

# The EU Withdrawal Bill does not give Ministers large powers

It is one of those ironies that the people who most liked our membership of the EU which sidelined Parliament over large numbers of important laws, now claim wrongly that the Withdrawal Bill gives Ministers special powers to by pass our democracy. On the contrary, the Withdrawal Bill restores Parliamentary control over our laws in a very real way.

The UK has always had two main types of law approved by Parliament. Main policies and important changes are put into law by Act of Parliament. This requires a long deliberative process in both House of Parliament before approval. Subsidiary details, ways of implementing the legislation and updates to values and dates are often put through in Statutory Instruments. These go through after a short debate on a vote to approve or reject the whole Instrument.

During our time in the EU governments of all persuasions used these Statutory Instruments to impose whole new laws that would otherwise have required an Act of Parliament in order to implement EU Directives. They were able to do so using the argument that Parliament had legislated in the original European membership Act to accept all these EEC/EU laws. Whilst governments observed the form that they had to be approved as Statutory Instruments, Parliament was also told in each case it had to vote for these new laws to conform with the requirements of our membership of the EU.

The Withdrawal Bill is as important a piece of legislation as the European Communities Act which it repeals. IT will remove all ability of Parliament in future to put through what are effectively complex new laws without the need for an Act of Parliament. It will restore UK democracy.

It also will transfer all current EU law into good UK law to ensure continuity, and to reassure Remain voters. Thereafter Parliament will only be able to change these European laws if government proposes and MPs accept new primary legislation to do so. With this in mind the government is planning a Fishing, Customs, Trade and other new laws next year to change features of the EU law in these areas.

Opposition MPs object to the relatively minor power that Ministers may, under the this draft legislation, make changes to EU laws by Statutory Instrument where there are technical matters that need cleaning up. For example many EU laws refer to the UK as a member state. These references need to be amended to former member state. Some EU laws grant rights of appeal to EU bodies whose powers will be removed by this legislation, so Ministers need to nominate new appellate bodies.

Ministers have made it quite clear these powers are not designed to allow them to change the sense or purpose of the law with an Act of Parliament. They will only be used for technical matters. Parliament anyway has the right

to veto any SI under these powers, so it would be easy to stop any abuse.

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## UK Manufacturing looks stronger in August

The UK manufacturing PMI survey rose to 56.0 in August, well above the level of around 52 it was at during 2015 before the Brexit referendum became an issue. Industrial and manufacturing output is up slightly in June 2017 compared to June 2016, confounding the predictions of recession at the time of the vote.

Car output and sales which did extremely well from July 2016 until April this year, were hit by the tax increases of the last budget. However, total car output so far this year is only 1.6% down on the same period last year despite this. In part this reflects the high proportion of vehicles that are exported.

The UK industry runs a £13 bn surplus with the rest of the world and a £21.8bn deficit with the rest of the EU on vehicles. It also runs a £6.2bn a year deficit on components with the rest of the EU and is in balance on parts with the rest of the world. The EU has not been a good or easy market for the UK industry.

Since the vote Nissan has announced two new models for its Sunderland plant and Honda has pledged a substantial additional investment at its Burnaston facility. Component manufacturers also see the opportunity for more UK sourced parts, with Gestamp announcing a new Midlands manufacturing facility.

Meanwhile Ford has said it will be shedding an additional 1100 jobs from its Bridgend plant. This is in line with its progressive run down of UK vehicle assembly and related work over many years. It closed all vehicle assembly at Dagenham more than a decade ago, and closed its last vehicle assembly line in Southampton before we had in mind a Brexit vote. Transit manufacture for Europe shifted not to the EU but to Turkey. It does intend to carry on making engines in the UK, where UK technology and skills are a strength.

The UK's two largest vehicle manufacturers are Jaguar Land Rover, producing 544,000 last year and Nissan with 507,000, out of the total production of 1.7 million. Both are committed to their UK base and have scope to buy more components manufactured locally.

The UK government is promoting R and D in new vehicles and new technology, and is backing the Automotive Investment Organisation which seeks new investors to set up component capacity. The aim is to get the UK component proportion up from around 40% to well over 50%.

Boosting the component proportion is an important part of the strategy to generate more jobs here, add more value, and simplify the application of rules of origin for international trade. The motor industry has risen from just 5.4% of UK manufacturing output in 2007 to 9.4% last year.

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## The German election

The latest polls put Mrs Merkel's party on 39%. She has opened a good gap over her main rival, the SPD, but only because their vote has fallen away. The two main German parties sit on just 61% between them. On this basis Mrs Merkel is likely to lead the largest minority party, but will once again need to be in coalition to govern. She is currently in coalition with the SPD. In present polls the SPD who might like to try to form a coalition with the Greens and Die Linke, would not be able to do so. It is not clear who would need to be willing to serve in a Merkel led coalition and what they might demand.

Germany has a less acute version of the pattern of the collapse of the combined vote of the two main traditional parties that we see in most Eurozone countries. Germany has prospered better than the others, by locking into the single currency at a competitive rate for her and then keeping wage growth and deficits down to retain competitiveness. It is clear from the sharper decline in most of the other Eurozone countries by the old established parties that there remain unhappiness about what is happening on the economic front. In Germany the anti EU vote is still quite small at around 10%.

This situation contrasts with the last UK election where Mrs May's Conservatives got over 42% of the vote and the Labour opposition got 40% of the vote, making a total for the two main parties in excess of 82%. The Conservative vote was higher by a decent margin than at any time since the full impact of the European Exchange Rate mechanism policy became apparent in late 1992 with a nasty recession. That policy was recommended by the CBI, the Labour party and the Lib Dems, but the Conservatives understandably took the hit for actually implementing it. It took the banking crash of 2008 to get the Conservatives back with a chance of winning with a better rating for economic competence.

The German election provides the background to the recent unfortunate comments by EU Commissioners and to the briefing to the German media about the UK's negotiating position and abilities over Brexit. Clearly the German audience wants to hear that the UK will make a larger financial contribution for longer, as Germany will have to pay more once the UK has left as the EU does not seem keen to cut spending.

Meanwhile the government has rejected claims that they have offered a substantial financial settlement to the EU as some have briefed the press to

say write. Judging by the remarks of the Commission and some Germans in recent days the UK clearly has not offered to pay anything other than pour legal obligation to pay the running contribution up to the date of exit.

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## Shopping for Brexit

When we first joined the EEC and the public by majority voted to stay in I used the common market as it was intended. I bought a German car and French wine. I went on family holidays in Spain, bought Danish bacon and Dutch market garden produce. I noted that the businesses I worked for usually traded globally but made little or no progress in selling to the continent whilst doing well in the Americas and Asia. I also watched as UK industrial businesses struggled against the competitive strength of many continental challengers, from German cars to Italian clothing and textiles.

As the EU and individual member states from time to time made statements and decisions which were clearly against the interests of the UK and its economy I started to change my shopping habits. First to go were the foreign cars. I have bought UK manufactured vehicles since the early 1980s. I replaced French red and white wine with English whites and Australian reds. More recently over the last decade or so I switched to an annual holiday in England rather than the continent. I give priority to English food products when I go to the supermarket. This summer it has been possible to buy salad items, vegetable and fruits entirely from English farms.

Every time someone from the EU threatens us as their idea of a good way to negotiate I check the labels on products more carefully in the local shops. There is plenty of scope for us to make and farm more of what we need at home, which is exactly what we will do were the EU to seek to impose farm tariffs on their trade with us.

I note that still no member state has said it wants to impose new tariff and non tariff barriers on their trade with us. One day perhaps the EU will get round to talking about how they can keep their great access to our market. Meanwhile they should not upset all their customers in the UK too much. I saw other shoppers checking the product origin labels carefully on my last visit to the supermarket.

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## The German media tantrum

You know people are losing when they resort to personal abuse and bluster.

Clearly the German government was unhappy about being told the truth about their 100bn Euro bill for the UK to leave – it is a work of fiction.

I had many dealings with the German government and with their business representatives when I was single market Minister, many when I was making the case for the UK not to belong to the Euro, and a few in the run up to the referendum. The Germans always began in a friendly and diplomatic way, seeking to explain to me why it was in the UK's interests to accept a new law, join the Euro and remain in the EU. They thought I would be sufficiently amenable to see it from their point of view. They kept telling me that if I did not see it their way the UK would lack influence in the EU. That was such a silly irony – you will only have influence if you agree with us on all the big issues!

I used to explain to them that I am a UK MP, not a German one. I have no special insight into what laws, taxes and budgets Germany needs, and am not accountable to German electors for such decisions. I do not seek or expect any influence over the big issues affecting the German economy. In return I do not think Germany can help me and my colleagues in deciding what currency the UK should use, how high our taxes should be, what taxes we should impose, what laws we should have and how we run our borders.

They might then shift their ground and pretend that the EU does not have that much influence after all, and that the UK inside the EU could nonetheless influence its laws. I would explain that the true project, the one they often used to want me to adopt, includes the Euro, Schengen, common defence and much else that does mean major powers at EU level. This is clearly something the UK does not want. I accept and always have accepted that out of the EU they will decide what regulations to impose on companies selling to them, just as the USA decides the terms on which we export to them. The difference is once we are out we do not have to impose those same requirements on everything we make and sell elsewhere if it does not suit us and our customers.

Today we see yet again the German media and probably some in the German and EU governments misjudge the UK position. Once again they think pressure, personal ridicule, scorn will force the UK to see it their way. It did not achieve their end when they tried to pressurise us into joining the Euro. It did not work when they offered Mr Cameron very little, thinking it would be sufficient to secure a stay in vote. It looks like they misread it again.

The truth is the UK can and will leave in March 2019, with or without a deal on the future relationship. I forecast that on that date, even after many more rows and disagreements, planes will still be able to fly from Frankfurt to London, German cars will still be admitted into UK car showrooms, and tourists will still make the pilgrimages between our two countries. The only question is will the EU make this easier, or does it have workable plans to make it a bit more difficult. We await their answer when they have cooled down. The present intemperate language belittles them. It does not damage us.