

Lecture on The Future of Brexit

My lecture on The Future of Brexit, delivered on Tuesday 20th February 2018 at Speakers House:

On 23rd June 2016 17.4 million voters told Parliament we should leave the EU. Leave voters voted to take back control.

We voted to take back control of our money, our laws and our borders.

We voted to be a sovereign people again.

The overarching aim is to restore our freedoms

To become self governing as we used to be

We wish our Parliaments to frame our laws

To levy and spend out taxes

To make our borders safe

To award the precious gift of citizenship to those we choose to invite

We did not vote in the belief that future Parliaments will always be wise

Nor that they will always get it right

We voted to restore powers to Parliament because it is our Parliament

We can lobby and influence it

We can dismiss it and replace the MPs when they no longer please.

I find it surprising that some find it difficult to understand this overriding wish

For it is based on our long standing pursuit of freedom

It springs from our history

The history of the UK is the story of the long march of every man and every woman to the vote

The story of asserting the rule of law against all, however mighty.

We prize the gift of freedom under the law for all on an equal basis

We share an aversion to slavery

A dislike of military rule

A resistance to arbitrary government

A rejection of the patronising errors of elites

A distaste for overmighty bureaucracies cramping our freedoms

A belief that we should be free to do whatever we please unless the laws prevents it

The signposts to democracy run through Magna Carta to the first Parliaments

From the 1660 settlement to the Glorious Revolution

From the Great Reform Act to the triumph of the suffragettes

We carelessly lost some of these freedoms,

casting away much of the power of our vote and voice

by passing powers to the European Union

We allowed the EU to impose laws we did not want

To levy taxes we disagreed with

And to spend our money as they saw fit

Brexit is designed to recall those lost powers

The once free people will be free again

The once and future sovereign will be the people themselves
Let me question the thoughtless assumption of some who think this should be
an argument about trade and not about these wider truths
Let me challenge their view that our membership of the single market and
customs union has boosted our economy
They wish us all to discuss in worried tones what we might lose from leaving
If you look out the economic growth figures for the UK you will discover that
the UK economy grew faster from 1945 to 1972 when we joined the EEC than in
the long years since we joined
You will discover that the growth rate did not accelerate again in 1992 when
the EU claimed it had completed its single market

The immediate sequel to joining the EEC and to completing the single market
was the UK plunged into recession on both occasions
In 1974 it was the oil and banking crisis that affected much of the west. Not
the EEC's fault, but the EEC offered us no respite from it.
In 1993 it was a recession created by European policy
Our period shadowing the DM and then as a member of the Exchange Rate
Mechanism gave us a nasty boom and bust
Our early experience of the completed single market was a 5% loss of national
output and income.

We were told then that creating currency stability was a crucial part of a
single market.
The only problem was the policy to achieve it did the opposite.
The EU itself has sought to study the impact of the single market
They concluded that the UK got the least benefit of all the states out of the
process
They said we experienced a single gain of just 1% over the whole time we have
been in the single market.
It is difficult to find even as much as that that in the figures.
Instead the UK's entry into the EEC's so called common market of the 1970s

speeded painful losses of industrial business in the UK
The lop sided freeing of trade, removing barriers where France and Germany
were strong but not doing the same where we were strong
hastened large closures and output losses in steel, cars and other basic
industry.
In 1972 the UK made 1.92 million cars. Ten years later in the EEC that had
fallen to a low of just 888,000.
We lost Austin and Morris, Wolseley and Riley, Vanden Plas and Hillman,
Sunbeam and Triumph, Jensen and Rover
It is true there were home made problems with the way the industry was
managed, but no-one can say we got a boost from EEC membership.

In 1972 the UK steel industry had 323,000 employees and the UK was the
world's fifth largest producer
Today we have 35,000 and are in twenty first place
The large coal industry that produced 147 m tonnes in 1970 has seen all the
deep mines closed
With just a small residual of surface mining left
The German steel and coal industries flourished and the German car industry

exported large volumes to the UK replacing our output
EU regulations have played a part in the demise of parts of our energy industries
EU energy policy is turning the UK into a net importer despite being a country rich with energy resources

In chemicals and textiles too the UK lost out to continental competition
Under Labour and Conservative governments there was a remorseless decline of important parts of our industry throughout the period of our membership.
It is difficult to see why people think there will be any additional a loss of output when we leave the single market when there was no gain from joining it

The argument seems to be based on the dubious idea that our exports to the continent will suffer because we will find the EU impedes our access to their market

This assumption too needs examination

Given the way the rest of the EU exports to us much more than we export to them imposing barriers could be a more costly choice for them

I assume the UK will retaliate should the rest of the EU impose tariff and non tariff barriers, and would match any such restrictions
Tariffs will be strictly limited under WTO rules which bind both us and the EU

We should not exaggerate the impact moving to World Trade terms would have.
Many countries have increased their exports to the EU at a faster rate from outside the customs union than we have from inside

Non tariff barriers too have to conform with the Facilitation of Trade Agreement which the WTO brought into effect last year

It is possible the rest of the EU will want to punish us and punish themselves more by imposing what barriers they can

The UK economy would have several ways of adjusting

It could import cheaper goods from the rest of the world, removing tariffs on imports in return for free trade agreements with other countries

The UK could reimburse consumers and companies that had to pay the additional tariff by giving them offsetting tax cuts out of the substantial tariff revenue the UK state would collect

The UK Treasury would collect about £16bn in tariff revenue on EU exports to us, giving plenty of scope to compensate. Meanwhile the rest of the EU would collect just £6bn on our exports to them. All of that money of course would go to the EU, not to member states governments.

UK business could divert some production from export to the EU to the domestic market

Our farms could greatly expand production behind the substantial tariff wall that is allowed under WTO rules for food

so that we all enjoy more home produced food as we used before entry into the EEC.

The one non farm tariff that does cause some to worry is the 10% tariff on cars

Here you would expect the combined impact of the stronger Euro and a 10% tariff to cause more UK car buyers to switch to domestic suppliers

Helping offset any impact on export volumes to the continent.
The UK does run too high a balance of payments deficit.
It has been persistent for many years of our membership of the EU

It is heavily influenced both by the substantial budget contributions we have to make
and by the large deficit in goods we run with the EU
On exit we will be able to cut the deficit by no longer making payments
We will be able to rebuild our agricultural industry
Prosperity, not austerity.
That must be our aim.
Prosperity will be easier won once we are out of the European Union.
Restoring the freedoms of a once sovereign people.
That is the overriding task we face.

On June 24th 2016 17.4 million voters gave a great mandate to Parliament
To take back control.
During the referendum campaign I was asked one of the questions designed by
Remain to damage the cause of freedom.
Would you, the media avidly asked, accept being poorer in order to regain
lost freedoms?
I replied that fortune meant there was no such choice before us.
The very right to govern ourselves that we wished to reclaim
will allow us to follow policies that made us richer, not poorer.
As an optimist I anticipate we will do better out than in.

No-one can be sure what loss there might be in store if we remain in the EU
Or how many gains we will seize out of the EU.
What we do know is our fortune will rest more on our own decisions once we
are free.
So let me begin my account of life after Brexit by explaining how we can be
better off.
I appreciate this will be at variance with several modelled forecasts put out
by an establishment afraid of freedom and scared of change.
It is an establishment that has a proven track record of error. They told us
the ERM would bring us a golden scenario or more growth and low inflation.
Instead it brought a deep recession.

They told us if the UK stayed out of the Euro it would be deeply damaging to
our business. Instead our business flourished with the pound and the Euro
area had several years of crises and low or no growth.
They said the big build up in debts prior to 2007 were fine because banks had
found new ways of managing risks. That forecast didn't work out too well
either.
My forecast will be criticised, for it is not backed up with a model nor
expressed in precise figures. It does however come from someone who did
forecast the ERM crisis, the problems in the Eurozone and the banking crisis.
I must warn that no-one can deliver a precise and accurate 15 year economic
forecast. I have no intention of trying to deliver one.

Too many things will change.
I can, however, point to the opportunities and the favourable changes that we

can expect in the few years that follow Brexit that will boost whatever our growth rate then is. I do not expect a sudden fall in growth or income thanks to Brexit. The Treasury's short term forecasts of such an outcome for the year after the vote have already proved wide of the mark.

In future as in the past the main forces shaping our growth rate will be the pace of innovation, the monetary and fiscal policies being pursued, and the state of the world economy.

The most obvious gain that the anti-Brexit forecasters rarely put in to their models is the chance to spend our tax money on our priorities.

The £12bn we send every year to the EU and do not get back is lost money to the UK.

Worse still it is a large drag on our balance of payments every year.

To pay that bill we either have to borrow more money from abroad to pay it or we have to sell more of our assets to overseas buyers, cutting the investment income we earn on those assets.

Stopping that drag will boost our economy.

Spending the £12bn at home each year will mean more jobs and more items bought from UK suppliers.

That will boost our economy with extra growth of 0.6% of our total income.

That's a one third increase in the current growth

rate in the year we start it, with the same extra output in every year that follows.

In the referendum campaign I set out a draft budget to illustrate how we might spend the money

I recommend it to the government.

I also recommend that we advise the EU that if they do not offer a wide ranging and sensible free trade agreement anytime soon we should discontinue payments to them on March 30 2019 and start the benefits for us.

There is no need for a Transition or Implementation period if there is no good deal to transit to.

We know we can trade well under WTO rules and with WTO tariffs, as that is what we do today with most countries outside the EU.

Out of the EU we will be free to fix and levy our own taxes.

We were told by past governments that tax was a red line issue

That we would always be able to decide our own taxes

That proved to be untrue

Out of the EU we can take VAT off feminine hygiene products

We can remove VAT from green items ranging from boiler controls to draught excluders.

Promoting fuel efficiency without the drag of extra VAT will help us keep warm and be better off. We could do more to combat fuel poverty by cancelling the VAT on it

We can also levy the amount of tax we wish from larger companies.

EU tax judgements on UK corporation tax have made us repay tax we thought had been fairly and legally levied.

Once we leave the EU we can take back control of our fishery.

There have been many EU policies damaging to jobs and incomes for the UK

But none more consistently unhelpful than the Common Fishing Policy

We have been changed from a country with a rich fishery and a strong net exporter of fish

Into a country with a badly damaged fishery lamely importing our own fish from foreign interests that have taken it

A UK designed policy can do better at conserving our stocks

whilst at the same time delivering more fish through UK boats to meet our needs as consumers

The long period of forcing discards of many dead fish at sea has pillaged our fishery in a bad cause.

If a UK fishing policy requires fishermen to land everything they catch we will catch less and eat more, a win win for the industry, the country and the fish

Out of the EU we can restore our farms

We have moved from 95% self sufficiency in temperate products to under 70% Our local supermarkets now are full of Danish bacon, Dutch salad stuffs, flowers and vegetables, Spanish fruit and French dairy products

UK consumers have to pay higher prices than world prices for things we cannot grow for ourselves.

Common EU policies on beef and milk and much else have proved damaging to UK farmers.

A UK based policy can help farmers cut the food miles and gain a larger share of our domestic market

Our membership of the EU confronted us in its early days with the abolition of tariff walls which had protected some of our industry

Whilst leaving up barriers against services where we had a competitive edge

Predictably we slumped into large and permanent deficit in our trade with the rest of the EU.

In the first two decades of our membership the UK lost large amounts of our industrial capacity

German industry proved to be more competitive and we turned to huge imports as we saw unemployment in our manufacturing heartlands mount

The EEC was reluctant to open up the markets we were good at to let us compete fairly.

Out of the EU we can manage our trade more effectively.

Most people in the UK want us to promote more free trade, not introduce new barriers.

If this can be done fairly, with reductions in barriers on both sides, it will help boost our prosperity.

Our trade with the rest of the world is in surplus, showing that we have an EU trade problem, not a global trade problem.

There can be some early and easy wins for trade policy as soon as the UK takes back control over this important matter.

The UK can offer tariff free access to our market to emerging market producers of tropical produce in return for better access to their markets. Old friends and trading partners like Australia, New Zealand. Singapore and the USA will welcome Free Trade Agreements with us.

The Free Trade Agreements the EU has with third countries can novate to us as well as to the rest of the EU.

I know of no country that has a trade agreement with the EU that wants to impose new barriers against the UK once we have left.

Some say such arrangements may be possible but will not offset the loss of our current trading arrangements with the rest of the EU

I disagree.

It would be strange indeed if the EU want to impose tariffs and other barriers on trade in goods

given their huge surplus in that trade today

If they did, the impact will be much larger on them, as they export so much more that can attract tariffs than we do to them.

We will carry on exporting to them one way or another.

Today the bulk of our trade is carried out under WTO rules with tariffs imposed by the EU.

This is why I do not think we have to choose between being free and being rich

We do not need to stay in some Faustian pact, trading freedom for more exports

The gloomy arguments that we will suffer from leaving are not merely misleading about the economy

They are also too narrowly concentrated on business profit and loss when we should be talking more of freedom and self government.

Leaving the EU will give us the freedom to decide who we should welcome into our country

Many people who voted for Leave, and both government and Opposition

Are keen that the UK should be open to talent,

Welcoming to entrepreneurs and investors,

Keen on extending academic networks through shared scholarship and exchange
And generous to those fleeing danger and intolerance

Many also feel we do need to impose some limits on unrestricted migration into low paid jobs or onto benefits

We want those who join us to enjoy good housing and decent living standards
That requires us to expand our numbers at a sustainable pace

We also want a migration system which is fair between the EU and the rest of the world

Out of the EU the UK will have more influence in the world

The UK has often been a force for good

We have faced down genocides and warmongering dictators

We have often with our US ally stood for freedom, self determination and democracy

We stood up for the values of freedom and self determination when we helped liberate Kuwait

Freed the Falkland islanders

And defeated the Axis powers in 1945

Some say if we leave the EU we will become isolated and less powerful

That is selling us short and misunderstanding the realities

Out of the EU the UK will regain her voice and vote in international bodies where the EU has displaced us

Let us take the WTO as an example

We were an influential founding member

In recent years we have had neither voice nor vote, as the EU has spoken for us

Out of the EU we will once again be a strong voice for free trade worldwide
Far from being isolated we will have new allies

Under WTO rules the EU cannot impose on us any barriers they do not impose on all the other WTO members

So if some in the EU have in mind retreating behind some stockade of tariffs and regulations

They will be picking a fight with the USA, China and the rest at the same time

Out of the EU we will be able to regain our voice and vote in various worldwide standards making bodies, whose work often requires the EU to implement the results 32

For the main benefits of Brexit come from once again being a self governing country

I find it extraordinary that so many who make their living out of government and politics

Are so defeatist about this greatest of countries

Why do they doubt our abilities to shape good laws

Frame a good economic policy

And trade with the five continents of the world based on what we are good at?

Why do they both say they love the EU

Yet have such a low view of it that they think its main aim will be to do us down

Why do they tell us every clause and line of the Treaties has to be enforced against the UK

Yet all those great clauses in the Treaties that require the EU to be a good neighbour and trading partner of nearby states

will in their view go unenforced and unheeded

If the EU is as logical and legal as they say our future friendly relationship is assured

And if it is not and the Treaty is made for breaking, it need not concern us what it says, especially once we are out

Anyone who walks the corridors and great rooms at Westminster

Must see there the heroic story of our islands

There on the walls and in the sculptures are the establishment and the rebels
The winners and the losers, the great moments of our history

There is the signing of Magna Carta, the taming the King in the seventeenth century,

The union of the crowns,

The saving of Europe from Napoleon,

The passage of the Great Reform Bill and the triumph of the suffragettes

So many made common cause to put the people in charge through their vote

And to put Parliament in charge of carrying out their wishes

All the time we remained in the EU there were an increasing number of laws we could not change

More taxes we could not control. More money that someone else spent away from

our shores

This system took away the very freedoms our ancestors fought for and established

Once back these powers will be used well and sometimes badly, but always as a result of strong argument and heated votes here at home,

We will doubtless have economic reversals out of the EU as we did in it

But the difference matters

Next time when mistakes are made they will be our mistakes

They will be mistakes the British people can punish and put right

More importantly

Taking back control gives us immediate opportunities

To legislate wisely

And to grow our prosperity

That is why I voted for Brexit

That is why many of the 17.4 million voted for Brexit

That is why many who voted Remain

Will be winners too from this course

Once we are at last out of the EU.

This great people

This once and future sovereign

Will have many contributions to make to the world

As we have in the past

Let us be a voice for freedom

A strong arm for peace

And a force for good around the globe

[My speech during the debate on the Agriculture Bill, 10 October 2018](#)

John Redwood (Wokingham) (Con): There has been a big decline in our self-sufficiency as food producers during the 46 years in which we have been in the common agricultural policy. As a result, we are now net importers from the continent of Europe, to the tune of £20 billion a year—a very large part of our balance of payments deficit—of food, including processed food, that we could rear or grow for ourselves, or process for ourselves if we wished. I hope that, as the Secretary of State works away at the Bill during its passage through the House, he will take on board what is being said by all of us who are urging him to make good production—high-quality food production, and local food production—a central part of his mission and what he is trying to achieve in conjunction with our agricultural businesses and our farmers, because much more can be achieved.

One of my colleagues has already pointed out that we could have new

procurement rules that would allow us competitive procurement that also takes into account food miles. A really good green policy is to get the food miles down. We do not need ships and trucks carrying around bulky and quite heavy items of not huge value, when we could be growing them for ourselves and the farmer could be making a profit because transport costs would be lower, so can we please do that?

Will the Secretary of State understand that perhaps the most important thing farmers need to know, from 30 March next year if we leave without an agreement or from 2020 if we leave with an agreement, is what our schedule of tariffs will look like, because Brexit is not a great threat or problem; it is a massive opportunity? Here is an industry that has been wrecked and damaged and pillaged for 46 years, almost as badly as the fishing industry in some cases, which was probably the worst hit, and we have the opportunity to take it back in hand and encourage those who work on our behalf in the industry and to bring a bit of sunshine to the operation to show that there is a huge market opportunity out there.

The great joy is that this Bill rightly takes powers so that the Secretary of State and the Government can do what they need to do with the WTO, which will be running our trade framework whatever we do by way of agreement or no agreement. The WTO also has a pretty important role in this today, but of course we cannot influence it directly because the EU handles the account, and very badly it does so from the UK point of view.

If we look at our tariff schedule, we see at the moment that we have eye-wateringly high tariffs on temperate foods that we can grow or produce for ourselves from outside the EU, but zero tariffs on temperate products we could rear or grow for ourselves from inside the EU, and that competitive onslaught from some of the intense, and often subsidised and highly capitalised, farming on the continent has done enormous damage to our market share and undermined the businesses of many of our farmers over the 46 years we have been in the EU.

The Government should set out urgently for consultation what our tariff schedule will look like if we are leaving on 30 March 2019, because I assume the tariffs will be above zero for the EU as they have got to be the same as for the rest of the world, but I assume that we would want lower overall tariffs than the EU imposes on the rest of the world, and I assume that we would want to flex the tariffs down more on the things we cannot grow and rear for ourselves and would also want to make sure there is protection in there, in the spirit of our current regime, which is heavily protected against non-EU products.

I am not sure what the right balance is; that is something I am sure my right hon. Friend and the International Trade Secretary have either worked out or will work out quite soon, but the sooner we consult on it, the more hope we will give the farming industry. It must feel part of this process, because these will be its tariffs and they offer us this great opportunity to get access to some cheaper food where we are not competing and have uniform protection at a sensible level for both the EU and the non-EU, because it is the EU that is causing the main threat.

May I remind my right hon. Friend that he is our English Agriculture Minister and we want him to speak for England? Who in this Government does speak for England? I come into the Chamber and hear debates about the Scottish problem and the Irish border, but we must not forget England, our home base for most of us on this side of the House. England expects; England wants better; England wants to be able to compete; England wants a policy designed to promote English farms. I find that a really good English farm, with really good farming, looks beautiful and deals with the environment as well as food production.

School Funding

I have received a further update on School Funding:

There has been considerable discussion of international comparisons of education spend. Following publication of the most recent volume of the definitive international guide to education, the OECD's Education at a Glance. This was published on 11 September 2018, and includes the most recent comparable data available, which is from 2015.

You can see the OECD's full report on their website (<https://bit.ly/2oWhReb>) and you may also want to look at the World Bank's interactive tool (<https://bit.ly/2zUB863>) which allows you to pick different measures and compare between different countries. Data are collected by the OECD, using a common methodology to allow for comparison between countries. The figures include (for all countries) money direct to schools, and school support programmes. Our data are included at the UK level. Across the UK, England accounts for 84% of pupils, Scotland for 8%, Wales for 5% and Northern Ireland 3%.

Multiple measures show the UK as a relatively high spender on education. The widest measure is total expenditure on educational institutions, which includes state-funded and independent schools, further education, and tertiary education (i.e. university and post-18 FE), from all sources, including government, private and international (this is the basis for all countries in the analysis, not just the UK). On this comparison, the UK is one of the very highest spenders among OECD nations and partner countries – see Figure C2.1 in Education at a Glance (<https://bit.ly/2yepukp>).

It is also possible to look at measures which isolate government funding of primary and secondary schools only. On these measures, the UK had the highest total government expenditure as a percentage of GDP in the G7, and was one of the higher G7 countries (though below the US) on expenditure per student (with all countries' spend converted to US\$ using purchasing power parity rates to allow international comparisons to be made). Data on expenditure as a percentage of GDP by source of funds can be found in Table C2.2 (<https://doi.org/10.1787/888933804242>) and data on expenditure per student by

source of funds can be found in Table C1.5
(<https://doi.org/10.1787/888933804109>).

Of course, spending our money well is as important as how much we spend. For schools, we have just launched our Supporting Excellent School Resource Management guide (available here: <https://bit.ly/2Rsw27R>). This summarises the range of practical help and support available to schools to help reduce cost pressures and make every pound count to produce the best outcomes for pupils, on the £10 billion spent across England each year on non-staff costs. The document also shows at a macro level how increases in funding over the last 20 years have been spent. Comparative spend data for individual schools can be found through our benchmarking service (<https://bit.ly/2BUJ8q1>).

Damian Hinds
Secretary of State for Education

[The Treasury keeps the UK under the control of EU austerity policies.](#)

The UK solemnly goes on complying with all requirements on a member state of the EU. This year they dutifully filed their “2018 National Reform Programme and their 2018 Convergence programme”. The Treasury has long accepted the EU’s demands that we keep throttling back the deficit and move to getting down the debt as a percentage of GDP. There are times when the EU are right about this, but at issue is who makes such a judgement and who actually runs our economic policy? The EU has overdone the austerity in some cases causing more unemployment and lost output than needed. Mr Osborne turned this into the keystone of his economic policy and claimed it as his own, but it was just the UK version of EU economic policy which we were obliged to follow by being members.

The EU duly marked our homework this year and concluded formally “The Council is of the opinion that the UK needs to stand ready to take further measures as of 2018-19 to comply with the provisions of the Stability and Growth Pact”. Presumably seeing that this would go beyond our membership, they mentioned in the supporting text the possibility that we will stay in for another 21 months transition when they would expect this policy to continue to be binding. The Council has instructed the Treasury to keep the nominal growth rate of public spending down to a maximum of 1.6%. That is a real terms cut at current inflation rates.

I want the UK Treasury to step aside from the long shadows cast by the European Semester and to announce a new budget strategy for the years ahead following our departure on 29 March 2019. We need a policy which is kinder to growth and to public service provision than the EU strategy has proved. The PM has said she is ending austerity. This is incompatible with following EU

rules beyond next March, and depends on getting our money from the EU to spend at home.

Let's grow and rear our own great English breakfast

In my speech to Parliament on the Second Reading of the Agriculture Bill I will ask the Secretary of State to improve his Bill. It should have at its centre the provision of laws and government policies that support growing food at home, and promote more UK output. Mr Gove presents himself as a champion of the environment. What better cause than to grow more food at home, slashing food miles and taking care of our countryside for a useful purpose at the same time. It will bring big carbon savings on transport, refrigeration and storage.

During our time under the control of the EU Common Agricultural Policy we have watched as we have become more and more dependent on food we could produce for ourselves coming in as imports from the rest of the EU. Meanwhile food we cannot grow for ourselves faces substantial tariffs from non EU sources, with no benefit to us.

So my questions are

Will he put food production at the centre of his Bill? Why is he relaxed that the Great English breakfast often has Danish bacon, continental pork sausage and Dutch tomatoes? Why does traditional English roast beef often use imported beef with Spanish and Dutch vegetables? Can't we do these things for ourselves again?

Will he with the Trade Secretary publish now the schedule of tariffs the UK will impose on the rest of the world including the EU on 30 March 2019 if we leave then, or at the end of the Transition period if we reach an Agreement? Will he cut the tariffs on non EU products we cannot grow for ourselves? Will he set a sensible tariff on worldwide temperate produce, which can be lower than current EU tariffs as we will be levying on rest of EU produce as well?

Will he examine how the current EU subsidy levels could be better spent to reward those farmers who boost output and productivity as well as dealing with environmental concerns?