

# No Deal is a good outcome

No Deal is a good outcome for the UK. It means we take back control of our borders, our money, our laws and our fish as promised by the Leave campaign. The deals on offer from the EU fell well short of improving on No Deal. They want to continue overfishing our seas with their huge industrial trawlers. They want to control our law making in any area related in any way to business and trade. They want their Court to adjudicate disputes between us in a clear violation of usual international practice where an impartial Arbitrator is used or the two sides need to argue it through to agreement. Their every word and action signalled that they do not wish to accept the fact that we have voted to be an independent country and intend to be one.

When Mrs May with senior civil servants foolishly sought to recreate many of the features of our EU membership under cover of a so called comprehensive partnership the EU implied if we just wanted a Free Trade Agreement like Canada or Japan that would be easy to do. Once a new UK government offered to do just that the EU decided to impede and prevent it, and to pretend the UK still really wanted special access to the single market which required in turn subservience to their laws. There was little good faith in trying to implement the Political Agreement by the EU, given that it said at the heart of a new relationship between the EU and the UK would be a free trade agreement. The EU has always behaved with discipline and severity in its negotiating stance, assuming it can have its cake and eat it, whilst repeating its mantra that you cannot have access to the single market without accepting many limitations on your freedoms. This of course is simply not true for the rest of the world who trade with the EU without having to obey their laws, and who are happy to see their trade governed by World Trade Organisation rules. The EU as a member of the WTO also has to accept their rules and accept their disputes resolution. The EU has a history of some violations of WTO rules with penalties, as with the subsidies to Airbus.

I was asked to give many speeches during the Referendum campaign to business audiences. I always said No Deal was the only outcome we could guarantee. It was an outcome which would give a good answer for the UK, achieving all our aims to be independent. I used to go on to say it would be very easy – if there was political will – to add a Free Trade Agreement on top of No deal, which would be beneficial to both sides. In most free trade deals there are delays and problems with each side wishing to defend a tariff here and a non tariff barrier there. In the case of the UK and EU we start from a position where there are no tariffs and untowards barriers to goods trade, so it would just be a question of rolling over what we have. I also sometimes added that some thought the EU would not behave well or want to do that. In that event surely it shows how right we are to leave, if EU our neighbours, friends and allies behave in such a silly way towards us, to the point of hurting their own access to our own lucrative market. To the EU the UK has indeed been Treasure Island. They have taken large payments from us in the form of our net contributions to the EU, and have run a huge surplus on

goods and food trade through tariff free entry.

The Prime Minister has been right and crystal clear in saying we will leave the single market and customs union. We want our own international trade policy, and will be a more powerful and consistent voice for freer trade than the EU. To do this we need to have full control of all matters relating to trade and business. The single market has been damaging to the UK overall. In our first decade in the Common market as it was then erroneously called we lost half our motor manufacturing capacity as tariffs were removed. Over the years we have seen the loss of most of our steel industry and aluminium output, serial damage to textile and ceramic manufacture, the mass closure of foundries and the break up and contraction of our chemical industry. Our market share in temperate food production has fallen sharply, and we have gone from being a net exporter of fish to a shrunken industry with consumers reliant on imports for much of our demand. EU grants and subsidies have bid some business investment away from the UK. EU rules have often been based around the needs and methods of large scale continental producers at the expense of our firms. The EU has failed to negotiate trade deals at all with two of our largest trading partners, the USA and China, and has not bothered about proper service sector access in other deals despite the UK's strong position in many service areas. Our average growth rate was faster before entry into the Common market post war than in the twenty years of Common market membership, which in turn was faster than our average growth rate in the years which followed 1992 and the so called completion of the single market. The UK establishment has never been willing to analyse the data and understand what was truly happening. They visited upon us the disaster of the Exchange Rate Mechanism, whose predictable impact caused a major recession at the very point there was meant to be a boost from completing the single market!

So how can now use our freedoms as we leave with No Deal, assuming there is no last minute wish to be sensible by the EU and agree a Free Trade deal? We should be up and running with tax cuts – at last we can take VAT off all those green products from insulation to boiler controls the EU insists on, and lift tariffs from South African oranges and other tropical fruit and food that we cannot grow for ourselves. We should pursue our offer to the USA of removing EU retaliatory tariffs on their goods if they will drop their tariff on Scotch whisky, which was an unwelcome hit from an EU trade spat. We should set up Freeports and Enterprise Zones to marshal new investment and make more in the UK. We should reorient farm subsidies to slash the food miles and grow more of our own salads, fruits, and vegetables. We should land more of our fish at home and add fish processing to create meals and products that we want to eat or which we can export. We should put in more electricity capacity and end our growing dependence on imported EU power. As the government encourages the planting of many more trees we should ensure more sustainable forestry to cut the massive timber imports.

These are all good reasons to press for the No Deal Brexit. The best reason of all is to be free, living in an independent country. I want to help pass on a country that is self governing, a beacon

for democracy. Brexit means taking back control of our laws, our borders and our money. That way we will be better governed. If any given government lets us down we can sack them and get the answer we want from another. That is something we could never do as members of the EU. They gave us the laws and we did not control the government.

(this was meant to be published by Conservative Home who asked for it)

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## How do we best contain the virus?

The recent world figures for deaths from the virus show Belgium continuing to lead the grisly table with 1516 deaths per million people, followed by Peru at 1099, Italy at 1052 and Spain at 1005. All of these countries have followed World Health Organisation advice and had extensive lock downs. Sweden which did allow a little more freedom rests below average for advanced countries at 720. Germany has done much better than most at 247. Brazil at 840 is below the worst despite taking a more sceptical approach to the consensus.

Most of the Asian countries have done much better with very few deaths in Taiwan, South Korea, China and Japan. Taiwan had to develop its own response early as it is not allowed by China to be a member of the WHO. It used its island position well to keep the virus at bay. Maybe the Asian SARS outbreak left better immune responses or maybe these societies were more disciplined over track and trace follow up.

I would like to see an explanation of why Belgium has suffered so much more, along with more understanding of the much better experiences of many Asian countries. It is possible the world tables are distorted by different definitions of what is a Covid death, and different levels of CV 19 testing. Clearly the U.K. and USA have found many more cases since they introduced Mass testing on a large scale. Some other countries have not tested so much and may have attributed more elderly deaths to something other than Covid.

In the UK The devolved Administrations have from time to time varied their approach from the U.K. and English one. Wales thought that a so called circuit breaker of two weeks would do well, but it did not turn out that way. Scotland was talking about eradicating the virus in the summer by being a little bit tougher, but that did not work either. It has demonstrated there is no easy answer to controlling the spread.

I would be interested in your thoughts on what has worked best, and on why there are such big differences between most of Europe and most of Asia. We still have some months to go of containment, preferably without doing too much more damage to the economy.

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## The EU Summit December 2020

The main conclusion to come out of the Summit was the new target of 55% carbon dioxide reduction compared to 1990 levels by 2030. This was reached despite opposition from Poland, seeking to defend its coal industry.

This is tough target for the EU, as the EU remains more dependent on coal for direct and for electrical power than the UK, and cruelly dependent on imported Russian gas. Germany also has a much bigger reliance on carbon fuel related engineered products than the UK, and these are now more at risk. The reliance on Russian gas is a strategic vulnerability as well as a carbon infringement of their green aspirations. I will be looking again at what the new range of carbon reduction targets will mean for western economies and societies in future posts. What is clear from the EU's attempted rapprochement with Joe Biden's USA is they plan a strong green tie across the Atlantic. The EU has a long way to go to get to its new targets, and has various interests unhappy about the direction.

The top down green revolution will now be pressed heavily from both the USA and the EU, assuming the US courts do not change their mind about the Presidential election. Everything the EU says and does is driven by the overriding priority of cutting emissions, and their whole offer to the member states is they will lead Build Back better as top down green growth. They will be looking at a carbon border tax, beefed up emissions trading taxes and a raft of regulations, taxes and subsidies to tilt the playing field in various sectors towards the green alternative.

The Summit also considered the developing conflict between the EU and Turkey. The EU complained about the aggressive language of Mr Erdogan particularly about President Macron. The EU seeks to restrain Turkish offshore drilling in the Eastern Mediterranean and use of warships to protect their activities. Meanwhile Turkey has a lever over the EU, as Turkey is housing 3.6 million Syrian refugees, with financial help from the EU who would prefer the people to stay in Turkey.

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## Remain economic forecasts left in shreds

The Treasury and other pro Remain economic institutions told us before the vote that if we voted to leave the following would happen. There would be a big loss of jobs. House prices would tumble. There would be a large loss of

output. The pound would fall. This would happen as a result of the vote – they did not say it would only happen after we had left. When their forecasts proved to be wildly wrong., they then shifted their ground and said some of these same effects on a smaller scale would happen after we have left.

So what did happen and what will happen next year?

Employment surged from 2016 to early 2020, with employment rising from 74% to 76.5% of the potential workforce, with continuing inward migration increasing the size of the workforce at the same time. The CV 19 hit still leaves it higher than in 2016 prior to the vote.

House prices continued to rise in cash terms throughout the period post the vote.

GPD growth remained satisfactory from mid 2016 until the CV 19 disaster this year

The pound fell from \$1.42 to \$1.31 shortly after the vote, but went back up to \$1.42 by April 2018. It has fluctuated since and is currently at \$1.33.

What will happen after we have left the single market and customs union?

According to official forecasts from forecasters known for their belief in the advantages of the single market, the UK economy will experience the sharpest rate of improvement in 2021 it has seen for decades. The CBI thinks we will grow a lively 6% in 2021 and a further 5.2% in 2022. Oxford Economics thinks we will grow by more than 10% next year and outgrow other European economies and the USA by a large margin.

So our first year as an independent nation will likely see a great growth rate, contrary to expectations. Of course the pandemic has a lot to do with this, but it just shows how wrong the pessimistic forecasts of the Remain forecasters proved to be. They themselves are now forecasting a much better outcome in 2021.

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## **My speech during the debate on the Taxation (Post-transition Period) Bill, 10 December 2020**

The origins of this legislation lie in the negotiations under the previous Prime Minister that introduced the whole idea of a Northern Ireland protocol. I regretted those negotiations very much. I opposed them at the time and did not vote for the deals that my right hon. Friend the Member for Maidenhead (Mrs Theresa May) came forward with, because I thought they were designed by

the EU as a lever to try to delay, dilute or damage Brexit.

When the current Government asked me to support their version of the withdrawal agreement, I still had considerable reservations about the Northern Ireland protocol. I put those to Ministers, who reassured me and said, "This is only an outline operation in the withdrawal agreement as currently drafted. None of the detail has been done. We will negotiate very strongly. We will get rid of the offensive features that you don't like." They said that they shared some of my concerns and that they would come back with something much better. I am always trusting of colleagues, so I said that that was very good to know but that I did not have the same confidence in the EU.

I thought it was unlikely that the EU would want to facilitate that in the way that I and the Government would like. so with some friends, I backed my hon. Friend the Member for Stone (Sir William Cash) in saying that the way through this was to put clause 38 into the European Union (Withdrawal Agreement) Bill. Under that clause, were the EU to act in bad faith and not come up with a workable solution for Northern Ireland and the other problems, we would have asserted UK sovereignty in our version of the treaty, and so in good law we could use clause 38 to legislate in Britain for what we intend to do, overriding the agreement.

It was quite clear from the drafting of that Bill that we wanted that override, and I would not have dreamt of voting for the thing without the override. The Government were saying that they did not think we would need to use it, but we could use it if we had to, which is why I was pleased to support them earlier this week in a very modest override. It is entirely legal; it is the assertion of British sovereignty. We need to keep that in reserve, because without seeing all the detail from the Chancellor of the Duchy of Lancaster, I am not satisfied yet that we have a working operation for the Northern Ireland border and the matters that we are discussing today—more precisely, who controls the taxation.

What I do not like about these proposals is that it is extremely difficult for individuals and businesses to have to respond to two legal jurisdictions on tax in the same place, yet we seem to have both an EU VAT system and a UK VAT system. I hope that the UK VAT system will deviate rather more from the EU one and be friendlier, lower and apply to different things, but the more that that happens, the more difficult it will be if we are trying to enforce two different VAT systems in one part of the United Kingdom.

I am also concerned about the enforcement mechanisms. We are led to believe that it will be handled by HMRC, but we are also told that the ultimate authority on the EU part of VAT and excise will be the European Court, and therefore there are likely to be inspectors and invigilators—electronic or in person—interfering in the process within what should be sovereign United Kingdom territory. I hope the Government will think again and push back again.

We need more of the detail that the Chancellor of the Duchy of Lancaster has so far withheld from the House. It may be that he does not yet know it all or

that his agreement is high level, in principle, but there are details that we need to know—indeed, details that it would be better to know before we legislate today. For example, the Chancellor of the Duchy of Lancaster says that delay periods for adjustment will be necessary for supermarkets and some meat products and so forth. Does that not require some kind of recognition in this legislation? Does it not mean that these jurisdictions do not kick in during the period of grace that we are told will be available?

We need to have more detail from the Government on what exactly happens at the border. I have always explained to the House and others who are not very interested that VAT and excise take place electronically across the borders at the moment, so we are talking largely about an electronic border. We need to know how this electronic border will be programmed to deal with the competing jurisdictions and competing incidences of taxation, and how the product codes and shipment codes will correctly identify the products by category that will be suborned by the EU jurisdiction as well as, properly, by the UK jurisdiction, which ideally would be handling the whole thing.

We do not have nearly enough time to discuss the fundamentally big issues of principle that the Bill brings before us and we have had precious little time to go into the detail. It is all very sad that this rush job is being done like this, but I hope before the Government finish the debate today they will have done a better job of explaining to someone like me why we need to have this dual jurisdiction; how the EU control is going to be limited; how it is going to operate; how, in the early days, the “transitional arrangements”, which we are told about, are going to apply; and why they are not reflected in the current text of this rather unfortunate piece of legislation.