

# My contribution to the European Union (Withdrawal Agreement) Bill, 10 January 2020

**John Redwood (Wokingham (Con)):** Clause 38 is welcome. I pay tribute to my hon. Friend the Member for Stone (Sir William Cash) for being one of the co-authors of that excellent piece of Government-proposed legislation. I also support the Minister in opposing various new clauses and amendments before us.

It seems to come down to the question, "What is sovereignty?" and I think the public understand it so much better than many Opposition MPs seem to. The public fully understand that our constitution should be based on the proposition that the public decide who should represent them in the House of Commons and then the House of Commons decides what laws are appropriate, what taxes to raise and how to spend that money, and at the end of four or five years—or sometimes a shorter period—the public get to judge whether we collectively made a good job of it or not, or whether there is some new configuration of Members of Parliament that can make it better. So the public are ultimately sovereign but they trust us, their elected Members, with their sovereignty for a period of up to five years to exercise the powers of government.

When we first joined the European Economic Community, the country was assured that that sovereignty—that set of powers—would not be damaged in any way. To underwrite that promise the Government said, correctly then, that there would be no matter decided in the European Economic Community that could be forced on the United Kingdom against its will; we always had a veto so that if it proposed a law, a charge or a tax that we did not like, we could use the veto. Over our years of membership, we have seen those vetoes gradually reduced—those powers taken away—so that today, although we are still a full member of what is now the European Union, there are huge swathes of policy areas where we are not free to legislate where we wish, or in some cases not free to legislate at all, because it is entirely occupied territory under the Community *acquis*.

The ultimate sovereign power in the United Kingdom today is the European Court of Justice; that is the ultimate appeal of any legal issue, and it can overrule what the two Houses of Parliament decide, it can overrule a statute, and it can strike down a law passed in this place. It is that which a majority of the British people decided they thought was unsatisfactory.

When they had voted many years ago to support our continued membership of the European Economic Community it was called a Common Market and misrepresented as a free trade area, which of course is rather different from a customs union with complex rules, and they were given an assurance that their Parliament would still be able to choose their taxes, spend their money and pass their laws in the traditional way. That turned out not to be true.

The loss of those freedoms was progressive under the Single European Act, under the Maastricht treaty, under the Amsterdam treaty, the Nice treaty and, above all, the Lisbon treaty. The Lisbon treaty was the culmination of that journey towards a very strong European Government that was superior to the United Kingdom Government, and the implied substantial strengthening of the wide-ranging powers of the European Court of Justice, because every directive and every regulation that was passed—and there were thousands of them—not only produced a more directly acting legal power over our country that we could not modify or change, but also gave so much more extensive powers to the European Court of Justice because it is the ultimate arbitrator of that body of law.

It is that body of law which this legislation today is seeking to put under United Kingdom control. We have been arguing over this for three and a half years now. The public thought it was a very simple matter and told us to get on with it. We had a fractious and unhelpful Parliament until recently, which did all in its power to thwart the putting into law of the wishes of the United Kingdom electors.

I hope today, after a second general election and after a referendum where the British people made it clear that they wished their sovereignty to rest again with them and be delegated to their Parliament, that the Opposition might have understood that, and might have understood that currently, contrary to what we have been told by the Labour Front Bench, there are a very large number of areas where we cannot do as we please.

Let us start with the money. Yes, we wish to take back control of the money. This Parliament cannot decide to reduce the amount of money it pays to the European Union. They decide that: they determine the bill and they enforce the bill. I hope that Ministers can reassure me that after December, at the end of the implementation period, that will cease and we will only pay when there is an agreement between us and the European Union that we accept for services or joint policies that we wish to undertake as a sovereign nation. We cannot go on accepting their hand in our pocket, taking our money under their legal powers.

I personally think it is a great pity that we have had such a delay to exit, because I resent the net £1 billion or more a month we are paying in. That will continue, I am afraid, throughout this year. I would like that money for priorities in Wokingham and in the constituencies of other colleagues here in the House of Commons. I find it very odd that so many MPs are so dismissive of the significance of the money, given the quite important role it seemed to play in the referendum campaign and given how colleagues are normally very keen to see increases in expenditure on public services in our country. They do not make the connection that if we carry on paying very large sums to the European Union, it limits our scope to make the increases they would like.

It also means we do not control our own taxes, so our country cannot choose the power to tax any of our sales; that is determined for us. It has to be the VAT tax system. We had to introduce that when we joined the European Union. There are arguments for continuing with some kind of VAT system, but surely we want to decide what rate it is levied at and what items it is

levied on. There are quite a number of items that I think it should not be levied on, where I think I would find agreement across the Committee. However, we are not allowed today to remove VAT from green products, for example, because that is against European Union rules. I therefore look forward to our opportunity to shape our own taxation system as soon as we are properly out.

There is then the issue of when we actually have control over our law. What I hope clause 38 will achieve is that if the European Union decides during the implementation period to pass laws that are particularly penal on the United Kingdom or are damaging to our commercial and economic interests, we can use that reassertion of parliamentary sovereignty before the expiry of the implementation period to ensure that that particular law does not apply to the United Kingdom. Otherwise, there is an invitation to anyone of bad will in the European Union to think of schemes that would be disadvantageous to the United Kingdom during the implementation period.

On borders, where again those on the Labour Front Bench seem surprisingly dismissive of a very important question that has been in our debate throughout the referendum and in subsequent general elections, I think there is a general view in the country, which goes well beyond Conservative voters, that there should be a fair system of entry between EU and non-EU people. At the moment, the EU gets preference. I think a lot of people feel that there should be some overall limitation on the numbers of people coming in seeking low-paid work or speculatively seeking work. They favour some kind of a work permit system, which is quite common in many other advanced civilised countries. Because we wish people who join us to be welcomed, because we want them to live to a decent standard and because we accept the commitment to pay them benefits and find them subsidised housing if that is their requirement, surely it should be in our power to decide how many people we welcome in this way, and to decide that that should be related to our capacity to offer them something worth while, and to our economic needs. I give way to my right hon. Friend, who has done so much in this area.

**Sir Iain Duncan Smith (Chingford and Woodford Green) (Con):** May I just pick up on one point? My right hon. Friend talks about, "should we wish to give them benefits". The reality now is that the British Government have to pay benefits even to families of people working over here when their families are not with them. That is roundly disliked across Europe, but those countries all accept there is nothing they can do about it because the European Court of Justice imposed that as part of freedom of movement. It was never debated as part of freedom of movement and it was never supposed that it would happen. It is an end to sovereignty when one can no longer make a decision to change something like that.

**John Redwood:** My right hon. Friend puts it brilliantly; that is exactly the kind of limitation of our sovereign power, and of our freedom to make decisions that please our electors, that I have been talking about. It is quite important, given the history of this debate.

Turning to the Scottish nationalists, I agree with what the Scottish nationalist spokeswoman, the hon. Member for Central Ayrshire (Dr Whitford),

said: we only want volunteers in our Union. We are democrats. We believe that the Union works, but that if a significant portion of the Union develops a feeling that it is not working for them, we need to test that. I was a strong supporter of accepting the Scottish National party idea, just a few years ago, that there should be a referendum. That referendum had the full support of the United Kingdom Parliament, which is the sovereign authority for these purposes on Union matters. I also fully agreed with the then SNP leadership when I talked to them about it—I think our formal exchanges were recorded in Hansard. They said that they agreed with me that whichever side lost should accept the result, and that it would be a “once in a generation” event, not a regular event that happened every five years until one side got the answer that it liked. I hope that the SNP will reflect on that. We are democrats and we want volunteers in our Union, but we cannot pull it up and examine it every two or three years through a referendum, which is very divisive, expensive and damaging to confidence and economic progress. We should live with the result.

**Dr Philippa Whitford (Central Ayrshire) (SNP):** Does the right hon. Gentleman accept that we did respect the result? We have been here for four and a half years. We would not have been if we did not respect it; we would have been independent, and we would not be being dragged over the EU cliff at the end of this month. He should accept that the claim of right that Scotland has had for 331 years did not disappear in 2014, and that his party has changed the entire fabric of the United Kingdom. It cannot continue to treat Scotland’s views with disrespect.

**The Second Deputy Chairman of Ways and Means (Sir Gary Streeter):** Just before the right hon. Gentleman continues, we do not want to be dragged into a debate on Scottish independence on clause 38. Let us continue to debate these amendments and the clause.

**John Redwood:** Good advice, but I am trying to address the SNP point related to its proposals on how we treat devolved government fairly and whether we are listening properly to Scotland. I think that we are very much listening to Scotland, but we have to understand that the matter of the Union is a responsibility of the Union Parliament, and that the matter of our membership of the European Union is a responsibility of the European Parliament. It is the hon. Lady’s misfortune to have been on the wrong side in two referendums, but there has been a deeply democratic process in both cases, as to whether Scotland stays in the Union and whether we stay in the EU.

I urge my right hon. and hon. Friends on the Front Bench to remember that there is a fourth country in our Union: the country of England. We are very reasonable people, and we do not go on and on about English issues. However, when we get to this debate over how the different parts of the United Kingdom are consulted and respond to the issue of how we leave the EU, England too needs a voice within the Government and needs to be seen as an important part of the process.

The overwhelming vote for Brexit was an English vote because in numbers, England is a very large part of the Union. That is important, just as the Scottish and Northern Irish view is. I hope that the Government will look at

this machinery of government issue and make sure that there is, within Government, a clear and definitive English voice. In due course, I think that we need to discuss whether this Parliament should have an English Grand Committee that can not only veto proposals that England does not like, but make proposals that England wants, because that would do something to correct the obvious imbalances that make this a particularly difficult matter to settle, when the largest part of the Union, with the overwhelming Brexit vote, is not formally represented in the discussions.

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## Poor retail sales

The disappointing retail sales figures should come as no surprise to readers of this blog. We are living through an entirely predictable economic slowdown brought on by Mr Hammond's fiscal squeeze and by the Bank of England's fierce monetary squeeze.

We need a pro growth budget. We need the Bank of England to follow the examples of the Fed, ECB, People's Bank of China and Bank of Japan and relax money policy to promote growth. Why is the Bank so out of line? Can't it see the way it has cut our growth rate?

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## Walk with kings but do not lose the common touch

MPs need to be confident communicators, willing to talk to anyone and to learn from anyone. As Kipling might have said they need to walk and talk with Prime Ministers and Secretaries of State , with Presidents and Ambassadors, with Chief Executives and executive Mayors just as they need to listen to anyone in a low paid job, the student and the unemployed to understand how it feels for them .

MPs need to be able to speak truth to power. They need to understand fair criticisms of a government they usually support and work away for its correction. They need to warn Ministers of criticisms and threats to what they are seeking to do, and to support them when they are in need of assistance for a course of action which is in the national interest. Opposition MPs need to remember that the government did get elected and is not always wrong, concentrating their fire on the areas where the government is weakest, making a mess or most out of line with public opinion. An intelligent opposition preparing itself for government also needs to present

a cogent policy choice and to oppose based on a feasible alternative.

In the UK system every MP must have a good sense of place, being rooted in the community they represent. One of the important roles is to show how local circumstances will be affected by national decisions, and to bring local examples to bear on national debates. Working with people in the local community, the MP can offer access to government and advice on how to develop public services.

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## [My speech during the debate on the European Union \(Withdrawal Agreement\) Bill, 7 January 2020](#)

**John Redwood (Wokingham) (Con):** I rise particularly to support clause 33. I think it is essential that we are finally out of the EU in every proper way by the end of this year. Some three and a half years have passed since the British people made their decision that they wished to leave. Many of us voted to leave because we think the world is going to be better once we have left. We do not regard it as some kind of disease or problem that has to be managed; we see it as full of opportunities. We want to rebuild our fishing industry under British regulations and British control. We wish to get all our money back and to spend it on our priorities in health and education. We wish to make sure that we can make the laws we wish, and which the people recommend to us in elections and in the normal dialogue between constituents and Members of Parliament. We are extremely optimistic about our opportunities as a leader of free trade worldwide once we have regained our full vote and voice in the World Trade Organisation and are able to do our own deals with all those parts of the world that the EU has not got round to doing deals with all the time we have been a member.

We are very optimistic. We think we are going to be better off economically. I have always said that, and anyone who suggests otherwise is deliberately misrepresenting my position. I share the frustration of many leave voters that three and a half years on and with a new Parliament with a very clear mandate we are still facing demands that we are going too quickly and that three and a half years plus another year—four and a half years—is still not long enough, and why not six and a half years?

**Daniel Kawczynski (Shrewsbury and Atcham) (Con):** Does my right hon. Friend agree that, unlike the Opposition spokesman, who seems to paint a very gloomy picture about our moving away from European regulations, this Parliament and this country are perfectly capable of regulating our own domestic affairs, and protecting the environment and workers' rights in the British way, without always acquiescing in EU laws?

**John Redwood:** I, in particular, think we can do a lot better on taxation. I do not want tax on all these green products that the EU makes us tax. I would not have thought that the Green party really wanted those. However, I suspect that if I or others moved amendments to the forthcoming Budget this March to take out those unnecessary taxes, we would be told we are still not allowed to because we are in the implementation period and have to accept European law. It has also interfered in our corporate taxes in a way that actually reduces the revenues we gain from big business. I would have thought Labour and the Liberal Democrats rather oppose that, but because it comes from the EU they are completely quiet on the subject. They do not seem to mind that the EU interferes with our revenue raising.

**Michael Tomlinson (Mid Dorset and North Poole) (Con):** Is my right hon. Friend as surprised as I am that the official Opposition and the Liberal Democrats, with their new clauses, are seeking yet further delays? Despite what the hon. Member for Sheffield Central (Paul Blomfield) says, that is the effect of new clause 4. It would mean a lack of the certainty that the British people voted for at the recent general election.

**John Redwood:** I do think it is almost unbelievable that the Opposition are talking about adding to four and a half years of delay, under the Government model—now, another two years—six and a half years. Six and a half years at £12 billion a year is a huge sum, and I would like to tease this out a bit more with those on our Front Bench because I think my right hon. Friend the Secretary of State misunderstood me. He thought I was talking about the cost to business, but I am talking about the cost to British taxpayers. This extra implementation period in itself—I really rather regret it, but I see it is a necessity from where we currently are, given the forces in this House—must be costing £11 billion or £12 billion, in tax revenue forgone, that we have to pay.

I would like some reassurance from the Front Bench that once we are properly out at the end of December, under clause 33, there will not be further bills. I want us to be able to say to the British people, “We now do control our own money. We are not going to carry on paying for this show.” I think it might be quite a good negotiating tactic to suggest to the EU that perhaps there is not a strong legal basis for some of the claims it wishes to make, because we need to put some countervailing pressure on the EU during this remaining negotiation period on the free trade agreement. I do not think we have to pay for a free trade agreement. I think it is massively in the interests of the rest of the European Union, because it sells us more than we sell it, but we have to be firm, otherwise it will walk all over us again and demand more concessions.

**Sir Desmond Swayne (New Forest West) (Con):** Is not the lesson of the prolonged, tortuous seven years of negotiation on the Canadian deal the very fact that it was an open-ended process that did not come to an end? The effect of new clause 4 is basically to ensure, in providing for an extension, that it makes that extension certain, because the knowledge that the extension can take place will take away the very pressure to make an agreement within the time that is available.

**John Redwood:** Those of us who have had to study European Union affairs for all too long, because they affect our own country so much, have learned from bitter experience that deals nearly always happen at the last minute under artificial or genuine deadlines that the EU has often imposed on itself. All we are trying to do, in supporting a Government in doing this, is to say to the EU that there is a deadline on this negotiation: "If you, O EU, really want a free trade deal with us, as you have said you do in the partnership agreement, hurry now while stocks last." It is not all about us, it is about the EU as well. It needs this free trade agreement, and we need to keep the pressure up. Let us tell it that there needs to be significant progress by the middle of this year so that it is realistic to finalise the text.

I do think it should be relatively straightforward, if there is good will on the EU side as well as on our own side, because we have been party to its international negotiations. If we take the best of the Japanese deal and the best of the Canadian deal—it is already there in text—it should be relatively easy to say that we can at least have that. The EU has already offered that to non-members of the European Union, and we should be able to add a bit more because by being a member we already have agreements to things that are in our mutual interest to continue.□

I would be very optimistic about the negotiations, but I am quite conscious that if we negotiate as, unfortunately, the previous Government did before the change of leadership and the general election, we will end up making more concessions to get something that the EU has already promised in the political declaration. I do not want the fish at risk, and I do not want the money at risk. I do want to take full control of the money, the fish, the law making and the taxes from the beginning of next year, as we are promised by this Bill, and clause 33 is a very important part of trying to deliver that.

I wish the Government every success. I am optimistic on their behalf because of the promises the EU has made. My message to the EU is: "Do not underestimate the British people. You may have been right to believe that many of their political representatives in the last Parliament were on the EU's side, not on the UK's side, but the British people are altogether a more serious proposition, and the British people have spoken loud and clear." The British people have had enough of the delay, enough of the dither, enough of the concessions and enough of the idea that Brexit is a problem. We believe in Brexit, we want the freedoms, and we want to choose our own taxes, our own laws and to spend our own money. Bring it on—the sooner, the better.

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## [Spreading prosperity around the country](#)

I am all in favour of policies which promote growth and greater prosperity



generally, and in support of any measures which can help catch up by the lower income parts of the UK. In many cases the policies required are the same.

The government is going to spend more and do more on infrastructure. Ensuring good broadband with high speeds in all parts of the country is essential to faster growth. Much of the investment can be private sector, as it should generate its own return. Where public sector pump priming is necessary there should continue to be clawback provisions in the investment agreements to protect taxpayers.

Investment in better transport is needed everywhere in the UK. London has needed substantial extra investment in the tube network because it is being impeded by its own success, with crowded tunnels and trains often leading to temporary station or platform closures to handle the numbers. London does not get much investment in new roads as there is so little space to include them. Outside London more road capacity is needed for buses and cars and more cycle lane provision. Commuter train services into many cities and towns need improving, with more trains, more comfortable trains and more reliable trains.

The government also needs to look at taxation. Too many taxes in the UK are set at rates that diminish the total revenue by deterring transactions and investments. High Stamp duties cut the volume of property transactions, which means sub optimal use of properties with people feeling taxed out of changing their property for one they can best use. IR35 is deterring self employment and losing the UK contracts. High Vehicle Excise duties have helped hit sales for UK made new vehicles, though they are greener and cleaner than the old ones they could replace. National Insurance and the training levy are taxes on employment when we want to promote more jobs. The current rate of Capital Gains Tax puts people off selling assets they hold that could be better developed or used by others.

The Chancellor needs a budget for jobs and growth. That should include reducing tax penalties on work, on investment and on transactions.