

## Village Maids cheese

Last night at the Trafalgar evening I was introduced to a local cheese called Waterloo. Made in Riseley it is a tasty product, and reminds us what scope there is to add value to farm products. They use milk from nearby Henley. This local business complements Barkham blue, another cheese which has done well in recent years.

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## Mrs May's Conservative Manifesto says only sign a Withdrawal Agreement if there is a good Future Partnership Agreement as well

The Conservative Manifesto for the 2017 election made pledges on the matter of the EU, and has never officially been renounced or amended by the Leader. I and many others stood for election on it and supported the Brexit pledges in it. I did not support the elderly care proposals in the same Manifesto as I made clear before the election. The PM subsequently dumped these.

It might be helpful to remind the PM and others of what the Manifesto said:

“We continue to believe no deal is better than a bad deal”. The Manifesto proposed a Future Partnership Agreement but accepted it was only worth signing if it was a good one. This remains the PM's stated view.

It also said

“As we leave the EU we will no longer be members of the single market or customs union” This too remains her view, though there is now unwelcome discussion of staying in the Customs Union for longer.

The Manifesto also saw the need for linkage between the EU wish for us to sign a Withdrawal Agreement and the PM's wish to have a Future Partnership Agreement. “We believe it is necessary to agree the terms of our future partnership alongside the withdrawal, reaching agreement on both within the two years allowed by Article 50”. Here the PM has proceeded to negotiate mainly on the Withdrawal Agreement, making it impossible to agree a Future Partnership Agreement before we leave in March 2019. This surely means we cannot sign the Withdrawal Agreement they propose.

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# There will be no economic blockade of the UK when we leave the EU

Those who most want us to stay in the EU think the EU is a dreadful organisation. They wrongly say the continent will mount an economic blockade of the UK, stopping us importing medicines and food, to starve us back into membership.

There are many reasons why they cannot do this. It would mean breaking international contracts to supply. It would mean overturning World Trade rules. It would mean contradicting the EU Treaties which require the EU to have friendly relations with neighbouring states and to promote free trade with them. It would mean the EU acquiring new powers to prevent private companies and individuals doing business with UK customers and suppliers.

Let's take the case of food imports. Food coming through a UK port will be checked and charged customs by UK authorities. They can do so away from the border, and can ensure smooth passage through our ports. Why would they want to suddenly hold up goods that we are importing just fine today through those same ports the day after we leave? Why wouldn't they levy customs as they levy VAT and Excise today, electronically.

Or let's take the case of medicines. A continental drug supplier will have the same contract to supply the same drugs on March 30 2019 as on March 29th 2019. The NHS has tested and approved the drugs for us. The company has factory based test facilities with inspection systems that satisfy the NHS today. They will still satisfy the NHS on March 30th 2019.

So why would the supplying company wish to withhold supplies and face a legal challenge from the NHS? Why would a continental port wish to hold up the export of goods for further checks, when these goods have all been produced to EU standards and checked in situ?

Some say the port of Calais will delay our exports going to the continent, demanding more checks at the frontier. If they do then the ports of Rotterdam, Antwerp, Zeebrugge, Ostend and Amsterdam would love to take the business and will not wish to hold them up. Many of the lorries going back to Calais are continental lorries running empty and wanting to pick up a new revenue earning load as soon as possible. Why would the continental port wish to get in their way?

The EU has many powers, but it does not have the power to impose an economic blockade on a friendly European state that happens not to be a member of the EU. The private companies involved all want to keep the business.

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## Stamp Duty revenues fall with higher rates

I see others are now writing that Stamp Duty revenues have been adversely hit by the imposition of much higher rates, as predicted here. Official figures show Q2 2018 housing Stamp duty revenues down on a year ago, with sharp falls in transaction volumes for dearer homes following the higher tax rates. So why doesn't the Treasury set rates that increase the revenues instead of hitting them?

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## Why we will get an economic boost from leaving the EU on 29 March 2019

Many commentators wrongly assume the EU will impose some kind of economic blockade on the UK once we leave the EU. They are not making any legal provision so to do, and it is difficult to see how they would do it. They cannot break the many outstanding contracts to supply or to import. Were Calais to work a go slow the Belgian and Dutch ports would willingly divert the business and gain market share. The planes will fly on March 30th, and Airbus will still be buying UK made wings in order to meet its customer contracts. The EU has many powers over the UK government, but it has limited powers over importers, exporters and multinational companies when it comes to stopping them doing business. National governments employ the border and customs staffs.

What most commentators then ignore is the big gains we will be able to achieve from repatriating our money. The balance of payments will immediately improve by £12 bn a year as we stop sending net contributions to the EU. We will be able to spend more money on our essential public services, and have some tax cuts. If we spent the full £39bn they are proposing to spend on so called transition on the UK economy over a two year period, that would provide an immediate 2% boost to incomes and output over that time period, all other things being equal.

There is also the question of how much stimulus to the economy we could achieve by setting a different tariff schedule from the EU one that met our own needs. Imposing some tariffs on EU exports to us where we have capacity to make at home could provide a boost on a net basis, given that we import more than we export. Cutting tariffs on products from outside the EU that we cannot make or grow for ourselves would boost our real spending power. I am not going to put a number on this, as it would not be nearly as great as the impact of spending our own money, but it could also be a positive figure.

I am still awaiting a formal reply to my letter proposing the government now publish our tariff schedule for next March. They have told me informally they agree, so will they get on and do it.