

The chilling silence about our money



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One of the oddest things about this out of touch Parliament is the refusal of most MPs to talk about how we should spend the windfall from leaving the EU without signing the Withdrawal Agreement. Worse still the Opposition parties rush to tell us we must go on paying large sums to the EU come what may, and even some in the government seem to be dreaming up ways to go on funding the EU after we have left. Given how central to the Leave case saving the money was, this is denying us our democratic decision. There is no legal basis to justify payments to the EU after we have left. The origins of the large £39bn Treasury forecast, itself an underestimate, comes from Mrs May's wish to delay our exit for 21-45 months which of course would lead to big additional payments, and her wish to dilute Brexit so we could remain entangled with new financial commitments thereafter.

Margaret Thatcher recognised that the UK had a bad deal on financial contributions, and got a substantial improvement to our deal as PM. Mr Blair gave away some of that improvement on the promise of a thorough reform of the Common Agricultural Policy which never happened. Many UK taxpayers are fed up with having to pay more tax to send to rich countries on the continent. These contributions give us no benefit at home, and add to the deficit on the balance of payments.

At a time when the world economy is slowing, and when Mr Draghi of the European Central Bank recommends some government reflation from tax cuts or spending rises, the UK needs a growth budget. Using the substantial money we save from October 31 if we just leave could give us the boost we need. We can spend all of the net contribution we save, whilst paying the same level of farm grants and other sums that the EU sends us from the high gross contributions we make to the EU.

The deliberate misinformation about EU grants throughout the referendum campaign sought to persuade voters that we would lose these payments when we left. They should have pointed out that as we sent them the money in the first place to pay these grants, we can simply pay them direct. More importantly, we save all the money we send and do not get back as well. We can boost the UK economy by 1% of GDP out of the savings and the tax overshoot this government has gone in for.