

Germany still does not have a government with a majority

I wrote after the German election that after her large loss of votes and seats Mrs Merkel would find it difficult to form a coalition. Her own party polled just 26.8%. So it has proved. I drew a contrast with Mrs May and the Conservatives where the vote went up to 42.4% and who could form a coalition with the DUP.

Two months on she missed the deadline for agreement yesterday. It was difficult enough keeping her coalition with the CDU's sister party the CSU to take her up to 32.9% of the votes. To consolidate that she needed to reassure on migration which makes it more difficult to get the Greens into a government. The Free Democrats and the Greens also have substantial disagreements with each other over coal, energy generally and approach to business.

It is still possible they could reach an agreement, but the long delays imply the best that could happen for Mrs Merkel is a weak government with limited capability given the big disagreements between the parties. If she fails to form a coalition her party may want a new leader and there might be another election.

Why I am very positive about the UK economy post Brexit

As there is a concerted attempt to misrepresent my views on the prospects for the UK economy let me repeat why I am very positive about the UK post Brexit, as I have always said.

I see the UK as a great destination for inward investors and for domestic investors wishing to set up businesses, create jobs, build factories and new properties. Only a month ago I was being criticised for daring to say we needed more realistic forecasts which would be more optimistic ones. My critics ignored the fact that I had disagreed with the Treasury and Bank of England view that the Brexit vote would plunge the UK into recession last winter and had been proved right by events.

It is those who cannot accept the result of the referendum who are being gloomy about UK prospects and constantly talking about businesses thinking of moving out. They have been wrong about commercial property and about the expansion plans of overseas investors in the UK

Brexit is full of opportunity for businesses already in the UK, for new businesses that can be set up in the UK, and for businesses thinking of investing from overseas. The UK has a large balance of payments deficit which we can cut by making and growing more things for ourselves. The UK is very competitive at the current rate of exchange. Freed of the constraints of the EU agriculture and fishing policies we can start to reduce the huge deficit in food that we have built up with the EU over the years. The Common Fishing Policy has restricted the amount that can be landed by British vessels in UK ports. We could do better by our fish and our fishermen with a UK fishing and conservation policy. Past quota policies damaged parts of our farming industry. A UK policy needs to include the promotion of more growing of our own food.

The swing lower in the pound against the Euro both before and after the vote makes UK manufactured products like cars that much more competitive compared to EU imports, which should help our domestic industry. The UK is establishing itself as a great centre for knowledge based industries in general, and for technology based companies in particular.

11pm 29th March 2019

The date of our departure from the EU is determined by the EU Treaty. Under Article 50 we gave notice. We leave at any time when there is Agreement between the UK and the rest of the EU, or at the two years point if there is no agreement.

It now looks clear that the EU has no wish to reach a mutually beneficial Agreement to get us out of the EU before March 2019. They are still refusing to discuss the future relationship and trade arrangements which the UK thinks it is in our mutual interest to discuss.

The question now comes up for debate in Parliament about when the UK needs to bring into full effect the EU Withdrawal Bill to ensure legal continuity and certainty following our departure. The government is therefore moving an amendment to make the time and date 11pm on 29th March 2019.

This should not be contentious. It is the date and time we will cease to be a member state under the Treaty and Article 50 procedure. The reason it also needs to be written into the Withdrawal Bill is that we need to bring in its provisions at the same time as we cease to belong to the EU in international law. Domestic law has to take over. It is also the likely earliest time when there could be an Agreement.

So why is it a matter of grave concern to some MPs that the government wishes to ensure this legal continuity? For the rest of the Bill they are desperate to ensure anything is debated in Bill Committee and does go through full legislative scrutiny, yet they don't want to do the same for the important

matter of when we leave.

The reason seems to be that they think we might get into the position where we are very close to an Agreement by 29 March 2019 but would somehow be thwarted in concluding shortly afterwards if we had in the meantime left the EU. It is difficult to see why this should occur. We have 16 months prior to departure to try to reach an Agreement. That Agreement could include an implementation period to follow exit if it required changes that are difficult to put in place quickly. The government has already said there will be additional legislation for any Agreement to be implemented in the UK.

I cannot see having a deadline 16 months ahead makes it more difficult to conclude an Agreement. If the EU does want a mutually beneficial Agreement there is plenty of time to get one. If the EU does not really want one or intends to try to squeeze more and more concessions out of the UK, an extension of a week or two after March 2019 is not going to suddenly provide a suitable Agreement after months of failure.

When Parliament legislated to send the Article 50 letter it legislated for us to leave in March 2019. The main reason we want that on the face of the Withdrawal Bill is to provide certainty and continuity of law given it now seems inevitable we will not be leaving by agreement any earlier.

On Tuesday the crucial Clause 1 which repeals the 1972 Act and therefore takes us out of the EU according to UK law passed by 318 to 68. The official Labour party abstained, as they realised voting against would be to vote against Brexit itself. The rest of the Bill is about creating legal certainty by carry over of EU laws.

Controlling development in Wokingham

Yesterday I attended a meeting with the Secretary of State for Communities and local government with the Leader and Deputy Leader of Wokingham Borough Council.

We explained to the Minister how Wokingham had identified four major sites for housing development, and how the Council was seeking to put in the new schools, roads and other public facilities they require. Whilst the construction work is underway it is disruptive to the local community, but not as disruptive as having more smaller sites all over the Borough. The idea of the local plan is to concentrate the developments, creating new communities and providing them with the necessary facilities.

In return for making its contribution to the national housing effort, the Council needs government Inspectors to turn down appeals for planning permissions in addition to the large new settlements already agreed. Public budgets will not stretch to even more infrastructure to service yet more

diverse new settlements and housing additions. Our road network is already overstretched, and we have needed to put new schools in at speed to keep pace with pupil demand. The aim should be to encourage a decent pace of development and completion, to reduce the period of disruption and to hit the housing targets of the plan.

The government is concerned about these matters and has agreed to work with the Council to see what can be done.

Mr Redwood's speech during the debate on European Union (Withdrawal) Bill

John Redwood (Wokingham) (Con): Clause 1 of this historic Bill is the most important constitutional matter to come before the House of Commons since the 1972 Act. I have read some of the debates that Parliament conducted at the time, and we could indeed say that the repeal is more significant than the House believed the original Act to be. When the original Act was passed, the Government reassured the House that it was no surrender of sovereignty to a supranational body and no major transfer of power.

They told the House that it was, instead, a major development of a common market; that the areas in which the European Economic Community would have competence would be very narrow and limited; and that the UK would preserve a veto so that if the EEC proposed anything the UK did not like, the UK would be able to exercise its veto and show that Parliament was still sovereign.

That was a long time ago. Over the years, what appeared to be a modest measure to form a common market has transformed itself into a mighty set of treaties and become, through endless amendment and new treaty provision, a very large and complex legal machine that is the true sovereign of our country. It has exercised its sovereignty through the European Court of Justice, the one supreme body in our country during all the time we have remained in the EEC and, now, the EU. We have seen how that body can now strike down Acts of Parliament, prevent Ministers from taking the action they wish to take and prevent this Parliament from expressing a view and turning it into action.

We were told, for example, that the EU would never be able to control our tax system, yet many items carry VAT that I think Members on both sides of the House would like to abolish, although we are not allowed to do so by European legal requirements. Before the renegotiation of our relationship attempted by the previous Prime Minister, the two main parties agreed that they wanted certain modest benefit changes to our welfare system, but both had to accept that they were quite illegal. It was therefore quite inappropriate and impossible for the House to take action that would have withstood challenges from the European Court of Justice.

Wera Hobhouse (Bath) (Lib Dem): Will the right hon. Gentleman give way?

John Redwood: No, I am not going to take any interventions. I am conscious that we have very little time, and I want other colleagues to be able to speak in this debate.

We have been unable all the time we have been in the EU to have our own migration policy or to decide who we wish to welcome into our country. We cannot have our own fishing policy and we cannot have our own farming policy. We have moved into massive deficits on both fishing and on farming, whereas we used to have a good trading surplus on fish before we joined the European Economic Community and we used to produce most of the temperate food we needed before the common agricultural policy started to bite.

The British people decided in their wisdom that we should take back control, and we will take back control by the passage of this very important piece of legislation.

Above all, clause 1 will take back that control. The great news for colleagues on both sides of the House who had different views on whether we should leave or remain is that their genuine passion for democracy, which many on both sides of the argument have expressed today, can be satisfied by agreeing to clause 1, which repeals the original Act. Once that has happened and the repeal has taken place, this Parliament will once again listen to the wishes of the British people and be able to change VAT, our fishing policy, our agricultural policy, our borders policy and our welfare policies in the ways we wish.

Neil Gray (Airdrie and Shotts) (SNP): Will the right hon. Gentleman give way?

John Redwood: No. I have already explained that I am conscious that many colleagues wish to join in the debate.

I just hope that right hon. and hon. Members on the Opposition Benches will recognise that, far from this being a denial of democracy as some fear—they seem to think it is some kind of ministerial power grab—this legislation will be the complete opposite. Once it has gone through, no Minister of the Crown, however grand, will be able to use the excuse that they had to do something to satisfy the European Court of Justice or the European Union. They will have to answer to this House of Commons, and if they cannot command a majority for what they wish to do, it will be changed. That is the system that I and many Opposition Members believe in, and that is the system we are seeking to reintroduce into our country, after many years' absence, by the passage of this legislation.

There are concerns about whether the date of exit should be included in the Bill. I think it is good parliamentary practice to put something of such importance on the face of the Bill, and to allow us extensive debate—as we are having today, and doubtless will have more of before the completion of the passage of the legislation through both Houses—so that the public can see that we have considered it fully and come to a view.

I listened carefully to the right hon. Member for Birkenhead (Frank Field) and I have a lot of sympathy with what he was trying to do, but I will take the advice of Ministers and support their particular version of the amendment. I will do so for the reasons that were set out very well by the Minister: we need complete certainty, and that requires a precise time of transfer. People need to know which law they are obeying and to which court they are ultimately answerable, minute by minute, as they approach the transfer of power on the day in question, and that is a very important part of the process.

I hope those who have genuine fears that we will not have enough time to negotiate are wrong. I think 16 months is a very long time to allow us to see whether we can reach a really good agreement. Of course, we all hope that we can reach a good agreement. Some of us know that if there is no agreement, it will be fine. We can trade under World Trade Organisation terms and put in place, over the next 16 months, all the things we need to do, on a contingency basis, to make sure that if we just leave without an agreement, things will work.

I appeal to all Members to understand that, although most of them may not want that contingency, it is a possible outcome. We cannot make the EU offer a sensible agreement that is in our mutual interests, so surely this House has a duty to the public to plan intelligently and to scrutinise Ministers as they go about putting in place the necessary devices to ensure that it all works.

The Chair of the Home Affairs Committee should relax. She is talented and quite capable of leading her Committee, and I am sure that it can make a valuable contribution. Nobody is stopping her or her Committee scrutinising, asking questions, producing ideas or helping the Government make sure that there is a smooth transition. She and I both believe in parliamentary democracy. She has an important position in this House and I wish her every success in pursuing it, in the national interest, so that Ministers can be held to account.

The task before us should be one that brings Parliament together. We should not still be disputing whether or not we are leaving. We let the British people decide that and then this House voted overwhelmingly to send in our notice. I explained at the time that that would be the decision point—most Members took it relatively willingly, others very willingly—and we now need to make sure that it works in the best interests of the British people.

I urge the House to come together to work on all those details, to make sure that we can have a successful Brexit, even if a really good agreement is not on offer after a suitable time for negotiation; and I urge the European Union to understand that it is greatly in its interests to discuss as soon as possible a future relationship. If it does not do so soon, we will simply have to plan for no agreement, because it is our duty to make sure that everything works very smoothly at the end of March 2019.