

# Parliament cannot govern

Our constitutional settlement combines the executive with the legislature. Government Ministers have to be Members of Parliament or peers in the Lords. The government executive puts proposals for laws, budgets and treaties to Parliament, and needs to secure a majority for each measure.

The role of Her Majesty's Opposition in Parliament is to expose government proposals to criticism, seeking to amend and improve them or seeking to vote them down if they are thought to be unacceptable. A wise Opposition also puts forward a constructive alternative, to appear as a government in waiting, a group of politicians capable of governing after an election.

Oppositions usually accept the government's right to govern, and its right to secure its major Manifesto proposals approved by the electorate in the last election. Her Majesty's loyal Opposition does not usually do deals with opponents of our nation, does not undermine the government in an international organisation and does not bad mouth the UK when representing us abroad.

It is particularly important that governments have the power to negotiate treaties and international agreements. It is not something Parliament can do. There are too many different views. Foreign countries would be reluctant to accept an envoy from Parliament other than the government, concerned about the extent to which they could claim to speak for the UK.

It is always the case that Parliament has the ultimate power to vote down a Treaty or international agreement it dislikes. This does not usually arise because the government normally has a majority it can rely on, or has taken sufficient soundings to know it speaks for a majority.

It is particularly important when negotiating with the EU that Parliament does not undermine the government's negotiation. Ruling out leaving without signing the Withdrawal Agreement does undermine the government position, and is particularly bizarre given Parliament's justified dislike of the Withdrawal Agreement as drafted.

When opposition forces in Parliament say they do not trust the government to conduct the negotiation they do our country harm. Parliament has the power to remove the government if it really does lack confidence in it to negotiate well. It is a clear case of put up or shut up – either sack the government or allow it to conduct the negotiation as it wishes, with Parliament judging the results.

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# What should a young person do with an inheritance or lottery win?

Let us now turn to wealth held by a few younger people. Let's consider the limited number of cases of someone who comes into a substantial sum by inheritance, or gift from a rich relative, or from a lottery win or some such. I am not going to consider in this article the profits of successful entrepreneurship by the young person.

Let's say they receive £500,000. Let's suppose they have no professional qualifications but did get a first degree in humanities or were educated to A level and now have an office job. Should they

Buy a good quality home with all the money?

Buy a home with part of the money and do something else with the rest?

Should they invest some or all of the cash in developing their own business?

Should they invest the money in shares and build a portfolio? Should they put some of the money into a pension fund?

Should they spend some of the money on training/education?

Tax may play a role in the decision. Putting as much money as possible into an ISA for share investing would provide freedom from income tax and CGT on the investment. Putting money into a pension fund also offers full tax shelter, but it locks the money up for years and a future government might change the rules against you before you can reclaim the cash. Investing in your own business can get you entrepreneurs relief from CGT. Buying a home exposes you to Stamp Duty but frees you from CGT.

The way to increase the young person's financial position the most would probably be to invest in a successful business for themselves. Given the risks what do you think would be the best course of action? How big a distortion is tax? What kind of a society do we want to be – more lawyers, more landlords or more entrepreneurs? Part of the purpose of these articles is as background to the budget, which presents a good opportunity to change the UK tax system in ways which reward effort, enterprise and saving, and drive faster growth as a result.

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## The EU and empires

Mr Verhofstadt (EU Liberal) warns us that the world is coalescing into

empires. He thinks the UK has to join the EU empire as a counter to the Russian, Indian, Chinese and US empires .

This is not a very liberal outlook. He does not specify why the USA or India is any kind of threat to us, nor why the EU will always get on fine with Russia or China. It leaves out of account the many smaller countries worldwide that do not belong to any of these blocs or major countries and seem to prosper. Australia, New Zealand, Canada, Singapore and many others seem to flourish outside the EU.

I also take issue with him over what is an empire. If empire is based on size and power, let us begin by comparing the UK with Russia. The UK's economic size is about a third larger than Russia's. If we look at naval power both countries have one aircraft carrier. Russia has 12 destroyers to the UK's 6, but only 10 frigates to the UK's 13. It is true Russia has many more submarines. The UK of course has her potential power greatly augmented by membership of NATO.

An empire is usually supposed to be a common government system with a single foreign policy and armed forces. It controls a wide range of different territories and former countries or governing units with varying degrees of devolved or delegated authority. There was the Roman empire covering much of southern and western Europe, the British empire with India at its heart, and the USSR empire stretching through much of eastern Europe and parts of Asia. The UK willingly renounced empire after the second world war, allowing the peaceful establishment of a number of independent nations. The USSR empire was troubled by internal revolts and too passed when the centre allowed free expression. The USA has always opposed the idea of conquest followed by occupation, though it has intervened militarily in support of regime change in various countries. India was created as a separate governing area from Pakistan, Bangladesh and Sri Lanka on independence.

I find it worrying that a leading exponent of more European integration uses the word "Empire" to explain what they are trying to do. Most of us want no more empires. We believe in the free determination of peoples. Recent votes and campaigns tells us that if people want anything they want smaller governing units, as with the independence movement in Catalonia, the Brexit vote in the UK, the movements for separation in many parts of the world.

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## Walls in a troubled world

In the 1980s the West rejoiced at helping pull down the Berlin Wall. That wall which divided a German city was constructed by the USSR to keep people in. Knowing how far their living standards and freedoms had fallen below the West, the USSR denied most of their people any access to western media or to the West itself. People were shot if they tried to cross into another part of their city.

It was the visible evidence of the lengths communists went to to detain their citizens that turned me against communism in my youth. My first political and economic writings were about the failures of the communist system, and the cruelties communist states imposed on people.

In recent years countries on both sides of the Atlantic have put up walls and fences to keep people out. Mr Trump's wall added to Mr Clinton's. The Anglo French fence in Calais is a small example of border fences that are common along the miles of EU border, especially to the south and east. The aim is to deter illegal migrants, drawn by the relative prosperity, the freedoms, jobs and benefits of living in an advanced western society.

There are signs of a cyber curtain coming down across the world. As the USA challenges China over alleged theft of Intellectual property, and seeks reassurances that its own systems will be safe from cyber attack, the world moves towards two systems and two alliance patterns. Countries are having to answer the US question, are you with us or against us? It will prove increasingly difficult to mix Chinese and US components and services within technology products and services.

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## [The EEC, EU and the economy](#)

The Remain case for staying in the EU is always based on the unproven economic advantages. These are said to be important and are often argued around alleged problems which would hit us if we dared to leave. One of the ironies is those who claim to hold the highest regard for the EU usually suggest the EU will behave particularly badly if we just leave, ignoring the EU Treaties which require friendly pro trade relations with neighbours.

When we first entered the EEC the sudden shock of removing all tariff protection for our industry helped weaken key sectors badly. In the first ten years of our membership car output halved. The steel industry suffered bad declines, leading to closures of large modern plants. Textiles also suffered closures and bad job losses. There was no offsetting liberalisation of services where the UK was a strong competitor.

In the second decade of our membership the UK accepted the need to enter the European Exchange Rate Mechanism. This policy had the predictable effect of ending in a major recession for the UK, with huge losses on enforced foreign exchange trading. This accelerated damaging decline in UK industry.

In the fourth decade of our membership the UK suffered from the western banking crisis, making similar policy errors to the ECB and Fed. On the EU side of the Atlantic recovery was much slower thanks to the Maastricht debt and deficit guidelines which the UK included in policy as well as the Eurozone and to other features of shared economic and business policy. Our greater involvement with the poorly performing Eurozone also slowed our

recovery.

The UK has run a large trade deficit with the EU for most of our time in it. Meanwhile we have a good surplus with the rest of the world, in spite of EU tariffs and by trading with no free trade agreements with the main countries.