

A WTO exit Cabinet

We are told today the Cabinet meets to review and progress preparations for the UK to leave the EU next March without signing a Withdrawal Agreement. Many Ministers and officials have been working on this contingency plan ever since we voted to leave the EU. Preparations should by now be well advanced. Today the Cabinet needs to set out a programme for telling us all of their success in ensuring things work smoothly on March 30th next year, and in giving helpful guidance about how trade will be progressed and transport will continue to move.

Ministers should be confident that the arrangements they are putting in place will work, and sensibly reassuring that in many cases things will continue just as they are the day before we leave. The Transport Secretary has set out in detail that the planes will continue to fly after March 29th, and that everyone who wishes can book their business trip or their holiday with confidence for next year after exit. Air Services Agreements are being put in place.

Work is well advanced at Calais to handle customs and any additional checks required without undue delays for trucks. Calais wishes to keep the business and is well aware of the competitive threat from Belgian and Dutch ports if they were not capable of handling lorries with good transit times. The Republic of Ireland is very keen Calais gets its act together, as substantial volumes of Irish goods use the roads of the UK as a land bridge to get things to and from the continent more quickly than going by a longer sea ferry route. They wish to see rapid transit times at Calais as well as us. French exporters to the UK also have a strong interest in Calais working smoothly and efficiently. We need to be told of the various Ro Ro and container options and arrangements so trade continues to flow.

The NHS needs to continue importing pharmaceuticals from the continent under existing contracts. These drugs are all licenced and approved, and already need to come to the UK with proper reporting of how and where they were made, what the tests results were and how they conform with the standards required. The Health Secretary needs to confirm he has ensured this will continue in good time. There should not be a need for additional stockpiles if he has done his job properly for the NHS.

I know of no supermarket that thinks it will be short of food in April. Ministers should spell out what if any additional checks are needed and how they have put in capacity to ensure these take place without delaying imports.

Ministers are employed by us to make these things work. Instead of fuelling fears that things might go wrong, as some seem to do, we want to hear well based reassurance from them that they are doing their jobs properly and have plans in place to make things work. I have still not heard a scare story I believe, and do not think the EU will be able to mount some kind of self harming blockade of their trade with us after we leave. I find myself in the

position of having more confidence in our Ministers' abilities to make it work than they sometimes express in themselves. I have this confidence because most of what happens to ensure imports and exports work is nothing whatsoever to do with governments. It rests on a willing buyer and a willing seller, who will still be there in abundance the day we leave the EU. The day after we have left the same rules and regulations apply in the UK as the day before we leave. There can be a gentle transition on that day as a result.

It is apparently a shock to some in government that the UK can once again run her own affairs. That is what we pay the government salaries to do, so let's hear how they are doing it. I repeated my request yesterday to the Prime Minister that we should publish our tariff schedule now, and should remove all tariffs from imported components to be used by UK based manufacturers. That would be a good boost to UK manufacturing.

[A managed WTO Brexit](#)

Jeremy Hunt has said on behalf of the government that we can handle a WTO exit next March. The whole government needs to spend the next three months preparing well, sorting out the remaining issues quickly. It needs to provide an upbeat commentary about all the things it has done to ensure a smooth transition when we leave. The government assures us it has been preparing for 2.5 years so far, and must by now have done most of the work. We know that the ports will operate well and that the planes will fly.

Still the lies flow from those who want to reverse the decision of the referendum on the media. They are now arguing all over again that we will not be able to export food once we leave the EU. If the EU does impose high tariffs on UK food exports – one of the few areas they could do so as there are some high tariffs on non EU food at the moment – the UK will clearly switch some production from export to the EU to domestic consumption. Our own market would be better protected from EU imports by our also imposing similar tariffs. We should at the same time lower the average tariff we impose on food to encourage non EU countries to buy more of our food by encouraging mutual reduction of tariff barriers and to make imported food from the non EU which we cannot produce for ourselves cheaper. The scare stories usually fail to understand two crucial things. We will decide how high a tariff if any to place on imports. The EU cannot impose a higher tariff on our exports to them than it imposes on any other WTO country. The EU currently has low average tariffs of around 3%, with no tariffs at all on half the trade. The pound has fallen by more than 3% against the Euro so overall there is no loss of competitiveness if they do impose some tariffs.

The government is over reacting to stories of friction at our borders once we leave. It is busy encouraging stockpiles of medicines for no good reason. It

has confirmed there are no continental companies cancelling contracts to supply after March 29. There are no UK plans to delay the drugs for longer at the ports. Were there to be any extra delays then the supplying companies would just have to send them a bit earlier, as they have to today if there are strikes or crashes affecting continental roads. There is plenty of container capacity should there be Ro Ro problems, but Calais is busy fitting out its port to handle customs to ensure it keeps the business after we leave.

The so called non tariff barriers to trade include VAT, Excise and company tax. These frictions we already handle at our borders with the rest of the EU as we have different rates and incidence of these taxes. They include inspections of food and goods quality and safety. Most of these checks are done away from the border. The exporting company tests the product at the factory and supplies the test details on the electronic record of the consignment. The importing company may check again on delivery. Customs and national safety authorities can spot check consignments to ensure it is as recorded, usually on suspicion from investigation or tip off. None of this need cause new extra delays at ports. If we can handle the complexities of VAT and Excise today why is a tariff tax more difficult?

What is so depressing is how remorselessly negative the media and many of their chosen interviewees are. It as if we were never able today to import or export anything outside the EU, and as if governments were incapable of finding an easy way of lifting more money off companies in the form of extra customs dues if we leave and some tariffs are imposed. There are strict limits to how much power the EU has over trading companies, and there are international and EU Treaty obligations on the EU itself to promote and encourage a good trade with non EU neighbouring states. Some Remain supporters seem to think that the EU is evil in intent and will be a lawbreaker just to be difficult.

Thames Valley Police grant

On Thursday the government announced an increase in grants to police forces. Thames Valley will receive an additional £8.8m in general and pensions grants. The Commissioner can also levy up to an additional £24 million to meet budget needs.

A reply to constituents concerned about Brexit and wanting a second referendum

Thank you for your email concerning Brexit options. Trying to represent any constituency when opinions are so divided on this important matter is not easy. Clearly an MP has to express one view and cast one vote in any matter to be settled, whilst his constituents have a range of views. In order to come to a judgement I take the following things into account

1. The promises I made in my own Manifesto to my voters at the last General Election, and the promises made by my party in that Election unless I expressly disagreed with them at the time
2. The recommended course of action laid down by the Conservative whip. People elected me to support a Conservative government, so I normally vote with that government. They also voted me in to exercise some independent judgement, which I am willing to do when I think that government is wrong.
3. The balance of opinion within my constituency, judged from my email box, website contributions and my conversations with constituents. I often reinforce this by announcing a consultation and encourage people to write in. I also look at national opinion polling which often reflects changes of moods in Wokingham.
4. My judgement of the issue based on experience and knowledge, with a mind to what will be the best outcome for constituents

I do not take into account my own interests, which are irrelevant when exercising the power of voice and vote held as MP, which is held on behalf of the community I represent.

There are now various options being proposed as to how to proceed with the EU. The immediate question relates to Mrs May's draft Withdrawal Agreement with the EU. I have consulted very widely on this and also have made my own judgement about the wider interest of Wokingham and the nation. It is clear that this Agreement does not suit Leave voters, who do not think it represents what they voted for, nor does it suit a substantial number of Remain voters who rightly worry about leaving us without vote and voice in the EU whilst being partially in it. I therefore oppose this Agreement. Until the government either rejects this Agreement or puts it to a vote in the Commons, it will not be possible for the government to explore other options on how to proceed or for Parliament to vote on such options backed up by government legislation to enact them.

I therefore intend to continue to argue that we need to vote down the Withdrawal Agreement soon, to enable us to think of other ways forward. The Conservative party and the Prime Minister do not favour a second referendum, and we did not include any such proposal in our Manifesto. In order to understand the case for one better I would appreciate it if you could tell me

what the question should be in any such vote. It does not seem to me to be much point in putting Mrs May's Withdrawal Agreement to a public vote when it looks as if it is opposed by a large majority of MPs. If we had a referendum on Mrs May's Agreement or staying in Leave voters would feel their option was excluded, and if Mrs May's Agreement won there would still be difficulties in getting it through the Commons unless Labour then agreed to back it. If we had a re run of Leave or Remain the vote would not necessarily resolve the Parliamentary logjam created by the last referendum on that topic and would lead to demands for a third referendum were Leave to lose.

There are no easy answers when Parliament remains so divided on this issue.

[The curious case of the car industry](#)

Day after day I hear scare stories on the media that the UK car industry may suffer if some undefined friction were created at our ports impeding the inflow of components after we have left the EU. I have proposed no tariffs on any parts coming in, so there would be less friction on non EU parts than today, and the government may well adopt such a proposal. They have certainly not ruled it out. No-one has yet explained why we will mess up our ports in ways which delay deliveries to car plants. Just in Time systems anyway flex according to how far the components come and the journey conditions they experience in the regular course of business.

What I do not hear is analysis and concern about the very real damage being done to our car industry whilst we remain full members of the EU. The collapse in car sales since the Spring of 2017 has nothing to do with Brexit and everything to do with the high Vehicle Excise Duties, the tax and other regulatory attacks on diesel cars, and the tough guidance to banks to cut down the car loans imposed by the UK authorities. As a result car sales have fallen by almost one quarter, and car sales by Jaguar Land Rover have been hit much harder given the high proportion of expensive cars and of diesels in their mix.

Why doesn't the media take up these unhelpful policies, and make more of them than the silly scare stories about why might happen if we just leave the EU?

It would also be good to have more informed comment and discussion of a real economic problem worldwide, rather than the false worries about Brexit. The rest of the world is talking about the general move to slow money and credit growth in the USA, the Eurozone and China as well as in the UK. Car sales are very dependent on credit and get hurt early on when rates rises or when cash is restricted in banking systems. Car sales in China fell heavily last month. US car sales peaked earlier this year and are also in decline. The German car industry got hit badly this autumn. It was largely attributed to changes in EU regulations delaying certification and sales of new vehicles, but it is probably also about the turning of the credit cycle and the decline in

underlying demand in the world car market.

I have often said that whilst Brexit is a very important political and democratic event for the UK, it is unlikely to have much impact on the world economy, and will have just a modest positive impact on the UK economy once we leave if the government follows sensible policies. We should try to prevent endless scare stories and the Groundhog day coverage that is the current UK media from stifling debate on the things that do have an economic impact. The media should be expressing some alarm about what monetary tightening is now doing to the world car industry. There is no obvious inflation threat in the advanced world, and clear signs of economic slowdown.