

Why a second referendum would be a disaster

Labour has adopted its new policy with all the enthusiasm of a group of naughty children deciding how to tell their parents of their misconduct because they have been rumbled. They successfully kept opposing the government on Brexit without having a clear position of their own. They implied this was somehow compatible with fighting the 2017 election on a pro Leave ticket. Under pressure they opted for the idea that it needed a General election to resolve matters, which served their own interests and kept them united for a bit. Once they lost a vote of no confidence the internal arguments forced a change of line.

I am spending time on their views because their votes matter in the Commons in the next few weeks. They have said only the public can now decide because Parliament is unable to. This ignores the fact that Parliament despite their opposition has passed the EU Withdrawal Act which means we leave on 29 March without a deal unless Parliament changes its mind and repeals or amends the legislation. Labour's proposed second referendum clearly cannot happen before we leave, so it implies they now want to delay our exit and wish to amend or repeal the legislation about our departure.

It also implies that they expect the EU to acquiesce in a delay to allow a referendum to take place. It would take most of the rest of this year to legislate for a referendum if Parliament was willing and then to hold the vote. It would require the consent of all 27 member states to the delay. If they wanted to change the terms of our membership or relationship that would need further UK legislation. If the EU were happy for us to continue our current membership then we would need to field candidates in the European elections, which no-one has proposed in any motion before the Commons.

If an opposition party wishes to show it is ready for government and wants to propose positive policies then it has to draft the relevant documents and propose the necessary motions. The absence of a Labour motion to fight the European elections brings their wish to delay into some doubt. The absence of draft legislation to handle the delay period with the EU also shows some sloppiness or hesitation. Even more surprising is their inability to tell us what question they would want the referendum to ask.

Mr Starmer seems to want a referendum for Remain voters. It would ask do you want to remain or to accept Mrs May's Agreement. There would be no option for the 17.4 m who want to Leave, as most of us do not see the Withdrawal Agreement as being any kind of Leave. Some Leave voters willing to compromise might accept a vote on would you like to leave without a deal or accept Mrs May's deal? This is unlikely to assuage Remain campaigners for a second referendum. Some now say they want a three way, asking between No deal, the Withdrawal Agreement and Remain.

This three way has two fundamental objections. The first is it is primarily

a re run of the first referendum, so what is the point of it? People are likely to say the same again, with more probably voting to leave out of anger with the political classes for failing to do as promised the first time. The second objection is the winning answer might only get 34% of the vote, with almost two thirds of the country unhappy with the outcome. That would be more divisive than the first referendum.

Some in Labour want to put their different approach to Brexit negotiations on the ballot paper as an option. This is itself a bit vague but probably entails membership of the customs union with some kind of shadowing of the single market and acceptance of EU views on movement of people and citizens rights. There seem to be different versions of whether Labour accepts or wants to end freedom of movement, and whether they want us in effect under the ECJ for many of our laws to stay compliant with the single market. There would need to a written down detailed version of this to be able to ask people about it. More importantly it would need the EU to sign off in principle that they would agree to it, as otherwise we would be voting on a nonsense which was not negotiable.

I think it unlikely there will be a Commons majority for a second referendum. It is a spectacularly bad idea, guaranteed to split the country more, frustrate good government for longer and undermine the UK's stature and reputation abroad. Leave voters do not want a second referendum and see no need for one. Were a second referendum to give a different answer why would that answer be better than the answer properly given to the first one?

[Speech to Conservative AGM on March 1st 2019](#)

At the AGM I thanked all the outgoing officers of the Association for their hard work over the previous year and wished the new team under David Edmonds well for the year ahead.

I said that the overwhelming response from voters over Brexit was to get on with it. The country and the Wokingham constituency want it over with, so Parliament can give more time and attention to the issues of schools, healthcare, economic growth, taxation and transport that have direct effects on day to day lives. I explained how I am trying to get the government to leave the EU on 29 March in accordance with the legislation passed, whilst tabling and seeking to negotiate a comprehensive free trade agreement.

I am determined that government should also tackle the needs and priorities we share for 2019. I am working with government on a better deal for the schools and surgeries of West Berkshire and Wokingham. We need to get the Council and government together on the issue of enforcement of the local plan constraints on additional housing and on how the five year supply of land is

calculated. There needs to be more action on bad junctions and inadequate roads.

The vision that unites us is that of a more prosperous and freer UK. We want more people to become homeowners, more to receive high quality education, more to have access to great training. Current policy is creating more jobs and more better paid and full time jobs. We want people to be well paid because they are productive, with good career prospects from gaining qualifications and experience. We want people to enjoy personal freedoms, with the benefits of new technology supplementing the freedom that personal transport and a good home can bring.

Getting the economy growing faster

Too much navel gazing about Brexit is crowding out time and space to discuss how we should respond to the worldwide slowdown in growth, to the recession in parts of the European continent, and to the need for policy change here to stimulate more enterprise, jobs and higher living standards.

In the USA, UK, Euro area and China the Central Banks have been tightening. Money and credit growth slowed markedly in 2018 especially in the UK. The US had rate rises and reduced Quantitative easing, but there was a big offset with the large tax cuts the President put through the Congress. Money growth fell off late last year. This year the Fed has reduced its QE cancellation rate and signalled a softer approach, leading to some rebound in money growth and a big rally in share markets from relief.

In the UK we had two rate rises, the cancellation of special loan facilities for the commercial banks, no more QE and tough guidance on consumer credit, on top end mortgages and car loans. Money growth halved. UK tax policy has been hostile to property and to cars, with big hikes in Stamp Duties on numerous transactions, and in Vehicle Excise Duty deterring purchases of new vehicles. UK fiscal policy has also tightened considerably, and this year there was an additional substantial further tightening from an unplanned extra cut in the deficit.

In China a doubling of car purchase tax to 10% and a credit squeeze brought down their car market and added to the slowdown induced by tougher money policies. In the Eurozone they ended Quantitative easing, continued to battle under reserved banks and hit the car industry with new emissions regulations. The gilet jaune protests damaged French sales and growth. Italy moved into recession. Germany had a fall in GDP in Q3 with no growth in Q4.

In such conditions with slowdown in our major trading partners around the world the UK should be taking sensible measures to promote expansion. Inflation is below target and unlikely to become a problem any time soon. The government should cut Stamp Duties. The present rates are reducing the

revenues and have caused quite a shortfall compared to Treasury and OBR forecasts. The government should take VED back to pre 2017 budget levels to reduce the tax on buying a new car. Business rates on the High Street should be cut to help retailers. VAT should be removed from green products and domestic fuel, helping keep inflation down. The Bank of England should announce new good value loan facilities for commercial banks wanting to on lend for new business and growth. It should remove its special strictures against car loans as there is no evidence of credit danger threatening the system. It should state, as the Fed has now done, that it will be patient before any rate rise, and will want to see evidence of faster economic growth and a decisive upturn in money growth before a rate rise. This should all happen whatever we do on Brexit.

Let us assume we leave on 29 March without signing the Withdrawal Agreement which is what will happen unless Parliament legislates to delay or stop Brexit or legislates some Withdrawal Treaty. The government should then hold a budget in early April to spend the money we will be saving from end March on our net budget contributions. It could spend an additional £12 bn next year on better public services and tax cuts without increasing the deficit. Given the substantial tightening and the low level of the planned deficit I would go further and spend £20bn or half the budgeted £39bn cost of the Withdrawal Agreement in the first year. That would provide a welcome 1% boost to the economy. Our schools, social care and public security budgets all need more, whilst selective tax cuts could boost home buying, cars, green products and the High Street if we cut VED, Stamp Duty, Business rates and VAT. Some of these tax cuts would yield more revenues as they are currently stifling business.

[The endless pessimism of Remain MPs](#)

I have never known so many MPs be so pessimistic and so lacking in enthusiasm for anything about our country, our people, our ambitions and our opportunities. It is as if they are in some kind of trance, trotting out EU propoganda and Project Fear scare stories as if no-one had heard them all before, and as if they were about to change Leave voters minds. We did not believe them the first time we heard them, and we still do not believe them.

It is also disappointing that Remain MPs elected to improve the living standards and lives of UK voters have so little confidence in the abilities of the UK to govern ourselves and to raise living standards by our own efforts and by good policies. Opposition MPs seem to think all good standards require an EU law to set them out, as if we cannot pass laws we are proud of for ourselves. They are desperate to give away as much of our money as possible to the EU and refuse to examine the outrageous vague overinflated and long lasting financial pledges in the draft Withdrawal Agreement.

They make endless repetitious speeches around a few tired soundbites.

They tell us leaving without a deal would be “catastrophic”. When you ask why and how, there is no solid response as it would not be a catastrophe. The best they can do is to say we will be starved of food and medicines, as if the UK was about to mount a blockade of our own imports to deny our shops and customers access to the products the rest of the world still wants to sell us. No main EU supplier has said they want to terminate their contract, and no-one has explained what blocks we will create at our ports to stop the goods coming in.

They tell us we will be leaping off a cliff if we leave without a deal. If you ask how and why again there is no factual or sensible response. They sometimes say Just in time supply chains would be disrupted. If you ask how and why there is no sensible response because they will not be disrupted. They seem to think EU trade is friction free, which it is not, and that non EU trade is impossible. In practice there are mixed supply chains for manufacturing in the UK, with materials and components coming in from EU and non EU. If they are all under rest of the world terms after Brexit it will work fine. They seem ignorant of Intrastat declarations, of food and animal inspections and the other features of current EU trade. They ignore the old fashioned and worrying paper and wet stamp system written into the Withdrawal Agreement which would slow things down badly and is worse than the WTO system we use for non EU trade today.

They tell us there is a genuine Irish/Northern Irish border issue. They seem unaware of the fact that it is today a complex international border. It requires changes of VAT, Excise, and currency. It has collaborative systems both sides of the border to combat terrorism and smuggling. If there have to be customs paid they will be paid electronically away from the border as VAT is today. If there need to be other checks on goods they too can be done away from the border. Most will be done as today at factories and farms before shipping product, with electronic manifests providing the necessary detail, and or at arrival at the warehouse or store taking delivery.

[Another pro Leave Minister resigns](#)

We heard a lot about the need to keep three dissident pro Remain Cabinet members in the government to justify the change on possible delay. Meanwhile yet another good Minister from the Leave side understandably felt he had to resign given the continued drift of policy away from our Manifesto. This repeats the pattern so far.

Not a single pro Remain Cabinet Minister has resigned. The PM has instead lost from the pro Leave side a Foreign Secretary, two Brexit Secretaries, and a Work and Pensions Secretary from the Cabinet because they did not see the Chequers proposals and the Withdrawal Agreement as compatible with the

Manifesto pledge to leave. The government has also lost two Brexit department Ministers, a Northern Ireland Minister and now a Fishing and Farming Minister from the Leave side. There have been 15 resignations from PPS and Vice Chairmen of the party roles as well from the Leave side. 23 resignations over the same policy is trying to tell the government something, and shows how important this matter is that so many will give up interesting jobs they wanted to keep to make their point. I doubt there has ever been a policy in British history that has caused so many people to resign, without generating the necessary change of policy being sought.

The latest loss of George Eustice is a serious blow to the government. George is well versed in agricultural and fishing matters and was piloting through important changes for those industries so they can do better once out of the EU. He has been both patient and willing to compromise to help the government, but now rightly feels there has been too much drift away from the Brexit we set out in the 2017 election. He will be a welcome addition to the backbench campaign to secure a proper Brexit, but is a further shift of expertise and talent from the government to the backbenches.