[My speech during the debate on the Agriculture Bill, 10 October 2018]

John Redwood (Wokingham) (Con): There has been a big decline in our self-sufficiency as food producers during the 46 years in which we have been in the common agricultural policy. As a result, we are now net importers from the continent of Europe, to the tune of £20 billion a year—a very large part of our balance of payments deficit—of food, including processed food, that we could rear or grow for ourselves, or process for ourselves if we wished. I hope that, as the Secretary of State works away at the Bill during its passage through the House, he will take on board what is being said by all of us who are urging him to make good production—high-quality food production, and local food production—a central part of his mission and what he is trying to achieve in conjunction with our agricultural businesses and our farmers, because much more can be achieved.

One of my colleagues has already pointed out that we could have new procurement rules that would allow us competitive procurement that also takes into account food miles. A really good green policy is to get the food miles down. We do not need ships and trucks carrying around bulky and quite heavy items of not huge value, when we could be growing them for ourselves and the farmer could be making a profit because transport costs would be lower, so can we please do that?

Will the Secretary of State understand that perhaps the most important thing farmers need to know, from 30 March next year if we leave without an agreement or from 2020 if we leave with an agreement, is what our schedule of tariffs will look like, because Brexit is not a great threat or problem; it is a massive opportunity? Here is an industry that has been wrecked and damaged and pillaged for 46 years, almost as badly as the fishing industry in some cases, which was probably the worst hit, and we have the opportunity to take it back in hand and encourage those who work on our behalf in the industry and to bring a bit of sunshine to the operation to show that there is a huge market opportunity out there.

The great joy is that this Bill rightly takes powers so that the Secretary of State and the Government can do what they need to do with the WTO, which will be running our trade framework whatever we do by way of agreement or no agreement. The WTO also has a pretty important role in this today, but of course we cannot influence it directly because the EU handles the account, and very badly it does so from the UK point of view.

If we look at our tariff schedule, we see at the moment that we have eye-wateringly high tariffs on temperate foods that we can grow or produce for ourselves from outside the EU, but zero tariffs on temperate products we could rear or grow for ourselves from inside the EU, and that competitive onslaught from some of the intense, and often subsidised and highly capitalised, farming on the continent has done enormous damage to our market share and undermined the businesses of many of our farmers over the 46 years we have been in the EU.

The Government should set out urgently for consultation what our tariff schedule will look like if we are leaving on 30 March 2019, because I assume the tariffs will be above zero for the EU as they have got to be the same as for the rest of the world, but I assume that we would want lower overall tariffs than the EU imposes on the rest of the world, and I assume that we would want to flex the tariffs down more on the things we cannot grow and rear for ourselves and would also want to make sure there is protection in there, in the spirit of our current regime, which is heavily protected against non-EU products.

I am not sure what the right balance is; that is something I am sure my right hon. Friend and the International Trade Secretary have either worked out or will work out quite soon, but the sooner we consult on it, the more hope we will give the farming industry. It must feel part of this process, because these will be its tariffs and they offer us this great opportunity to get access to some cheaper food where we are not competing and have uniform protection at a sensible level for both the EU and the non-EU, because it is the EU that is causing the main threat.

May I remind my right hon. Friend that he is our English Agriculture Minister and we want him to speak for England? Who in this Government does speak for England? I come into the Chamber and hear debates about the Scottish problem and the Irish border, but we must not forget England, our home base for most of us on this side of the House. England expects; England wants better; England wants to be able to compete; England wants a policy designed to promote English farms. I find that a really good English farm, with really good farming, looks beautiful and deals with the environment as well as food production.

School Funding

I have received a further update on School Funding:

There has been considerable discussion of international comparisons of education spend. Following publication of the most recent volume of the definitive international guide to education, the OECD’s Education at a Glance. This was published on 11 September 2018, and includes the most recent comparable data available, which is from 2015.

You can see the OECD’s full report on their website (https://bit.ly/2oWhReb) and you may also want to look at the World Bank’s interactive tool (https://bit.ly/2zUB863) which allows you to pick different measures and compare between different countries. Data are collected by the OECD, using a common methodology to allow for comparison between countries. The figures include (for all countries) money direct to schools, and school support programmes. Our data are included at the UK level. Across the UK, England accounts for 84% of pupils, Scotland for 8%, Wales for 5% and Northern Ireland 3%.

Multiple measures show the UK as a relatively high spender on education. The widest measure is total expenditure on educational institutions, which includes state-funded and independent schools, further education, and tertiary education (i.e. university and post-18 FE), from all sources, including government, private and international (this is the basis for all countries in the analysis, not just the UK). On this comparison, the UK is one of the very highest spenders among OECD nations and partner countries – see Figure C2.1 in Education at a Glance (https://bit.ly/2yepukp).

It is also possible to look at measures which isolate government funding of primary and secondary schools only. On these measures, the UK had the highest total government expenditure as a percentage of GDP in the G7, and was one of the higher G7 countries (though below the US) on expenditure per student (with all countries' spend converted to US$ using purchasing power parity rates to allow international comparisons to be made). Data on expenditure as a percentage of GDP by source of funds can be found in Table C2.2 (https://doi.org/10.1787/888933804242) and data on expenditure per student by source of funds can be found in Table C1.5 (https://doi.org/10.1787/888933804109).

Of course, spending our money well is as important as how much we spend. For schools, we have just launched our Supporting Excellent School Resource Management guide (available here: https://bit.ly/2Rsw27R). This summarises the range of practical help and support available to schools to help reduce cost pressures and make every pound count to produce the best outcomes for pupils, on the £10 billion spent across England each year on non-staff costs. The document also shows at a macro level how increases in funding over the last 20 years have been spent. Comparative spend data for individual schools can be found through our benchmarking service (https://bit.ly/2BUJ8q1).

Damian Hinds
Secretary of State for Education

The Treasury keeps the UK under the control of EU austerity policies.

The UK solemnly goes on complying with all requirements on a member state of the EU. This year they dutifully filed their "2018 National Reform Programme and their 2018 Convergence programme". The Treasury has long accepted the EU's demands that we keep throttling back the deficit and move to getting down the debt as a percentage of GDP. There are times when the EU are right about this, but at issue is who makes such a judgement and who actually runs our economic policy? The EU has overdone the austerity in some cases causing more unemployment and lost output than needed. Mr Osborne turned this into the keystone of his economic policy and claimed it as his own, but it was just the UK version of EU economic policy which we were obliged to follow by being members.

The EU duly marked our homework this year and concluded formally “The Council is of the opinion that the UK needs to stand ready to take further measures as of 2018-19 to comply with the provisions of the Stability and Growth Pact”. Presumably seeing that this would go beyond our membership, they mentioned in the supporting text the possibility that we will stay in for another 21 months transition when they would expect this policy to continue to be binding. The Council has instructed the Treasury to keep the nominal growth rate of public spending down to a maximum of 1.6%. That is a real terms cut at current inflation rates.

I want the UK Treasury to step aside from the long shadows cast by the European Semester and to announce a new budget strategy for the years ahead following our departure on 29 March 2019. We need a policy which is kinder to growth and to public service provision than the EU strategy has proved. The PM has said she is ending austerity. This is incompatible with following EU rules beyond next March, and depends on getting our money from the EU to spend at home.

Let’s grow and rear our own great English breakfast

In my speech to Parliament on the Second Reading of the Agriculture Bill I will ask the Secretary of State to improve his Bill. It should have at its centre the provision of laws and government policies that support growing food at home, and promote more UK output. Mr Gove presents himself as a champion of the environment. What better cause than to grow more food at home, slashing food miles and taking care of our countryside for a useful purpose at the same time. It will bring big carbon savings on transport, refrigeration and storage.

During our time under the control of the EU Common Agricultural Policy we have watched as we have become more and more dependent on food we could produce for ourselves coming in as imports from the rest of the EU. Meanwhile food we cannot grow for ourselves faces substantial tariffs from non EU sources, with no benefit to us.

So my questions are

Will he put food production at the centre of his Bill? Why is he relaxed that the Great English breakfast often has Danish bacon, continental pork sausage and Dutch tomatoes? Why does traditional English roast beef often use imported beef with Spanish and Dutch vegetables? Can't we do these things for ourselves again?

Will he with the Trade Secretary publish now the schedule of tariffs the UK will impose on the rest of the world including the EU on 30 March 2019 if we leave then, or at the end of the Transition period if we reach an Agreement? Will he cut the tariffs on non EU products we cannot grow for ourselves? Will he set a sensible tariff on worldwide temperate produce, which can be lower than current EU tariffs as we will be levying on rest of EU produce as well?

Will he examine how the current EU subsidy levels could be better spent to reward those farmers who boost output and productivity as well as dealing with environmental concerns?

Why do so many in the media ignore the most important points about our economy?

The UK establishment media are usually slaves to Treasury spin and Bank of England error.

Throughout the Osborne years as Chancellor we were told the main thrust of economic policy was to bring down the deficit. 80% would be achieved by spending cuts and 20% by tax increases. I set out regularly from the Treasury's own figures that public spending carried on rising in total in cash terms, and edged up a little after allowing for inflation. In normal language this meant 100% of the large deficit cut achieved relied on a very big increase in tax revenue. Some of this increase came from higher rates, particularly on VAT, and some from lower rates on higher incomes which generated substantial extra income for the state. It was of course true that some programmes suffered from actual cuts, and areas like the NHS and schools with no real cuts were squeezed more than under previous budget plans. It was also true that areas like Overseas Aid and EU contributions marched remorselessly upward. The Chancellor sought to gradually relax the tough controls and cuts Labour had imposed on capital spending towards the end of its period in government as it wrestled with its huge deficit.

More recently last spring I highlighted the addition of a monetary squeeze to the fiscal squeeze going on and predicted this would lead to slower growth. That duly happened. The tax attacks on housing in the 2016 budget and on cars in the 2017 budget meant these areas suffered especially. I have yet to hear or see interviews asking why we need a combined monetary and fiscal squeeze, or even much acceptance that this is what is happening. This slowdown has nothing to do with Brexit. The economy performed well for the first nine months after the vote, when the official forecasts predicted an immediate collapse and a recession in winter 2016-17 which did not of course happen.

There have been too few examinations of how the UK establishment so misjudged the adverse impact of joining the EEC, misjudged the dreadful impact of the European Exchange Rate Mechanism, misjudged the Euro ignoring the obvious structural weaknesses which led to a series of Euro crises, misjudged the banking boom and bust and most recently misjudged the impact of a Brexit vote. One golden strand, which in their hands turns out to be base metal, links them all. Any economic project which comes from the EU is always favourably rated, and is usually bad news. Remember the “golden scenario” they said the Exchange Rate Mechanism would bring about? Or the huge extra growth that the Euro would foster? When you look at economic history you discover that a scheme which could be good for jobs and growth has usually been at best disappointing and at worst downright hostile to progress.