

The Brexit Vision

Following the rejection of the UK's very generous offer to the EU by the Commission and the Parliament, I am reminding people why we voted Leave by publishing the relevant section from my recent lecture.

The negotiating mandate put out by the EU falls well short of a Good Deal for us and for them, as it seeks to tie us down in far too many ways without offering a good reason to accept their terms.

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

The Italian election

The BBC and other parts of the media seem to be very quiet about the Italian election. You would have thought this stunning result was worth a bit of comment, analysis and discussion. Just as we saw in Greece, Germany, the Netherlands and elsewhere in the Eurozone the traditional centre right and centre left parties have been dashed aside. 5 Star, a fairly new movement, has swept through the south of Italy, whilst the Lega has dominated in the northern Italian plain, taking much of Lombardy, the Veneto, Trentino and Piedmont. The centre left governing party was left holding on to Tuscany, whilst losing in most of the country. It slumped to just 18.9% of the vote, with the centre right party Forza that had displaced the Christian democrats some years ago only polling 13.9%.

Both 5 Star and Lega are Eurosceptic. Mr Salvini who leads Lega speaks for the centre right coalition as its largest party. The coalition has 37% of the vote. Mr Di Maio, the leader of 5 Star, speaks for 32.3% of the vote. One of them should be Prime Minister, though coalition talks could I suppose find some other combination of parties which gave the job to someone else. The Lega campaigned for Italy to leave the Euro and to remove the Maastricht, Nice, Amsterdam and Lisbon Treaties from Italy's constitution. 5 Star dropped its wish to leave the Euro, but made clear its opposition to EU budget and Euro austerity policies and proposed spending more with tax cuts.

Lega representatives have made clear their view that the EU should change its approach to the UK and try and rescue an Agreement which they think would be in the EU's interests. They had already upset the EU authorities massively, so that will not make much difference to the relationship.

The Italian result is another in a long series showing growing anger and frustration with the economic and budgetary policies of the Euro, high levels of unemployment, and the EU's migration policy. It will probably make Brussels corral the waggons of integration more and will doubtless entice them to try to influence the government formation talks which will now be fascinating. The collapse of Italy's governing party to 18.9% does at least make Mrs Merkel's 26% vote share for her CDU look good!

Let the UK be a voice for free trade

Most economists and most western governments agree that the more you free trade the more prosperous the participating countries will be. It is clearly true in theory. If Country A removes tariffs or other barriers to importing better and cheaper items it will be better off by the amount it saves on the imports, whether the other side similarly liberates or not. If both sides remove barriers then clearly both will be better off, as each will concentrate on what they are best at, lifting the buying power and living standards in both countries.

Today the theory of free trade and international specialisation is under threat, both from Mr Trump who thinks tariffs and a trade war might be good for the USA, and from China, the EU and others who impose tariffs and non tariff barriers against trade whilst claiming to believe in free trade. It is the huge German/EU surplus on its US trade, and the Chinese surplus with the USA that has triggered Mr Trump's interest in the first place. He argues that there is an excessive imbalance because China and the EU do not play fair. He points to cheap currencies, state subsidy of overcapacity and below cost prices for some Chinese goods, and the EU tariff of 10% on all imported cars as part of his case. He says he wants to rework NAFTA and explore bilateral trade deals that are fair to the USA and to the other party. He thinks a bad trade deal is damaging to US interests, undermining jobs and incomes at home as the US comes to rely on cheap imports and foreign exchange borrowings to pay for them. He points to high levels of protectionism on agricultural produce in the EU and the NAFTA area.

A trade war will make losers of all involved. What country A gains on domestic production by pricing out imports it loses on exports to Country B who retaliates, and loses out from the higher price level in its own country squeezing real incomes. With a steel tariff on imports into the US, for every steel job at home that helps, several steel using jobs at home are weakened.

At this juncture the UK stands close to the point where it is an independent country again capable of pursuing its own free trade policy globally through its membership of the WTO and its worldwide network of diplomatic and business contacts. This is a good time to make the case for freer world trade and to lead negotiations at the WTO to put new life into removing tariffs and other barriers. They are still universally high on agriculture, and a wider issue with many emerging market countries that retain high levels of protection in ways that are unhelpful to themselves.

Mr Redwood's intervention during the statement on the National Planning Policy Framework (NPPF)

Rt Hon John Redwood MP (Wokingham) (Con): Wokingham Borough Council, the unitary authority in my area, has issued a very large number of planning permissions—well above its five-yearly amounts under the plan—but the build rate has not always been high enough. Will the Secretary of State help such local authorities through experiments to find ways of increasing the build rate so that homes are built where they are agreed to be built, rather than granting on appeal houses elsewhere where there would not be the same infrastructure contribution and the same ability to fit in with the plan?

The Secretary of State for Communities, Local Government & Housing (Mr Sajid Javid MP): My right hon. Friend raises a real and important issue, which he knows I have discussed with his local authority. The measures subject to the consultations that we are announcing today will certainly help with that problem. I hope that my right hon. Friend the Member for West Dorset will provide further help when he reports back on the work that he is doing.

Complex supply chains and industrial integration

There is a strain of advice going to Ministers from officials, the CBI and others of the Remain persuasion that we now have complex supply chains in business, and that European integration of industrial activity means we have to stick close to the single market.

In the 1980s before I became a Minister I chaired a large quoted industrial group. Between 2003 and 2010 in the opposition years I chaired an industrial group servicing the global market with some European production, as well as plants in the USA, India and China. I now realise I was in charge of complex supply chains. They did not cause problems at the time, despite the fact that components and finished product crossed many borders both within and outside the EU.

I have two main conclusions from my experience. The first is it is true that just in time and high quality production required careful management of suppliers. Sourcing was global, not regional. There is a high degree of mutual dependence in modern industry on a range of suppliers around the world. Large companies do not rely just on the EU or just on the US these days.

The second is we had no more difficulties with non EU sourced components than with EU products, despite all such products if needed in EU based factories having to come in under WTO rules.

The crucial things we had to manage were the quality and quantity suppliers could deliver, and the ability of the transport system to deliver them over long distances in some cases. Government interference in the process was rarely the main problem. Goods moved with electronic manifests, were always traceable and well known to the authorities in the countries they were travelling through.

There is absolutely no need to bend or drive UK policy on some fear about supply chains. Cheaper good quality components and products will still get there from EU and non EU places as they do today, whatever Agreement or lack of Agreement we end up with.

In the case of the pharmaceutical industry some claim to worry about the degree of UK/EU business integration, whilst ignoring the fact that UK/US business integration is much closer for the majors and takes place across WTO rules based frontiers.