

Surely the Chancellor does not want to mar Brexit?

I have been reading strange stories this week that the Chancellor is going on to the Marr show this morning to seek to change government policy on Brexit. I find this difficult to believe. The Chancellor is a senior member of the Cabinet and Brexit Committee, so he would have put his point of view strongly when the Brexit policy was decided. The government deliberated long and hard, and then produced a White Paper, several statements to Parliament, and the Article 50 letter and Act. These all made it clear the UK would be leaving the EU and its single market and Customs Union, but would be negotiating for a business friendly comprehensive free trade agreement with the rest of the EU. This approach received overwhelming support from MPs in the last Parliament who voted through the Article 50 Act on that basis. The Chancellor was in full support.

I also find it difficult to believe the stories because the policy the unnamed briefers say we need to change to is stupid. I would be surprised if the Chancellor wanted to sign up to such a policy. It is said we need to seek associate membership of the Customs Union, with an opt out of its strict rule that a member cannot negotiate free trade deals of its own for certain UK trade in services. How on earth could that work? The main gains from negotiating free trade agreements with other countries will come from those where the present tariff barriers are highest. These are the lower income countries with a big export industry in farm products and basic industry. In order to get access for our services we will of course have to offer zero tariffs and reduced barriers on things like tropical and Mediterranean agricultural products which currently are made dearer by EU impositions. If we can't negotiate on non service trade we have no leverage.

It is also foolish because it creates the impression with the rest of the EU that the UK is constantly changing her mind and is too busy negotiating with herself to be able to negotiate seriously with them. Such a change at this late stage would send the wrong signal, and would not leave the government with the strong position accepted by Parliament that we have at the moment. The General election saw 85% of the voters vote for parties that stated we will leave the EU and the single market and negotiate our own trade deals. That is incompatible with any kind of membership of the Customs Union which would prevent us feeling our trade with others.

That's why I think it unlikely the Chancellor will oppose government policy on the Marr show. Doubtless he will say he wants a business friendly Brexit. On that I agree with him. That much is agreed by Labour and the Conservatives. The way to achieve it is through maximum access to the EU market, and through much better trade deals with the rest of the world.