

Where should we buy our food?

The one area of trade which will be affected by moving to WTO trade arrangements in the event of no trade deal with the EU is the trade in food. This is the only area where high tariffs can be levied, and are currently levied by the EU on imports from outside the zone. Were we to adopt the EU schedule of food tariffs on leaving the EU, they would represent a barrier to continental exporters of food to us.

Our trade in food is in massive deficit with the EU. They sell us the bulk of the £6bn of meat we import, and much of the £10bn of fruit and vegetables. Since we joined the EEC/EU our home producers have lost substantial market share to the rest of the EU, and have found it very difficult to export to the continent. Our beef industry was banned from exporting for a long period, and our milk industry did not have enough quota to produce more. Since 1990 our meat output is well down, our milk output has flatlined and our potato output is down.

The Netherlands have been successful at taking market share for salad stuffs and vegetables. The Danes dominate the ham and bacon market, continental cheese producers do well, and the French and German dairy industries also export large quantities to us.

If the EU decides against a free trade agreement with the UK then UK farms will have a great opportunity to produce far more fruit, vegetables and meat for the UK market. We could return from the 74% self sufficiency in temperate food to the 95% level we were at prior to the full impact of the Common Agricultural policy. We will also be able to remove tariffs from tropical food products which the UK cannot grow for itself, giving the consumer a better deal.

Economic assessments of leaving the EU

I have been sent a few copies of a lobby letter concerning the EU Withdrawal Bill which will have its Report stage in the Commons this week. The letter asks me to vote for an amendment that demands a full official economic assessment before MPs vote on any deal which may be agreed between the UK and the EU.

I see no need for more official economic forecasts and assessments. There have been many of them, including several official ones prior to the referendum and more official forecasts since the vote. The official UK study – assisted by the IMF and World Bank – prior to the referendum wrongly forecast falling output, employment and house prices in the year after the vote if we voted Leave. More recent official forecasts of the UK economy

estimate continued growth by the UK across the period of our departure, which seems to me to be more realistic.

The UK growth rate 2019-22 will depend much more on domestic policies pursued, and on the world economic background, than on any particular form of Brexit. If the UK government sets a sensible tax and spending policy, and with the Bank of England allows a reasonable expansion of money and credit, the economy will perform fine. As the world economic background is likely to be expansionary with tax cuts, fiscal stimulus, banking deregulation and more energy coming from the USA, easy money in the Euro area and Japan, and decent growth from the emerging market economies, that too will help.

It is difficult to see how the forecasters of gloom could believe voting to leave the EU would damage our growth, or why actually leaving will damage our growth. They wrongly thought consumer confidence would collapse, and now have unrealistic views that we will lose trade because the EU will wish to invent ways of stopping their exports to us so they can damage our exports to them. They need to understand that the EU and the UK will remain under WTO rules whatever deal or lack of deal is achieved. These rules and low tariffs or no tariffs outside agriculture have allowed a good expansion of trade in recent years for countries accepting the WTO system.

[The parole case](#)

A number of constituents have written concerning the Parole Board's decision in the Worboys case to express concern about his release. I have explained that Parliament too has expressed concern and has asked the government to reconsider. We have an independent Parole Board to make individual case decisions where Ministers do not intervene. Following the concerns expressed in the country and in Parliament we learn today that the government is seeing if there is any basis for them to intervene in this case through a Judicial Review. That will require evidence that the decision has not been properly made by the Board.

[Money for social care and health](#)

During last week's statement on the winter pressures in the NHS I asked the Secretary of State for Health and Social care to look again at the money coming to West Berkshire and Wokingham Councils for social care. The settlements have been tight, with a dispute over our entitlement when the system of calculation changed. He gave a friendly reply, and I will follow up

again in writing to see if we can do better in future years. I am glad there should be more co-ordination of social care and health care, given the need to provide good quality care to elderly patients on discharge from hospital.

The Customs Union and the World Trade Organisation

Those who continue to argue that we need to be in the Customs Union of the EU, or need to copy it from outside the Union as we leave, need to answer two very simple questions.

Why do we have a large and persistent trade deficit with the Customs Union, and a trade surplus with the rest of the world trading with them under WTO rules?

Why has our trade been growing faster in recent years with the rest of the world than with the EU Customs Union?

The figures are quite stark. Our trade in goods deficit with the EU widened to £96bn, and our travel deficit to £15bn. Our sales of services were quite unable to offset these large deficits in the way they do for our trade with the rest of the world. Between 2014 and 2016 our exports to the rest of the world grew by 6.7%, whilst our exports to the EU grew by a little over 3%.

The good news is with or without a deal with the EU we will be trading with them under WTO rules, as both the EU and the UK are members of the WTO and accept its rules and its arbitration system for any disputes. The recently enforced Trade Facilitation Agreement that came into effect last spring from the WTO binds us and them to keeping border arrangements friendly to business with smooth procedures for the passage of legal goods.

Germany in 2016 exported £66bn worth of goods to the UK and imported just £33bn back from us. The Netherlands exported £36bn to us, and took just £18.6bn in imports. I will be looking in future postings at what we buy from these large exporters, and what opportunities there are to buy from elsewhere should the EU wish to impose new barriers on their trade with us.

If they want us to go to WTO terms we will be able to find cheaper imports from non EU sources and produce more at home.