

# The contradiction of the Remain business case about Brexit

We often have the parade of those few Remain advocates claiming to speak for big businesses that want to stop Brexit. They frequently repeat themselves, going public to help the Remain cause. They argue more than one foolish contradiction.

The most obvious is their statement that leaving the EU without a very costly Withdrawal Agreement is plunging off a cliff, conjuring false images of sharp falls in output. They then follow this with their number one complaint that once out of the EU we will lose access to cheap labour from the continent which they say is needed to deal with the increased demand and expansion of business which they will be grappling with.

If they truly believed output will fall and stay lower as they imply, they would not bother to seek more labour. They would be planning an orderly reduction in the size of their workforce as people retired or left for other reasons. Their economic forecasts have been so bad for many years. The pro EU lobbyists wrongly wanted the Exchange Rate Mechanism, which did lead to a sharp fall in activity and business output and led many businesses to sack people without warning because they had failed to foresee the results of their ill judged lobbying for the ERM. They wrongly went along with or encouraged the Euro, which did considerable damage to UK export markets on the continent after the banking crash, when that was extended and worsened in the Euro area by the Euro crisis.

Next they wrongly forecast a fall in UK output in the months immediately after we voted to leave, which did not happen. Nor is there any no good reason to think that actually leaving should lead to that. Of course the UK needs to follow good positive domestic policies to thrive outside the EU, just as we needed to do that to grow or to offset harmful EU policies when in it. If we just get on with spending domestically all the money we save on leaving, the economy will perform well.

Let me reassure them again. UK output will not be damaged by leaving. It could expand more than currently if the government stopped its ever tightening monetary and fiscal squeeze. The correct thing to do would be to offer tax cuts and increased spending in this autumn's budget, covered by ending payments to the EU.

Business needs to turn its mind to productivity, and wean itself off the ever more cheap labour model. Together we need to build a world of higher pay, high skills and more computing and machine power to help people be more productive.