for the country in the forthcoming negotiations. If tariff-free access to the single market is desirable, does he accept that access to any market is not possible without accepting obedience of that market’s regulations? Otherwise, there are regulatory barriers. We need some sort of dispute procedure. If we start to reject the European Court of Justice and say that all the regulations must be British and that we are free to alter them when we feel like it, we are not pursuing the objectives in new clause 2 with which my right hon. Friend expresses complete agreement.

John Redwood: Of course there is a dispute resolution procedure when we enter a free trade agreement or any other trade arrangement. There is a very clear one in the WTO. We will register the best deal we can get with the EU under our WTO membership and it will be governed by normal WTO resolution procedures, with which we have no problem. The problem with the ECJ is that it presumes to strike down the wishes of the British people and good statute law made by this House of Commons on a wide range of issues, which means that we are no longer sovereign all the time we are in it.

Mr Bailey: The right hon. Gentleman argues that our membership of the EU inhibits our ability to trade with the expanding economies of the rest of the world. If so, will he explain why Germany exports nearly four times as much as we do to China and exceeds our exports to both India and Brazil, the other fast-growing economies, and why France also exports more to China and Brazil than we do? What is it that they do in the EU that we will do when we come out?

John Redwood: It is quite obvious that Germany will export more at the early stages of development in an emerging market economy, because it tends to export capital equipment of the kind that is needed to industrialise, which is what China bought in the last decade. Now that China is a much richer country, she is going to have a massive expansion of services and that is where we have a strong relative advantage in that if we have the right kind of arrangement with China we will accelerate the growth of our exports, which China will now want, more rapidly. The hon. Gentleman must understand that the EU imposes massive and, I think, dangerous barriers against the emerging market world for their agricultural produce. The kind of deals we can offer to an emerging market country, saying that we will buy their much cheaper food by taking the tariff barriers off their food products in return for much better access to their service and industrial goods markets where we have products that they might like to buy—[Interruption.] I hear my right hon. Friend the Member for Wantage (Mr Vaizey) express a worry about British farmers, and British farmers, would, of course, have a subsidy regime based on environmental factors, in the main, which we would want to continue.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): What impact does the right hon. Gentleman think that that would have on Welsh agriculture and the rural economy in Wales?

John Redwood: I just explained that it should boost it. I am sure that more market opportunities will open up for Welsh farmers, but we will also debate in this House how to have a proper support regime. I hope that it will be a support regime that not only rewards environmental objectives but is friendly to promoting the greater efficiencies that can come from more farm mechanisation and enlargement, which will be an important part of our journey to try to eliminate some of the massive deficit we run in food with the rest of the EU while being more decent to the emerging world—the poor countries of the world to which we deliberately deny access to our markets.

Angela Smith (Penistone and Stocksbridge) (Lab): May I take it from what the right hon. Gentleman has just said that in any free trade deal with New Zealand he will continue to ensure that sheep farmers in this country are not sacrificed in the interests of getting good access to the New Zealand market for our financial services?

John Redwood: I am sure that that would be a very appropriate part of the discussions our country holds with New Zealand and Australia. I broadly take the view—I thought Labour was now of this view—that getting rid of tariffs was a good idea. Labour has spent all of the past six months saying how we must not have tariffs on our trade with Europe, but now I discover it wants tariffs on trade with everywhere else in the world. It is arguing a large contradiction.

Dr Murrison; My right hon. Friend is making a very powerful case. Does he not agree that it is truly remarkable that Germany makes three times as much money on coffee as developing countries because of tariffs and that we are noticing a problem with out-of-season fruit and vegetables in our supermarkets in part because of the pressures applied to producers in north Africa? It is no good colleagues on the Opposition Benches having a go at

those who are concerned about international development assistance if they are prepared to tolerate such tariff barriers, which act against the interests of developing countries.

John Redwood: I think that we have teased out something very important in this debate. The Opposition want no barriers against ferocious competition from agriculture on the continent, which has undoubtedly damaged an awful lot of Welsh, Scottish and English farms, but they want maximum tariff barriers to trade with the rest of the world so that we still have to buy dear food. That does not seem to be an appealing package.

Kit Malthouse: My right hon. Friend might be interested to know that just last week I visited Randall Parker Foods in my constituency, a company that slaughters and processes several hundred thousand Welsh lambs every year and that is salivating at the chance of opening up the US market, in particular, where Welsh lamb is under-represented and where there is huge potential for us to export more than we do.

John Redwood: Like my hon. Friend, I think that there are some great English, Welsh, Scottish and Northern Irish agricultural products, and that with the right tariff system with the rest of the world we could do considerably better with our quality products.

Sir William Cash (Stone) (Con): I congratulate my right hon. Friend on his great speech, but I want to ask him one question that goes to the merits of the new clause. It says that the Prime Minister "shall give an undertaking", which is clearly a mandatory requirement under statute, and which itself calls for judicial review if somebody decides to do that. However, in all my time in this place, I have never seen a clause proposing the preserving of peace in Northern Ireland as a matter of public interest and of judicial review. It is unbelievably unworkable and completely contrary to all the assumptions that one might rely on for a decent provision.

John Redwood: I am grateful to my hon. Friend for drawing me back to my central point. He kindly said that I have made a good speech, but I have just responded to everybody else making their own speeches and riding their own hobby horses. I hope they have enjoyed giving those hobby horses a good ride.

To summarise my brief case, the aims of the new clause are fine. They happen to be agreed by the Government. However, it is disappointing that the Opposition have left out some important aims that matter to the British people: taking back control of our borders and laws, and dealing with the problem of the Court immediately spring to mind, but there are many others. They leave out, as they always do, the huge opportunities to have so many policies in areas such as fishing and farming that would be better for the industry and for consumers. They have now revealed a fundamental contradiction in wanting completely tariff-free trade in Europe, but massive tariff barriers everywhere else, and do not really seem to think through the logic.

My conclusion is that there is nothing wrong with the aims. We need the extra aims that the Government have rightly spelt out. It would be quite silly to

incorporate negotiating aims in legislation. I believe in the Government's good faith. We are mercifully united in wanting tariff-free, barrier-free trade with the rest of Europe. It is not in the gift of this House, let alone the gift of Ministers, to deliver that, but if people on the continent are sensible they will want that because they get a lot more out of this trade than we do. They must understand that the most-favoured nation tariffs are low or non-existent on the things we sell to them, but can be quite penal on the things they have been particularly successful at selling to us. The aims are a great idea, but it is a silly idea to put them into law.