

Why do some commentators and many in the media exaggerate the economic impact of Brexit?

Brexit is a very important political event. Taking back control of our laws, our money and our borders means restoring democracy to these islands. That is why so many voted for Brexit. We didn't expect a magic wand once we are free again. We do want to live in a country where the government is answerable to the people and can be kicked out if it gets too much wrong. We do not like what is happening on the continent, where people cannot change their economic policies when they fail because they are controlled by the EU. As Syriza in Greece found, you can win on a ticket of changing policy but the EU does not let you. You remain in their case lumbered with mass unemployment and more cuts in cash wages .

The UK already has considerably more control over its economy than a Eurozone member. It can still create money, control its own banks and set its own interest rate. It can influence its own exchange rate. Its budget, however, is burdened by EU contributions, it is meant to follow the Maastricht criteria on deficits, it has to impose various taxes that it cannot remove and finds that elements of the rest of its tax system are altered or controlled by ECJ judgements.

Now we have voted to leave many ascribe every twist and turn of our economic performance to the Brexit vote. They usually credit Brexit with any negative figure, and express surprise at positives. They often add to a positive figure some comment that it may deteriorate at a future date, or say it has improved despite Brexit. Much of this is nonsense. The car market rose sharply from June 2016 to March 2017. This was not mainly owing to Brexit. It then fell and stayed low since then. This was nothing to do with Brexit, and everything to do with the Chancellor's decision to sandbag the market for new cars with higher VED on dearer cars, and for the government to cast a shadow over diesel cars in general.

The further fall in the pound in the summer of 2016 had much to do with the Bank of England's decision to halve interest rates again, and to create more money. This seemed a needless idea given that consumer confidence remained high and growing after the vote. The fall off in turnover in the housing market and the slowdown in price rises started in April 2016 before the vote, when the Chancellor made a tax attack on BTL property and hit the upper end of the property market with much higher Stamp duties.

Whenever a new figure comes out, good or bad, I ask myself how would we have explained this without the Brexit vote. In most cases the explanation today will be the same as before. I do not ascribe the excellent rate of jobs growth in the UK to the Brexit vote, as that had started well before the referendum. Nor do I attribute most of the fall in sterling to the vote, as that too had started well before.

On Thursday morning I almost fell out of bed when I tuned in to the Today programme and heard the business interviewer ask out of keeping a guest what positives could come for him from Brexit. I soon relapsed into my view that the BBC does not do positive Brexit when the interviewer followed up with the suggestion that Brexit would allow the UK to slash the employee protections in employment law! Why don't they follow the Brexit plot at all? Where were they when we kept repeating that we have no wish to remove people's employment protections and intend to keep them all? It must just have been mischief making for Brexit again as it usually is.

Mr Barnier's state of mind

Mr Barnier seems to think the UK will not settle what it owes. That is a misunderstanding. The UK government has always made clear it will honour its legal obligations. It will, for example, pay around £30 bn of additional net contributions to the EU for the near 3 year period of transition from our vote to leave to our exit in March 2019. That is a big win for the EU, given the fact that the UK Parliament could have moved to implement the referendum decision quickly and unilaterally to end our contributions much earlier. We could have renounced the EU Treaty instead of complying with it by sending an Article 50 letter. We chose the friendly route of leaving instead. It gives them plenty of time to adjust their budgets for after our departure. The problem for Mr Barnier is there is no legal or Treaty power to levy money on us after we have gone, and no legal requirement for us to co fund their budget after 2019.

As Mr Barnier and his colleagues are usually sticklers for the law of the Treaties, he should get on with implementing the various clauses in the EU Treaties requiring the EU to have close and friendly relations with neighbouring countries, and to promote trade between them. That of course is what businesses and many voters on the continent want him to do, as they want best possible access to the lucrative UK market.

It does sound as if the EU has been doing some homework on the lack of UK Ministerial powers to make ex gratia or additional payments to the EU above and beyond the legal and required contributions whilst we are a member. I see they are now talking about the UK paying money to low income third countries as overseas aid. UK Ministers do of course have powers to make overseas aid payments to such countries. The good news is we are already making large payments under this heading, so the EU might be able to take that into account to help it move on to the important issues over our future relationship.

Japan trade deal

Just as Leave argued, trade deals the EU currently has with third countries will become trade deals with both the EU and the UK on our departure. Japan is close to signing a deal with the EU and has made clear it would like to sign a mirror one with the UK. No country with an EU trade deal has stated it does not want to carry on with both the UK and the EU on the same terms after our departure. Unfortunately there are no EU trade deals with the big players, the USA, China and Japan at the moment, nor with close partners of the UK like Australia and New Zealand. That is our opportunity.

Why was there never any opposition to EU policies from Labour, the Lib Dems and Greens?

One of the things I most disliked about our period of membership of the EU was the complete absence of effective opposition to many of its plans, policies and laws. Policies that would have produced howls of protest if recommended for domestic decision by a Conservative government went through unopposed or little observed as long as they came from Brussels.

In the EU itself the Council of Ministers acting as legislature usually met in secret session. There was no formal opposition to expose the problems with a proposal, so it was only draft laws that annoyed a particular member state government that got any proper scrutiny. The European Parliament was a bit more capable of voicing criticisms, but contained an overwhelming majority of representatives who welcomed extensions of EU power and were therefore often willing to go along with new laws as each one helped with that aim.

It is bizarre that the Green party has never in the UK kicked up a big fuss about VAT on green products, for example. Strange that Labour and the Liberal Democrats offered no opposition to the UK joining the Exchange Rate Mechanism, one of the worst economic policies pursued post war. They otherwise opposed any Conservative government economic policy that was made in the UK. Where was Labour's voice demanding a more ambitious renegotiation when Mr Cameron set out to buttress the UK's membership of the EU by seeking only modest reforms to try to reflect growing public disquiet with what the EU was doing?

Instead Labour in office 1997-2010 and Labour in opposition 2010-15 tried to avoid talking about the EU as much as possible, and tamely allowed EU measures to pass without criticism. The EU was able to give us the beef crisis, the fishing discards disgrace, the ERM recession, the movement of

people well ahead of the Labour's government's planning figures, dear energy and much else besides without a squeak of protest. This lack of criticism over so many huge areas of policy made more voters sceptical of the project and worried about what it was doing to our robust tradition of criticism of governments. The ERM alone cost us around 6% of our National Income, or £120bn a year!

Now we have Mr Corbyn apparently taken hostage by the Blairites, now saying he wants us to stay in the single market, customs union and freedom of movement area. That will drive a big wedge between him and the many Brexit supporting Labour voters in the northern cities.

[The EU bill or leaving present](#)

The government has been very clear that it will pay what we owe. It seems equally clear we only owe the regular contributions up to the date of departure.

Those who argue we will have to pay something more are arguing for an ex gratia payment or leaving present. We received no credit or down payment when we joined to reflect all those liabilities the existing members had signed up to, so we owe nothing for future liabilities when we leave.

Those who say you don't leave a restaurant without paying the bill are right. But once you have left the restaurant you do not have to pay for other people's meals who are still dining, nor do you get sent a bill later for the staff pensions.

Were Ministers to want to go beyond just paying what we legally owe they will need new primary legislation. Ministers in the UK do not have the power to give our money away to other governments or institutions without an express legal power from Parliament to do so.

The 9 month delay in sending the Article 50 letter has already cost us around £9bn of extra net contributions or ££15bn of gross contributions. Those who wish to delay our exit are wanting UK taxpayers to have to pay more to the EU.