

# Why I want to leave the so called single market

I accepted the verdict of UK voters as a young man in 1975 when I was on the losing side of the referendum on staying in the EEC. I decided I had to make the best of it. When I entered Parliament I tried to limit the EEC/EU to what people voted for, a common market. My worry had always been it was a much mightier political project, but Remain always told us in the early years it was not a currency and political union in the making. Later of course it became obvious that it was a currency union, with a political union in the offing.

So what changed my mind about the common market part of it? It was being given the role of Single Market Minister in the 1990s, when the EU wished to "complete" the single market. That turned out to be a double lie. The EU did indeed have a massive legislative programme which it called the single market programme in those days, and did more or less complete the stated programme by 1992. It then went on to invent many more legislative programmes in the name of its new creation for many years afterwards, proving the single market was in its view no where near completed in 1992 despite the claims. It was also misleading, because as I discovered it was not primarily a programme to open and liberate a wider market. It was a huge power grab. It thrived on the doctrine of "the occupied field", pressing EU legislation into many new areas in the name of the single market to take powers away from national democracies and to place them in the hands of unelected Commissioners and European Court judges.

As I used to point out to the bureaucratic, legal and regulatory minds assembled, you only need one simple rule to have a common market. That rule, established in a famous European Court case, states that if a product is of merchandisable quality and has passed the tests to be offered for sale in one part of the common market, it should also be allowed for sale anywhere else in that market. It does not mean British people have to suddenly develop a passion for German sausage or French people need to learn to love English cheese. It does mean that as Germany tells us their sausage is fine for consumption their sausage makers should be allowed to offer it to British consumers to see if they want to buy it. It means each part of a common market has to trust each other part for their standards of safety, hygiene and the rest, or allow only limited specified national overrides for public health and safety but not much else to restrict the flow of goods.

Instead the EU embarked on a comprehensive legislative programme to superimpose EU law on top of member state law to govern everything from food standards to control of hazardous chemicals, and everything from labour rules to environmental protections, all in the name of the single market. The laws often told businesses how they were to make or design something. It was very clearly a programme to create a supranational government. It soon replicated all the main departments of national governments, with a foreign policy, a security and defence policy, an environment, transport and employment policy

and much else.

The market part of it proceeded by the Commission working with the dominant companies of the day in each sector to draw up a set of rules which would be required of everyone. These rules were welcomed by the big business that helped inform them, because they already met them. They were opposed by some big businesses which had not been so successful in lobbying and drafting. They often acted as restraints on competition and innovation, as they prescribed the way firms were allowed to make and sell things. These rules were imposed in the name of cross border trading, but were also mandatory for the much larger flows of goods and commerce within each individual member state where they were not needed to assist international trade and might override perfectly good familiar national systems. Many smaller businesses found the extra cost of EU regulation, and greater prescription, made market entry and offering competitive product more difficult.

In the first ten years of our membership of the EEC our motor car output halved, unable to face the onslaught of German and French competition without tariffs and under EEC rules. Meanwhile in the areas where we were strong in services no similar market opening occurred, leaving us a growing and large balance of payments deficit which has persisted to this day. I came to the conclusion that the single market was not designed to help the UK, and we would be better off making our own rules and running our own global trade policy.

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## Visit to Costco, Reading

I visited Costco at Green Park Reading following their invitation. They wanted to show me their facilities and talk about their employees and their relationship with the local community.

They assured me they paid above the market average, liking to recruit and retain good people. Their retention rate is good. They have training programmes, and assist employees who wish to progress through internal promotions. I am a strong supporter of employers paying decent wages, understanding the ambitions of their staff and giving them help to move upwards in the organisation.

They told me of the work they do to raise money for charity, and the way they have some charities as members to take advantage of their prices and service for the wholesale trade. The main issue they raised for government was the question of taking more action to defeat smuggling of alcohol, which adversely affects businesses like them as they of course have to pay full duty on their alcoholic drinks ranges, and maintain a licence to sell such products. I agreed to follow up on this issue, which sees law abiding businesses and government on the same side seeking to enforce tax laws.

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## The EU has nothing we want that is worth £39bn

We must leave the single market and customs union when we leave the EU. That's about the only thing the official Leave and Remain campaigns agreed about, and is also the view of the EU itself.

We cannot stay half in the single market, and we should not want to.

The government has to accept the verdict of Salzburg, that the EU don't want Chequers either.

We should offer a good Free Trade Agreement. You do not pay to trade.

The EU is merely offering a Withdrawal Agreement. That is all take for them and no give to us. We should reject it.

We should not want to spend another 21 months in the EU in a so called transition. It would be a transition to nowhere, with 21 months of uncertainty and argument over what the future might bring.

If we just leave just look at the upside:

An end to business uncertainty, and proof that the stupid scare stories were as wrong as the Remain economic forecasts for 2016-17.

£39bn to spend on tax cuts and public service improvements over two years, giving a good boost to jobs and our economy

The right to settle our own migration policy, and to encourage more people settled in the UK into jobs with better wages

Taking back control of our fish to rebuild our damaged fishing industry

Setting out our own agriculture policy so we grow more at home again as we used to before we went into the EEC/EU

Deciding on our own tariff levels – with lower tariffs or no tariffs where we cannot grow or make the things concerned.

Signing trade deals with many countries that want even better trading relations with us.

The government says it is getting on with No deal planning. So bring on the fishing, farming, trading and spending policies that we need and want, to use our new won freedoms.

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## The EU is no bowl of cherries

Mr Tusk's dismissive treatment of the Prime Minister was not the action of a peacemaker who wants to bring the two sides closer together. It reveals that the EU has little self knowledge, and no knowledge of how others see it. It is because the EU is no bowl of cherries that many of us wish to go. There are no cherries to pick.

As to cake, we have to pay for our own and pay for other countries cake too whilst an EU member. I look forward to us paying just for our own cake, and making more of it at home. That way we can have better cake and more prosperity. At least Mr Tusk has just made it a whole lot easier for us to leave without a Withdrawal Agreement.

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## The EU is more preoccupied with migration than with Brexit

So as I and my allies predicted, the EU has turned down the Chequers proposals. We tried hard to persuade the PM to move on from Chequers. We did not want her rebuffed for proposing the impossible. How do her advisers who disagreed with us and told her to throw all her political weight behind Chequers explain what they have done? What do those Cabinet Ministers who went along with it have to say now about the delays and loss of negotiating capital it has caused? Can they now see they set her up to fail? Will she now listen to pro Brexit advisers who want what is best for our country based on organising an early exit?

The Prime Minister got just ten minutes to state her case to the assembled heads of state and government after dinner on Wednesday at Salzburg. The long dinner conversation was about borders and security. The working session yesterday was also about security and borders, in preparation for decisions on these matters at the October Council. The 27 did have a lunch time conversation about Brexit in the absence of the UK.

This tells us something very important about the EU. They are very worried about the political movements in member states demanding a change of policy on migrants and borders. Maybe they do not see Brexit as sufficiently important to allocate proper time at member state level to discussing it, preferring to let their representatives from the Commission handle these matters. Maybe they were so annoyed at Chequers that largely ignoring it seemed the best response to them .

Given the position of the UK Prime Minister and the clear position of the EU on the integrity of the single market and its wide ranging associated policies, there is no deal in sight. They need to take that into account at the October Council. As someone who thinks leaving without a Withdrawal Agreement works well for the UK, the same cannot be said for the EU. Their one sided Withdrawal Agreement is a very good deal for them, which they can lose through the casual approach of the Council allied to the formal and legalistic approach of Mr Barnier.

Could the two sides get an agreement? Only if both change their approaches substantially. The UK has to give up the ideas in Chequers that we stay in the single market for goods whilst leaving the rest of it and leaving the customs union. The EU wishes to preserve the integrity of their bureaucratic single market, and not have a country half in it. We need to abandon the idea that we will collect their customs dues for them. The EU has to give up the idea that it can split the UK by treating Northern Ireland differently to the rest. Then there is a simple question for both parties. Do they want a comprehensive free trade agreement like the Canada one or not? If they both do, it could be agreed in time for exit on 29 March 2019, based on the Canada draft with some added advantages that come from starting from a tariff free position on all items.

My view is as there is no legal obligation to pay a Withdrawal sum there is no need to sign the Withdrawal Agreement, and no need to pay for a Free Trade Agreement. Doubtless some in the government would be willing to compromise on this approach in order to get something agreed. In order to get any compromise through the UK Parliament, it has to be visibly better than simply leaving without a Withdrawal Agreement. £39bn is a huge sum of money that could do a lot of good at home. Trade under WTO rules with the rest of the world works fine for us, so we can manage on March 30th with no Withdrawal Agreement and no so called transition or further delay. The sooner the UK sets out its tariff schedule for March 30 next year the better. The tariffs do not have to be as high as some EU ones are. EU tariffs are high on food and 10% on cars. Much of our export activity including all services will be tariff free even on EU tariff schedules.