

## [The good things we can do as soon as we leave the EU – lets cut green taxes and much more](#)

One of the extraordinary things about the main Opposition parties in the Commons and much of the UK establishment is their failure to engage in working out all the good things we will be able to do as soon as we can make our own laws, set our own taxes and spend our own money.

One of the areas I identified and pursued before the referendum was the question of tax cuts that are illegal under EU law. There seemed to be near universal support for the abolition of VAT on sanitary products, so I trust that repeal will go through the Commons easily as soon as we are free. There was no opposition to the idea that we should abolish VAT on green products. Currently we have to charge VAT on controls for boilers and heating systems, on draught excluders, insulators and much else that can cut fuel bills. I hope a Conservative Chancellor will propose an early removal of these charges which impede reducing needless fuel use and keep more people on low incomes struggling to pay the fuel bills. I am disappointed that the Green party does not make a bigger noise against these taxes on fuel saving.

A more expensive item is VAT on domestic heating fuel itself. We are not allowed to remove this all the time we remain in the EU. Given the political sensitivity about fuel bills and the general view in the country that they are too high, removing this tax charge would make a welcome inroad into this difficulty.

Then there is the question of spending levels. Both sides agreed there would be substantial savings of contributions when we left, though there was a long and largely pointless debate over whether you should look mainly at the gross or the net figure. I would like us to leave and cease all payments by the end of March 2019, and would like to see some of the savings announced as extra spending on health and social care in the March 2018 budget ahead of departure.

We can reform our fishing policy to reclaim and improve our fishing grounds. We can design a farming policy that promotes more home grown food. There are so many opportunities. It is high time we had a proper debate about the upside to becoming a self governing country.

---

## [Visit to Royal Berkshire hospital](#)

I held a review meetings with the Chief Executive of the Royal Berkshire

Hospital yesterday.

We covered a wide range of issues concerning quality of service and the future development of medical care in our area.

I was able to report a very low level of complaints to me about the service the hospital is offering. The Hospital of course has its own complaints and patient feedback systems which should normally be used where there are issues. They monitor these closely and are best placed to deal with them directly.

---

## Voting on the EU

One of the first votes I cast was a vote in the EEC referendum in 1975, when we were asked whether the UK should stay in or leave the EEC. My employer asked me to research the consequences of a Yes and a No vote. I constructed an economic forecast based on the two scenarios, read the Treaty of Rome, and started my lifetime study of the EEC/EU and all its doings.

As a result of this research I concluded that the UK should leave the EEC for two main reasons. The first was the content of the Treaty. It made it clear this was no mere common market. It stated the aim was "ever closer union" and sketched an ambitious project which duly unfolded in later years of creating a state called Europe. I realised that the main political parties were all arguing that this was just a free trade relationship, a common market, when it was something very different. They sought to reassure us that no powers of self government were being taken away, when that was the express aim of the wider project.

The second reason I decided against was the economic impact. My forecasts showed that we would run twin large deficits inside the EEC. We would run permanent large trade deficits – as indeed we did. They decided to liberalise the trade in goods where the continent was strong, and to resist proper liberalisation of trade in business and financial services where we were stronger. This asymmetry led to big import penetration of our markets, and loss of UK industrial capacity. VW and BMW flourished whilst BL floundered. It was also likely to increase our state deficits, as the EEC required substantial and rising financial contributions from us. I did not forecast any introduction of a budget rebate as I did not foresee such a successful negotiation by a later UK government. Even after the Thatcher rebate the large contributions added to our budget deficits.

After the loss of the referendum I accepted the verdict of the people, and spent the next 25 years trying to ensure the EEC/EU was primarily a common market. By the 1990s this was demonstrably impossible, and I turned into an opponent of the centralising Treaties that followed, and started then campaigning for a way out via another referendum. Attending 21 Council of

Ministers meetings, mainly as so called Single market Minister, confirmed my view that this was not primarily a common market. I disliked the absence of democratic challenge and accountability to what we were doing, and the use made of the so called common market to further a massive legislative programme that by passed national democracy.

---

## [Provident Financial and lending to people who are on low incomes](#)

Lending and borrowing have caused all sorts of problems in recent years. The authorities are now proceeding with more caution, after their disastrous experiment with too much credit up to 2007 and too little in 2007-8. The bulk of lending to individuals in the UK is to let us buy assets we cannot afford to buy outright. Most lending allows people to own a home. Over most time periods since 1945 houses have gone up in value, making the loans safe for the lenders and usually a sensible commitment for the borrowers. The lenders can normally get their money back if an individual can no longer afford the interest charges by agreeing a sale of the property. The older pattern of borrowing on mortgage when comparatively young also increased the security for the lender, as younger people often go on to gain promotion and pay rises making the mortgage more affordable. This would only cease to make sense if the authorities so deflated the system that they brought home prices down a long way.

Lending to let people buy cars also has some features of asset backed lending. If any individual is unable to keep up the payments the lender should be able to sell the car for all or most of the value of the loan. Only if the market overextended car loans greatly and then the authorities created recessionary conditions generally would this become a problem for the lenders who would stand to lose more from falling car prices.

The most difficult area is lending to people who need money to pay day by day bills. Here the lender has to make individual assessments about need and capacity to repay. Until recently Provident Financial has been successful for its shareholders by judging how much it can lend to people without assets and in need of immediate cash. It has chosen usually to lend for short periods of time at high interest rates, making it a profitable business. When this industry was subject to a Competition enquiry it was accepted that the clients on the whole wanted the service offered and were prepared to pay the high rates involved. Some would say they had no choice, as there was no lower priced credit on offer and they needed the money.

This week news has come out that Provident by changing its business approach is now finding it difficult to collect all the money owed on outstanding loans, and is unable to write as much new business as it was accustomed to do. Partly for regulatory reasons and partly for efficiency reasons the company decided to replace its network of Agents going house to house, building relationships with people in need of credit. These agents were

rewarded based on their performance at collecting cash from clients. Instead it recruited 2500 Customer Experience Managers and equipped them with modern technology to enable more management information and regulatory control of the relationships. They are remunerated on a different basis. So far they have found it very difficult to collect all the money owing on the loans they have and to write enough new ones to keep it running as before.

What is the right answer to lending to people in need of cash for day to day spending? Could anyone do it for lower rates of interest? How should such a business adjust to new technology and current regulatory requirements? It does not look as if the problems at Provident are signs of some new massive credit crisis. They operate in a part of the market where the main banks do not get much involved.

---

## [A UK foreign policy with the rest of the world](#)

Once out of the EU the UK will have more influence worldwide. We will regain our voice and votes on international bodies where the EU currently represents us. We will be able to work more closely with natural allies like Australia and New Zealand, and the wider Commonwealth.

The government has stated its wish to become a pioneer of free trade worldwide, and has found a welcome at the World Trade Organisation now we are converting our membership back to full voting membership. There are ready allies that will see the UK as a good ally giving them more influence on world issues. They will want early Free Trade Agreements with the UK. The UK as a member of world standards bodies will be able to do more to promote better exchanges of services, which bring with them better understanding between peoples and countries. Collaborating more in the arts of peace and a mutually beneficial commerce could help the world politically as well.

We will remain an important member of NATO, making the largest financial contribution after the USA and supplying essential military capability to the common defence and to the peace keeping and peace making expeditions the Alliance will wish to undertake. The UK will continue to be a leader in global intelligence. working closely with the USA on counter terrorism and related matters.

I would like us to learn from the difficult experiences we have gone through with our Middle Eastern involvements. If the UK wants to have serious influence in the Middle East it needs to spend more time and resource on people with the languages and cultural and political understandings needed. My main take away from Afghanistan, Libya, Iraq and Syria is there needs to be more political work and less military intervention by the west. It is

difficult bombing terrorist groups of fanatics into submission given their mobility, the difficulty of identifying them and the impact your actions can have on recruitment.

Thea UK can also do good work in promoting wider global advances. The UK for example can be a leader in promoting animal welfare, in tackling modern slavery and promoting the English language as a medium for cultural as well as commercial exchange.